
Results of the Board of Directors on November 24, 2017

November 28, 2017. Moscow, Russia. PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces the results of the Board of Directors held in absentia on November 24, 2017.

The Board of Directors determined maximum cost of services for the audit of the Company's financial statements prepared in accordance with Russian Accounting Standards (RAS) and the audit (review) of the consolidated financial statements of the RusHydro Group prepared in accordance with International Financial Reporting Standards (IFRS) for 2018-2020 in the amount of RUB 468,615,000 (incl. VAT of RUB 71,483,644), including:

- RUB 151,786,400 for 2018;
- RUB 155,976,800 for 2019;
- RUB 160,851,800 for 2020.

The Board of Directors approved the Report on implementation of non-core assets disposal plan for the 9 months of 2017.

In connection with the planned change in the lending terms of the companies of the Boguchansky Energy and Metallurgical Association (BEMO) project, the following changes to the decisions which were made earlier by the Board of Directors of the Company on the scheme for financing the BEMO project (Minutes No. 107 dated 13.09.2010 (Issue No. 1), No. 168 dated 30.11.2012 (Issue No. 1) and No. 230 dated 25.12.2015 (Issue No. 1)):

1. As regards the loan granted by the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank) (the Lender) to the Closed Joint-Stock Company Boguchansky Aluminum Plant (CJSC BoAZ) on the basis of a loan agreement dated 03.12.2010 No. 110100/1167 (taking into account additional agreements):

1.1. Integrate JSC RUSAL and JSC Holding Company BoAZ to the project companies that provide security for the performance of obligations of CJSC BoAZ under a loan agreement by providing the Lender with a 100% of shares to BALP Limited (Cyprus), after transferring to each of the said companies 50% of the shares of BALP Limited (Cyprus) from RUSAL BoAZ Ltd. (Cyprus) and HydroOGK Aluminum Company Ltd (Cyprus), respectively.

1.2. To establish that the discharge of obligations by CJSC BoAZ under the loan agreement in full is additionally secured by the guarantee of the PJSC Boguchanskaya HPP.

2. As regards the loan provided by Vnesheconombank in favor of the PJSC Boguchanskaya HPP on the basis of the loan agreement dated 01.12.2010 No. 110100/1168 (including additional agreements):

2.1. Set the following interest rate for the loan: fixed at a rate of 9.5 percent per annum.

2.2. From the date of the surety agreement between PJSC Boguchanskaya HPP and the Lender to secure the discharge of obligations of CJSC BoAZ under the loan agreement dated 03.12.2010 No.110100/1167, to terminate the guarantee of PJSC RusHydro granted on the basis of the agreement dated 22.08.2011 No. 110100 / 1168-DP to ensure the fulfillment of obligations of PJSC Boguchanskaya HPP" under the loan agreement dated 01.12.2010 No. 110100/1168, to exclude the corresponding guarantee from the list of

collateral provided to the Lender and to terminate the relevant agreement dated 22.08.2011 No. 110100/1168-DP.

The Board of Directors determined that the acquisition price of additional ordinary shares of JSC Holding Company BoHEPS by JSC RusHydro corresponds to the par value and is 1 (one) RUB for 1 (one) additional ordinary share for a total amount RUB 10,113,689,287.

The Board of Directors approved the Agreement (Agreements) of the sale of shares between JSC Holding Company BoHEPS and the Company (hereafter designated as the "Transaction") on the following terms:

- Parties of the Transaction:
- Lender - JSC "Holding Company Boguchansky HEPS";
- Purchaser - PJSC "RusHydro";
- Subject of the Transaction: The Issuer undertakes to transfer to the Acquirer not more than 10,113,689,287 ordinary shares placed by the closed subscription in accordance with the resolution on additional issuance of the Issuer's securities registered by the Bank of Russia. The Acquirer undertakes to purchase and pay for the Shares no later than the period established by the decision on the additional issue of securities.
- Price of the Transaction:

The price of placement of additional shares of the Issuer is 1 (one) RUB for 1 (one) additional ordinary share for the total amount RUB 10,113,689,287.

The form of payment for shares is funds, with the possibility of offsetting money count to the Issuer.

The share of the Acquirer's participation in the Issuer's authorized capital does not change and amounts 100%.

The Board of Directors instructed Company's representatives in the management bodies of JSC Holding Company BoHEPS to vote in favour of adopting resolutions related to the increasing of the authorized capital of JSC Holding Company BoHEPS on the following terms:

- increasing in the number of announced ordinary common shares of JSC "Holding Company BoHES" by 10 113 689 287 (Ten billion one hundred thirteen million six hundred eighty nine thousand two hundred and eighty seven) shares par value of 1 (one) RUB each;
- further authorized shares delegate to their holders the rights according to the paragraph 6.2 of the Articles of Association of JSC "Holding Company BoHEPS";
- increasing of the authorized capital of JSC "Holding Company BoHEPS" by placing additional ordinary shares in the amount of 10 113 689 287 (ten billion one hundred thirteen million six hundred and eighty nine thousand two hundred and eighty-seven) shares;
- Way of placement — direct placement;

- circle of persons among whom additional ordinary shares are expected to be placed - Public Joint Stock Company “Federal Hydro-Generating Company - RusHydro” (PNRN 1042401810494);
- The form of payment for shares is funds, with the possibility of offsetting money count to the JSC “Holding Company BoHEPS”

The Board of Directors took note of the information on the implementation of the action plan approved by the Company's order No. 24 of January 19, 2016, following the results of the on-site inspection of the implementation of the project activities for the design, construction and commissioning of the Boguchanskaya HPP envisaged by the Company's Investment Program for 2014-2016 (Appendix No. 2 to the Minutes).

The Board of Directors took into consideration the information on the implementation of the action plan following the results of the on-site inspection of the Ministry of Energy of Russia on the implementation of the investment Company's project of the Ust-Srednekanskaya HPP (including the analysis of the fulfilment of measures necessary to fill the Ust-Srednekansk reservoir to the design mark and the withdrawal of the Ust-Srednekansky HEPS to the designed capacity) (Appendix No. 3 to the Minutes).

The Board of Directors took note of the information on the implementation of action plans approved by the Company's order No. 384 dated 15.06.2017, based on the results of on-site inspections of the implementation of investment projects TPP in Sovetskaya Gavan, Yakutskaya TPP-2 (1st stage), Sakhalin TPP-2 (1st stage)“ (Appendix No. 4,5,6 to the Minutes).

The Board of Directors took into account the results of the on-site inspection of the Ministry of Energy of Russia on the implementation of the investment project “Supply and replacement of six hydro turbines of Novosibirskaya HPP ”on a turnkey basis” and the Plan of correction for the elimination of violations and deficiencies identified by the Ministry of Energy of Russia (Appendix No. 7.8 to the Minutes).

The Board of Directors approved negotiating the contract on making a contribution to the property of JSC Dalnevostochnaya WPS as a transaction related to the gratuitous transfer of the Company's property on the following material conditions:

Parties to the Contract:

- PJSC “RusHydro”
- JSC “Dalnevostochnaya WPS”

Subject of Contract: Contribution (funds) to the property of JSC Dalnevostochnaya WPS.

The amount of the contribution is RUB 10,169,649.

Terms of contribution - 2 months from the date of the decision.

The Board of Directors approved termination of the Company's participation in LLC Index energetiki - HydroOGK as a result of the reorganization of LLC Index energetiki - HydroOGK in the form of a merger with JSC Hydroinvest.

- The Company's share in the charter capital of LLC Index energetiki - HydroOGK before the reorganization is 0.11%.
- The Company's share in the charter capital of LLC Index energetiki - HydroOGK after the reorganization - 0% as a result of conversion into shares of JSC Hydroinvest.
- The Company's share in the charter capital of JSC Hydroinvest prior reorganization was 100%;
- The Company's share in the charter capital of JSC Hydroinvest after reorganization is 66,81%;
- The aggregate share of the Company and its subsidiaries in the authorized capital of JSC "Hydroinvest" after the reorganization is 100%.

The Board of Directors approved changes in the Company's shareholding in JSC Hydroinvest as a result of the reorganization of JSC Hydroinvest in the form of the merger of LLC Index energetiki - HydroOGK, LLC EZOP, LLC Vostok-Finance.

- The Company's share in the charter capital of JSC Hydroinvest prior reorganization was 100%;
- The Company's share in the charter capital of JSC "Hydroinvest" after reorganization is 66,81%;
- The aggregate share of the Company and its subsidiaries in the authorized capital of JSC "Hydroinvest" after the reorganization is 100%.

The Board of Directors determined position of the Company (of the representatives of the Company) in the management bodies of subsidiaries:

- Entrust the representatives of the Company in the management bodies of JSC "Hydroinvest" on the issue "On the reorganization of JSC "Hydroinvest" in the form of merging LLC "Index energetiki - HydroOGK", LLC "EZOP", LLC "Vostok-Finance" to vote "FOR" the adoption of the next solutions:
- To reorganize JSC "Hydroinvest" in the form of merging with LLC "Index energetiki - HydroOGK", LLC "EZOP", LLC "Vostok-Finance" on the terms stipulated by the agreement on affiliation of LLC "Index energetiki - HydroOGK", LLC "EZOP", LLC "Vostok - Finance" to JSC "Hydroinvest".
- Approve the contract on the merger of LLC "Index energetiki - HydroOGK", LLC "EZOP", LLC "Vostok-Finance" to JSC "Hydroinvest" (Appendix 9 to the Minutes).
- To determine that JSC "Hydroinvest" is a company which, on behalf of all participating companies in the reorganization, informs in writing to the registration authority about the commencement of the reorganization procedure, including the

form of reorganization, and also places it in the mass media in which data are published state registration of legal entities, reports on reorganization ".

- To instruct the representatives of the Company in the management bodies of JSC “Hydroinvest” to vote “FOR” the adoption of the agenda “On increasing the authorized capital of JSC “Hydroinvest””: “To increase the authorized capital of JSC “Hydroinvest” in the amount of 4 749 532 813 (Four billion seven hundred forty-nine million five hundred and thirty-two thousand eight hundred thirteen) RUB by placing additional ordinary shares of JSC “Hydroinvest” within the number of authorized shares provided by the charter on the following terms:
 - number of announced shares: 4,749,532,813 shares;
 - nominal value of one share being offered: RUB 1 (one): the method of placement is the conversion of shares in the authorized capital of the companies that are affiliated with JSC Hydroinvest - LLC Index energetiki - HydroOGK, LLC Vostok-Finance - into additional ordinary shares of JSC Hydroinvest in accordance with the procedure for the merger of LLC Index energetiki - HydroOGK, LLC EZOP, LLC Vostok-Finance to JSC Hydroinvest.

The conversion of shares in the authorized capital of LLC Index energetiki - HydroOGK into ordinary shares of JSC Hydroinvest is made in accordance with the conversion ratio, which is equal to 0.000000000328976474778848.

In accordance with the indicated conversion ratio of 100% of the shares in the authorized capital of LLC Index energetiki - HydroOGK with a total nominal value of RUB 9,215,800,000 are converted into 3,039,731,034 of ordinary registered shares of JSC Hydroinvest with a par value of 1 (one) RUB each.

The conversion of shares in the authorized capital of LLC Vostok-Finance into ordinary shares of JSC Hydroinvest is made in accordance with the conversion ratio, which is equal to 0.000000000584863118276612.

In accordance with the indicated conversion ratio of 100% of the shares in the authorized capital of LLC Vostok - Finance with a total nominal value of RUB 87,000,000 are converted into 1,709,801,779 of ordinary registered shares of JSC Hydroinvest with a par value of 1 (one) RUB each.

In accordance with paragraph 2 of Art. 58 of the Civil Code of the Russian Federation, as a result of the takeover of LLC Index energetiki - HydroOGK to JSC Hydroinvest, the share in the authorized capital of LLC EZOP with a nominal value of 6 (Six) RUB 58 kopecks, representing 0.05% of its authorized capital, belongs to LLC Index energetiki - HydroOGK, will pass to JSC Hydroinvest, as a result of which JSC Hydroinvest will own 100% of the share capital of LLC EZOP. Such equity interest is subject of repayment on the day the LLC “EZOP” ceases operations by merging with JSC Hydroinvest in accordance with paragraph 4 of Article 17 of the Federal Law dated 26.12.1995 No. 208-FZ “On Joint Stock Companies”, Clause 3.1, Art. 53 of the Federal Law dated 08.02.1998 No. 14-FZ "On Limited Liability Companies" and taking into account the provisions of paragraph 1 of Article 6 of the Civil Code of the Russian Federation. At the same time, the conversion of LLC “EZOP” to the additional ordinary registered shares of JSC Hydroinvest is not carried out.

If, in determining the estimated number of additional ordinary shares of JSC Hydroinvest” which have to be received by a participant in the merged companies, the estimated number of shares will be fractional for any participant, then the fractional part of such number of

shares is subject to rounding according to the rules of mathematical rounding, which are the following rules:

- at a value of the sign following the decimal point, from 5 to 9 inclusive, one is added to the whole number, and the numbers following the decimal point are not taken into account;
- with the value of the sign following the decimal point from 0 to 4 inclusive, only an integer is taken into account and the numbers following the decimal point are not taken into account.“

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 38.9 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 60.6% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

For more information:

Investor Relations Department

Tel. +7 (800) 333 8000 ext. 1607, 1319, 1304

ir@rushydro.ru

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