

# QUARTERLY REPORT

## Public Joint-Stock Company Federal Hydrogeneration Company RusHydro

Code of the Issuer: 55038-E

for Q4 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 \_\_\_\_\_ N.G. Shulginov  
Date: February 14, 2017

Director of Department of Corporate Accounting and Reporting - \_\_\_\_\_ Yu.G. Medvedeva  
Chief Accountant  
Date: February 14, 2017

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The address of the Internet site (sites) where the information contained herein is to be disclosed:

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

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## Introduction

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

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

**State registration of at least one issue (additional issue) of securities of the Issuer 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.**

12.07.2016 Bank of Russia carried out the state registration of the additional issue of 40,429,000,000 ordinary shares placement method: public offering.

Additional securities issue was assigned state registration number: 1-01-55038-E-042D.

Due to the fact that the additional issue of shares of PJSC RusHydro is not completed, in this quarterly report are specified interest of the registered authorized capital of the issuer.

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 Q3 2016, there were no changes in such information in Q4 2016

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

The information about the auditor - JSC PwC Audit

Full corporate name: **Joint-stock company PricewaterhouseCoopers Audit**

Abbreviated corporate name: **JSC PwC Audit**

Location of the audit organization: **125047, Russian Federation, Moscow, 10 Butyrskiy Val St.**

**INN 7707071102**

**OGRN : 1027700148431**

**Tel: (495) 967-6000**

**Fax: (495) 967-6001**

**E-mail: none**

Information about membership of JSC PwC Audit in self-regulated organizations of auditors Full name: **Non-commercial Partnership "Audit Chamber of Russia"**

Location **105120 Russia. Moscow, the 3rd Syromyatnichesky Lane, 3/9 bldg. 3**

***Additional information: registration number 870 in the register of members of ACR; Principal***

***Number of Registration Entry (PNRE) in the registry of audit organizations: 102010003683***

**Reporting year(s) from the last five completed reporting years and current year, for which the auditor (audit organization) carried out (will carry out) an independent audit of the Issuer's statements**

<b>Accounting (financial) statements, year</b>	<b>Consolidated financial statements, year</b>
-	2011
2012	2012
2013	2013
2014	2014
2015	2015
2016	2016

Additional information:

***JSC PwC Audit does not perform independent audit of the consolidated interim financial statements of the Issuer; JSC PwC Audit performs review of the consolidated interim financial statements of the Issuer for six months ended on June 30 of the reporting year. According to the results of the above reviews, JSC PwC Audit submits a report on review of the consolidated interim financial statements for the relevant period.***

**Reporting periods from the last five completed reporting years and current year, for which JSC PwC Audit performed (will perform) review of the interim consolidated financial statements of the Issuer:**

<b>Consolidated interim financial statements, period</b>
six months ended on June 30, 2011
six months ended on June 30, 2012
six months ended on June 30, 2013
six months ended on June 30, 2014
six months ended on June 30, 2015
six months ended on June 30, 2016

**Factors which can influence the independence of JSC PwC from the Issuer, including information on the availability of material interests connecting JSC PwC Audit (persons holding posts in the management bodies and bodies controlling financial and economic activities of JSC PwC Audit) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer)**

There are no factors which can influence the independence of JSC PwC Audit from the Issuer, as well as material interests connecting JSC PwC Audit (persons holding posts in the management bodies and bodies controlling financial and economic activities of JSC PwC Audit) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer)

### ***The Issuer's auditor (audit organization) selection procedure:***

**The tender procedure connected with the auditor's (audit organization's) selection, and its key conditions:**

**Selection of the audit organization performing independent audit of the accounting (financial) statements of the Issuer for 2012–2014:**

In accordance with Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, tender selection of the Company's Auditor for 2012–2014 was performed on the basis of Federal Law No. 94-FZ dated July 21, 2005 On Placing of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements.

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

The Tender Documentation of the open tender concerning entry into a services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with RAS for 2012–2014 was approved by decision of the Buying Audit Committee dated December 09, 2011

On the basis of the approved Tender Documentation, the Tender Committee carried out the appropriate procedure for selection of the Company's auditor for 2012–2014 from January to February 2012. In accordance with the minutes of the Tender Committee on Assessment and Comparison of Bids concerning entry into services agreement for the audit of PJSC RusHydro accounting (financial) statements, prepared in accordance with RAS for 2012–2014 (Minutes No. 3 dated February 03, 2012) Joint-Stock Company PricewaterhouseCoopers Audit won the open tender

### ***Selection of the audit organization performing independent audit of the consolidated financial statements of the Issuer for 2012–2014:***

In order to apply funds of PJSC RusHydro effectively and economically, as well as pursuant to the Regulations for the Procedure for Scheduled Procurement of Goods, Works, Services, approved by decision No. 241 of the Board of Directors of the Company, upon decision of the Central Buying Committee of PJSC RusHydro dated August 30, 2011, scheduled procurement was arranged and carried out concerning entry into services agreement for the audit (review) of the consolidated financial statements of PJSC RusHydro Group, RAO Energy Systems of East Group, Yakutskenergo Group, Far East Energy Company Group and separate financial statements of Far-Eastern Distribution Company, JSC Far East Generating Company,

CJSC Non-Bank Financial Company Interbank Settlement Center, prepared in concordance with International Financial Reporting Standards (IFRS) for 2012–2014 through open single-stage multi-lot request for proposals without prequalification of bidders

The procurement documentation on an open single-stage multi-lot request for proposals without prequalification of bidders concerning entry into a services agreement for the audit (review) of the consolidated financial statements of PJSC RusHydro Group, RAO Energy Systems of East Group, Yakutskenergo Group, Far East Energy Company Group and separate financial statements of JSC Far-Eastern Distribution Company, JSC Far East Generating Company, CJSC Non-Bank Financial Company Interbank Settlement Center, prepared in concordance with International Financial Reporting Standards (IFRS) for 2012–2014, was approved by decision of the Buying Audit Committee dated November 16, 2011.

In accordance with the minutes of the Buying Committee (No. 2 dated December 22, 2011), Joint-Stock Company PricewaterhouseCoopers Audit won the open single-stage multi-lot request for proposals without prequalification of bidders.

### ***Selection of the audit organization for independent audit of accounting (financial) statements and consolidated financial statements of the Issuer for 2015-2017:***

In accordance with Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, tender selection of the Company's Auditor for 2015-2017 was performed on the basis of Federal Law No. 44-FZ dated April 05, 2013 On Contract System in the Area of Procurement of Goods, Works, and Services for State and Municipal Requirements.

In order to apply funds of PJSC RusHydro effectively and economically as well as pursuant to the Regulations for Procedure for Scheduled Procurement of Goods, Works, Services, approved by the decision of the Board of Directors of the Company, upon decision of the Central Buying Committee of PJSC RusHydro

No. 470 dated December 04, 2014, scheduled procurement was arranged and carried out concerning entry into services agreement for financial statements audit of PJSC RusHydro prepared in concordance with Russian Accounting Standards (hereinafter referred to as RAS) and consolidated financial statements audit (review) of PJSC RusHydro Group prepared in concordance with International Financial Reporting Standards (hereinafter referred to as IFRS) for 2015, 2016 and 2017 through open tender.

Tender documentation of the open tender concerning entry into a services agreement to audit the accounting (financial) statements of PJSC RusHydro prepared in concordance with RAS and to audit (review) the consolidated financial statements audit (review) of PJSC RusHydro Group prepared in concordance with IFRS for 2015-2017 (hereinafter referred to as the Tender Documentation) was prepared in accordance with Federal Law

No. 44-FZ dated April 05, 2013 On Contract System in the Area of Procurement of Goods, Works, and Services for State and Municipal Requirements

The Tender Documentation of the open tender concerning entry into a services agreement to audit the financial statements audit of PJSC RusHydro prepared in concordance with RAS and to audit (review) the consolidated financial statements of PJSC RusHydro Group prepared in concordance with IFRS for 2015, 2016 and 2017 was approved by the decision of the Buying Audit Committee dated February 27, 2015.

In accordance with the minutes of the Buying Committee (No. 2 dated April 08, 2015), Joint Stock Company PricewaterhouseCoopers Audit won the open tender.

### ***The auditor (audit organization) nomination procedure for approval by the meeting of shareholders (participants), including the management body taking the relevant decision:***

The Board of Directors of the Issuer nominates the auditor to be approved by the General Meeting of Shareholders of the Company.



In accordance with legislation, the Issuer shall audit its financial statements on an annual basis. In order to audit and confirm the annual financial statements, the General Meeting of Shareholders shall approve the auditor of the Company on an annual basis.

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

The Issuer's auditor shall, under the agreement entered into with it, audit the Issuer's financial and business activity in accordance with the legislation of the Russian Federation.

### ***Information on works performed by the auditor within special audit assignments:***

No work was performed within special audit assignments during audit governed by Federal Law On Audit Activities No. 307-FZ dated December 30, 2008.

### ***The procedure for determination of remuneration of JSC PwC Audit***

The payment procedure and remuneration of the audit organizations and individual auditors for audit (including mandatory) and associated services are specified in the audit services agreements and cannot depend on any requirements of the audited entities with regard to the content of conclusions which can be made during the audit

The remuneration for the Issuer's auditor, approved by the Annual General Meeting of Shareholders of the Issuer, for mandatory annual audit and confirmation of the Issuer's annual financial statements, shall be determined by the Board of Directors of the Issuer

The auditor's remuneration shall be determined according to the tender results when the Company's auditor is selected.

### ***Information on actual amount of remuneration paid by the Issuer to JSC PwC Audit according to the results of the last completed reporting year, for which JSC PwC Audit performed independent audit of accounting (financial) statements of the Issuer and annual consolidated financial statements of the Issuer:***

Actual amount of remuneration to be paid by the Issuer to JSC PwC Audit according to the results of 2015, for which JSC PwC Audit performed an independent audit of accounting (financial) statements of the Issuer and annual consolidated financial statements of the Issuer, is 120,000,690 Russian rubles (including VAT), including the cost of services for review of the consolidated interim financial statements of the Issuer for six months ending June 30 of the reporting year equal to 23,771,100 Russian rubles (including VAT).

In accordance with schedule of payments under contracts with JSC PwC Audit, an amount of 33,394,059 Russian rubles was paid by the Issuer in 2015 and an amount of 86,606,631 Russian rubles was paid by the Issuer in May 2016

### ***Information on actual remuneration paid by the Issuer to JSC PwC Audit according to the results of the current reporting period, for which JSC PwC Audit has performed review of the consolidated interim financial statements of the Issuer for six months ended on June 30 of the reporting year:***

Actual remuneration to be paid by the Issuer to JSC PwC Audit according to the results of the current reporting period, for which JSC PwC Audit has performed review of the consolidated interim financial

statements of the Issuer for six months ended on June 30 of the reporting year amounts to 21,570,017 Russian rubles (including VAT).

***Information on deferred and outstanding payments for services rendered by the auditor (audit organization):***

There are no deferred or outstanding payments for services rendered by JSC PwC Audit.

1.2.2. Information on the auditor — HLB Vneshaudit CJSC

Full corporate name: **HLB Vneshaudit Closed Joint Stock Company**

Abbreviated corporate name: **HLB Vneshaudit CJSC**

***Location of the audit organization: 109180, Russian Federation, Moscow, 25-27/2 Bolshaya Yakimanka St.***

INN **7706118254**

OGRN : **1027739314448**

Tel: **(495) 967-0495**

Fax: **(495) 967-0497**

E-mail: [info@vneshaudit.ru](mailto:info@vneshaudit.ru)

Information about membership of HLB Vneshaudit CJSC in self-regulated organizations of auditors Full name: Non-Profit Partnership Institute of Professional Auditors Location of the audit organization: **14 Nametkina St., bldg. 1, Moscow, Russia, 109180 1**

Additional information: **Principal Number of Registration Entry in the registry of auditors and audit organizations: 10202000095**

***Reporting year(s) from the last five completed reporting years and current year, for which HLB Vneshaudit CJSC carried out (will carry out) an independent audit of the Issuer's statements***

Accounting (financial) statements, year
2011

**Factors which can influence the independence of HLB Vneshaudit CJSC from the Issuer, including information on the availability of material interests connecting HLB Vneshaudit CJSC (persons holding posts in the management bodies and bodies controlling financial and economic activities of HLB Vneshaudit CJSC) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer).**

There are no factors which can influence the audit organization's independence from the Issuer, as well as material interests connecting persons holding posts in the management bodies and bodies controlling financial and economic activities of the audit organization with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer)

***The Issuer's auditor (audit organization) selection procedure***

**The tender procedure connected with the auditor's (audit organization's) selection, and its key conditions:**

Selection of the audit organization performing independent audit of the accounting (financial) statements of the Issuer for 2011:

In accordance with Article 5 of Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, the agreement for mandatory audit of accounting statements of the organization the share of state-owned property in the authorized (reserve) capital of which is at least 25 per cent shall be concluded according to the results of order placement through bidding in the form of open tender in accordance with the procedure specified in Federal Law No. 94-FZ dated July 21, 2005 On Placing of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements.

In order to meet the above requirement, PJSC RusHydro approved the composition of the Tender Committee selecting the auditor of the Company (Minutes of the Audit Committee of the Board of Directors of PJSC RusHydro No. 17/1 dated February 05, 2010).

In accordance with the minutes of the Tender Committee on Assessment and Comparison of Bids concerning entry into services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with Russian Accounting Standards for 2011 (Minutes No. 628/4 dated April 08, 2011 (0419000000111000001)), HLB Vneshaudit CJSC won the open tender

***The auditor (audit organization) nomination procedure for approval by the meeting of shareholders (participants), including the management body taking the relevant decision:***

The Board of Directors of the Issuer nominates the auditor to be approved by the General Meeting of Shareholders of the Company.

In accordance with legislation, the Issuer shall audit its financial statements on an annual basis. In order to audit and confirm the annual financial statements, the General Meeting of Shareholders shall approve the auditor of the Company on an annual basis.

HLB Vneshaudit CJSC was approved as the auditor of the Issuer for 2011 under the decision of the General Meeting of Shareholders of the Company (Minutes No. 7 dated July 04, 2011).

***Information on work of HLB Vneshaudit CJSC within special audit engagements:***

No work was performed within special audit assignments during audit governed by Federal Law On Audit Activities No. 307-FZ dated December 30, 2008.

***The procedure for determination of HLB Vneshaudit CJSC remuneration,***

The payment procedure and remuneration of the audit organizations and individual auditors for audit (including mandatory) and associated services are specified in the audit services agreements and cannot depend on any requirements of the audited entities with regard to the content of conclusions which can be made during the audit

The remuneration for the Issuer's auditor, approved by the Annual General Meeting of Shareholders of the Issuer, for mandatory annual audit and confirmation of the Issuer's annual financial statements, shall be determined by the Board of Directors of the Issuer

The auditor's remuneration shall be determined according to the tender results when the Company's auditor is selected.

***The information on the actual amount of remuneration, HLB Vneshaudit CJSC paid by the issuer following the results of 2011 for which HLB Vneshaudit CJSC carried out an independent inspection of annual accounting (financial) accounts of the issuer:***

Actual remuneration paid by the Issuer to HLB Vneshaudit CJSC according to the results of the 2011 financial year, for which HLB Vneshaudit CJSC performed an independent audit of accounting and financial statements of the Issuer in accordance with RAS, amounts to RUB 14,950,000 (VAT included)

***Information on deferred and outstanding payments for services rendered by the auditor: No deferred or overdue payments for the services rendered by***

The delayed and overdue payments for the services rendered to HLB Vneshaudit CJSC are not involved.

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

Information is indicated in Quarterly Report for Q2 2016, there were no changes in such information in Q4

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: *Yuliya Gennadijevna Medvedeva*

Born in: *1975*

Primary employment:

Company: *PJSC RusHydro*

Position: *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

Not indicated in Quarterly Report for Q4.

### 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-exchange trading on the exchange JSC Moscow Exchange.

Indicator	December 30, 2015 <sup>1</sup>	December 31, 2016
Market capitalization	232,294,036,584.85	356,166,164,175.07

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: JSC Moscow Exchange bulletin at the end of trading of securities (Market transactions T+): <http://moex.com/a3882>.

### 2.3. The Issuer's Liabilities

#### 2.3.1. Borrowed Funds and Accounts Payable

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

Not indicated in Quarterly Report for Q4.

#### 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. 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/foreign currency	RUB 89,179,000,000
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. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

<b>Type and Identification Characteristics of Liabilities</b>	
<b>2. 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. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

<b>Type and Identification Characteristics of Liabilities</b>	
<b>3. Credit, Open 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)	Open 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>4. 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	3.10
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	None

<b>Type and Identification Characteristics of Liabilities</b>	
<b>5. 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	
Credit (loan) period, (years)	15
Average interest on credit (loan), % per annum	12.79
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)	
Actual credit (loan) payment period (date)	December 07, 2016
Other information on liabilities specified at the Issuer's discretion	None

<b>Type and Identification Characteristics of Liabilities</b>	
<b>6. 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 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	
Credit (loan) period, (years)	12.5
Average interest on credit, loan, % per annum	1.02
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)	
Actual credit (loan) payment period (date)	October 31, 2016
Other information on liabilities specified at the Issuer's discretion	None

<b>Type and Identification Characteristics of Liabilities</b>	
<b>7. 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>8. 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 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	
Credit (loan) period, (years)	12
Average interest on credit, loan, % per annum	14.52
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)	
Actual credit (loan) payment period (date)	October 14, 2016
Other information on liabilities specified at the Issuer's discretion	None
<b>Type and Identification Characteristics of Liabilities</b>	
<b>9. Bonds, series 07</b>	
<b>State registration number and registration date: 4-07-55038-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	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.

<b>Type and Identification Characteristics of Liabilities</b>	
<b>10. Bonds, series 08</b>	
<b>State registration number and registration date: 4-08-55038-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	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.
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<b>Type and Identification Characteristics of Liabilities</b>	
<b>11. Credit, Open 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	14.53
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>12. 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	0.74
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>13. 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	Transferees of securities of the issue

(lender)	
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>14. Bonds, series БО-П01</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>15. Bonds, series БО-П02</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>16. 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>17. Bonds, series БО-II04</b>	
<b>State registration number and registration date: 4B02-04-55038-E-001P dated April 01, 2016</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	December 31, 2016
Total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security)	101,926,157,593.80
Amount of security provided by the Issuer for obligations of third parties	101,926,157,593.80
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,	76,283,254,223.21

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 are regularly 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 [https://assets.kpmg.com/content/dam/kpmg/pdf/2015/11/S\\_CG\\_10r.pdf](https://assets.kpmg.com/content/dam/kpmg/pdf/2015/11/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 improving 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 of technical-and-economic characteristics of HPP for operation on the competitive electrical energy market, and reduce repair expenses, improving operational efficiency by implementing programs to reduce production costs and economy;

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 for the last 10 years didn't exceed 7,3% (see Moody's Investors Service, Special comment: Annual Default Study: Corporate Default and Recovery Rates, 1920–2015).

In 2016 PJSC RusHydro took 127 position in the ranking of 250 leading energy companies of the world according to Platts (2016 Platts Top 250 Global Energy Company Rankings). 2016 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 30.09.2016 the price of

power for the period to 2020 (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 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. In 2016 the capacity gain due to PTP realization was 66, 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.

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 2016 PJSC RusHydro was the winner of the Second All-Russian competition "MediaTEK" in the category "Social and environmental initiative". PJSC RusHydro has become the winner of the Russian competition "MediaTEK" for the second time. In 2015, PJSC RusHydro projects in the field of environmental protection were awarded in the category "Environmental standard." 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.

PJSC RusHydro is among the top ten leaders of rating "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" on the results of the 1st half of 2016.

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 minimized within the framework of conducting production and marketing activities of PJSC RusHydro, including through the following activities

- 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 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. 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 economy of the Russian Federation has no protection against market recessions or a slowdown in global economic development. The volume decrease of foreign investments in the Russian economy and vulnerability of the Russian economy for changes in international prices for energy products may lead to vital limitation of the Company's access to capital and adversely affect the purchasing ability of the Company's consumers

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 (without political risks for business). Due to external factors such as the decrease in the oil prices according to the results of 2014, rating of the Russian Federation 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 the improvement of the situation in 2016. According to the international rating agency Standard & Poor's the long-term credit rating of the Russian Federation on foreign currency liabilities is maintained at "BB +". At the same time the forecast of long-term credit rating of the Russian Federation has been revised by S&P on 16.09.2016 from negative to stable. According to analysts, the external risks for the Russian Federation decreased, the Russian economy is adapted to low world market prices for raw materials. However, the downgrade can occur if geopolitical developments will lead to a tightening of sanctions foreign states against the Russian Federation or GDP growth, budget and the external balance of payments figures will be significantly weaker than current expectations of the Standard & Poor's rating agency.

### **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.**

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

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

It is also worth noting the growing volume of interaction of the Russian Federation 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. 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, check the effectiveness of capital

investments and monitor targeted use of funds. Transparent use of funds allows the PJSC Sberbank through a system of separate bank accounts, which are opened for each participant of the building. Independent of price and technology audit of design and estimate documentation for each project are carried out by engineering companies, selected by OJSC Sberbank on a competitive basis. For more information on the parameters of the target budget spending control system can be found in a special section of the RusHydro site "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 the Russian Federation 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 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 also may include the 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 Pauhetskaya 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 currency rate and interest rates on the Issuer approved the procedure of currency control 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 87 % of the Issuer's balance of outstanding loans to the end of Q 4 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 836 million RUB on December 31, 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. The inflation rate dynamics is connected with general change dynamics 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.

According to Rosstat, the annual inflation rate in the Russian Federation (CPI) in 2016 reached its lowest level since 1991 - 5.4% vs. 12.9% in 2015. According to the forecast of socio-economic development of the Russian Federation for 2017 and the planning period of 2018 and 2019's, the Russian Ministry of Economic Development published, the rate of annual inflation no higher than 4.5% estimated in 2017 for all forecast variants. 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): 1) Accounts payable (other creditors) Statement of Financial Performance (form No. 2): 1) Interest payable 2) Net profit	Profit decrease, increase of debt service costs
Exchange risk	Average	Balance sheet (form No. 1): 1) Accounts receivable 2) Accounts payable 3) Cash — Statement of Financial Performance (form No. 2): 1) Other income and expenses 2) Net profit 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	Low	Statement of Financial Performance (form No. 2): 1) Other expenses 2) Cost of goods, products, works, services sold 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. In its turn it 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.

#### **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 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 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, as well as it might cause additional costs to ensure Issuer's compliance 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

The risk is caused by possibility of 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 decreasing risk of 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 dramatically 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 SRO NP "EnergostroiAllians" Association.

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.

### **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 the project has been 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. In November 2016, the Board of Directors of PJSC RusHydro approved the transaction on the capital increase of PJSC RusHydro for the refinancing of the debt of PJSC "RAO ES of the East" in the amount of 55 billion. Rubles. **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.

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.

#### **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, that may adversely 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 risks 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 Issuer'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 create 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. The Issuer considers these risks to be insignificant.

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

On their part RUSAL and PJSC RusHydro control 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 HS (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;
- 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 potentially may also negatively affect the Issuer's business activities and fulfilment 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 Zhelezнодороzhniy District of Krasnoyarsk, Krasnoyarsk Krai.*

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

Information is indicated in Quarterly Report for Q3 2016, there were no changes in such information in Q4 2016.

### 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*

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*

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*

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

The Issuer has no representative office.

There were no changes in the list of the Issuer's branches in Q 4 of 2016.

The authorization of A.V. Panchukov for Acting Director of the Branch of PJSC RusHydro in Q4 - "Zeyskaya HPP" was extended 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: 35.11.2

OKVED codes
35.11.4
35.14
70.22
71.12.53
77.39
85.42

### 3.2.2. Core Business Activity of the Issuer

Not indicated in Quarterly Report for Q4.

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

Not indicated in Quarterly Report for Q4.

### 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 No. 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 was held. . In 2016 the CSC for 2020 year was 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%;

-Of Zabaikalsky Krai from November 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%.

Federal law from 12/28/2016 number 508-FZ "On Amendments to the Federal Law" On Electric Power Industry "is introduced to increase the price of power in the I and II price zones, due to which the prices in the Far East will be reduced to the average level. This law is the law of indirect action. At the beginning of 2017 is expected to adopt the necessary regulations for the implementation of this support mechanism. 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 counterpartents 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 Group of Construction Organisations EnergoStroiAllianz**

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: **September 26, 2016**

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: **August 10, 2015**

Validity period of the authorization (license) or permit for separate types of works: **August 09, 2020**

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**

The primary line of business of the Issuer is not 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. Name of the 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 12 months 2016 - - **1,864,118** 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 12 months 2016 – – **2,731,024** tonnes

3. Name of the 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 Krai, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: Andesitic porphyrite

Proved reserves: 2,817,000 m<sup>3</sup>

Production rate for the relevant reporting period(s) for 12 months 2016 – **60,755** m<sup>3</sup>.

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 June 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.

- 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 also obliged to pay other 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 June 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 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 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 Krai, 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 Krai 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 thous. m<sup>3</sup>. Production quota is agreed annually.

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: 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 rubbly 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 federal 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**

Brief description of the Issuer's plans for future activities:

In accordance with the Articles of Association, the Issuer's objectives are:

- Creation of conditions for ensuring the reliability and safety of generating facilities;
  - Realization of state policy in the field of hydropower;
  - Creation of conditions for effective functioning of the wholesale electricity (capacity) market; Realization of effective operation and centralized technological management of hydropower facilities; Implementation of united strategy in investments and raising capital for solution of common system tasks of hydropower development;
  - Development and implementation of scientific and technical policy and introduction of new advanced equipment and technology, including the development of renewable sources of electricity;
- Receiving a profit.

#### **Sources of future income:**

The Issuer plans to continue to profit from the main activity - production and sale of electricity and capacity on the wholesale and retail electricity and capacity markets.

#### **Plans for organization of new production, expansion or curtailment of production, product development, modernization and reconstruction of fixed assets:**

Real execution of the Company investment program for 2016

*According to preliminary data it amounted to 36 452.54 million. rub., as well as 20 378 800 000 rubles.. for the projects implemented by subsidiaries and R & D.*

*Planned values of the Company's Investment program for 2017 based on the Company's business plan for the years 2017-2021 (the Board of Directors Minutes dated 26.12.2016 №245).*

In 2017, the investment program provides:

Entering additional capacity 241.98MW and 469.6 Gcal / h.

Financing of investment projects of the Company in the amount of 52,885.6mln rubles, including..:

- Upgrade project - RUB 28,780.3 mln;
- Comprehensive restoration of the Sayano-Shushenskaya hydroelectric power station - RUB 1 632,6 mln;
- Priority projects in the Far East (CHP Plant in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (1st stage), Yakutskaya SDPP-2 (1st stage) implemented pursuant to the Decree of the President of the Russian

Federation as of 11/22/2012 No. 1564 "On further development of the Open Joint Stock Company" Federal Hydro-Generating Company - RusHydro " – RUB 23,389.7 mln

• Other projects – RUB 715.6 mln.

Also in 2017, the Company plans to finance realization of investment projects implemented by subsidiaries, as well as R & D in the amount of RUB 34 701,9 mln.

Information on the possible change of the main activity:

The Issuer does not plan to change its core activities.

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

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q4 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 of the Issuer: 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, %
Dmitriy Valentinovich Zakhvataev (Chairman)	0	0
Nikolay Igorevich Karpukhin	0	0
Vladimir Ivanovich Magruk	0.000040	0.000040
Vadim Vladislavovich Nedotko	0	0
Galina Viktorovna Gorina	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, %
Aleksey Dmitrievich Yakovlev (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 Tverdokhlebl	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 108776000052.**

**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 Koptiyakov	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 "Energy Sales Company 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: 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**

Not indicated in Quarterly Report for Q4.

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

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

Not indicated in Quarterly Report for Q4.

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

Not indicated in Quarterly Report for Q4.

### **4.3. Financial Investments of the Issuer**

Not indicated in Quarterly Report for Q4.

### **4.4. Intangible Assets of the Issuer**

Not indicated in Quarterly Report for Q4.

### **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**

Not indicated in Quarterly Report for Q4.

### **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 discussion 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 new version of the General Scheme and with the perspective up to 2030 approved by the paragraph 2 of the Russian Federation Government of the minutes of the meeting of June 3, 2010 № 24, the adjustment of the General Scheme of location of objects of electric power industry until 2035 was considered at the meeting of the government commission on the development of power April 29, 2016 .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. 1634-p dated August 1, 2016 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.

Federal law from 12/28/2016 number 508-FZ "On Amendments to the Federal Law" On Electric Power Industry "is introduced to increase the price of power in the I and II price zones, due to which the prices in the Far East will be reduced to the average level. This law is the law of indirect action. In the near future it is expected to adopt regulations establishing the detailed mechanism of tariff reductions. The onset of action of the above Federal Law starts from July 1, 2017.2. Electricity and capacity consumption and production.

According to operation data of SO UPS, JSC for 9 months of 2016:

Consumption of electrical energy of 2016 in the Russia as a whole amounted to 1,054.4 bln kWh that is 1.7% more than in 2015. Electricity consumption in the Russian UES amounted to 1,026.7 bln kWh in 2016, that is 1.8% more than in 2015. Exclusively of the extra day impact of leap year, electricity consumption augmentation in Russian UES and in Russia as a whole was 1.5% and 1.4% correspondingly.

In 2016 electricity generation in Russia amounted to 1,071.7 billion kW / h, which is 2.1% more than the output in 2015. The UES of Russia generated 1,048.3 billion kW / h, which is 2.1% more than in 2015. Excluding the impact of an extra day of leap year, electricity generation in the UES of Russia and in Russia as a whole has increased respectively by 0.9% and 1.0%.

### 3. Innovation development of the power industry and energy efficiency

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), innovation development program of RusHydro Group for 2016-2020 with an outlook for 2025 was developed

(hereinafter program), which was 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, including PJSC RAO Energy Systems of East.

The program was considered by the Interdepartmental Commission for Technological Development of the Presidium of the Council under the Russian President on economic modernization and innovative development of Russia and recommended for approval by the Board of Directors of PJSC RusHydro (Minutes of 23.09.2016 №8-D01). The program was approved by the Board of Directors of PJSC "RusHydro" (Minutes of 23/11/2016 number 244).

PJSC "RAO ES of the East", belonging to the group 2 of the list of state-owned companies that implement innovative development program (approved the request of the Russian Federation from 15/9/2015 number AD-P36-6296), and developed a program of innovation development of the Holding Company "RAO ES of the East" for 2016-2020's. with the prospect of up to 2025 (approved by the Board of Directors of PJSC "RAO ES of the East", the report of 01.07.2016 №145).

Program of PJSC RusHydro and Holding "RAO ES of the East" in the synchronized execution of the integrated KPI innovation.

#### **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.

PJSC RusHydro 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 main factors influencing the state of the industry:

- The temps GDP growth, which determine demand for electricity and requirements to the charts of its consumption, the level of investment in creating new facilities;
- The legal framework defining the return on projects in energy, sources and structure of the investment portfolio of energy companies, competition level, etc;

- The level of state encouragement of individual types of generation;
- Condition of basic production assets of the industry enterprises;
- The socio-economic situation in the country;
- Availability of capital markets, including credit resources;
- The level of payment discipline of the consumers of electricity.

The factors and conditions affecting the Issuer's business and results of operations are:

#### 1. Reliability and safety of equipment and HS (hydraulic structures)

Physical depreciation and technological obsolescence of fixed assets, severization of requirements to reliability and safety of operation of the UES of Russia, demand growth in the adjustment capacity of the daily schedule of consumption in the European part of the UES of Russia, the growth of the threat of manmade accidents with serious consequences as a result of the destruction of the HS and the generating equipment, improving valuation of seismicity in the Issuer's HPPs locations require special attention to the issues of safety and security of assets and funds.

#### 2. Seasonality

The main economic activity of the issuer is not seasonal.

The volume of electricity production of the Issuer substantially depends on the available inflow in river basins, on which its generating facilities are located, and has a non-uniform distribution of the year depending on the season. Also the volume of production is affected by forecasting capabilities, as well as decisions of authorities governing water-economic relations in the Russian Federation.

#### 3. Mechanisms of tariff setting.

Part of the Issuer's facilities is located in the Far East, where in the near future liberalization of electricity markets and power is not expected. On the territory of the Far East state regulation of prices (tariffs) for electricity and power is preserved. All volumes of electricity and capacity in this area are sold at regulated prices (tariffs) through a single purchaser in the IPS East and through guaranteeing suppliers in the territories of isolated areas. The setting of the tariff for generation is possible only by cost-plus method. According to this method, the inclusion of investment in the tariff is practically impossible. Given the state policy aimed at accelerated socio-economic development of the Far East, the tariff setting mechanisms for the region may not provide profit-making of generating facilities of the Issuer in the region. Also tariff regime operating in the region does not create economic incentives to improve efficiency and the construction of new generating facilities. At the same time, the liberalization of the wholesale market in other regions may not guarantee the amount of the Issuer's profit, sufficient to cross-subsidization of the Far Eastern region.

#### 4. The pace of development of the hydraulic potential of Russia

Russia untapped hydro potential is concentrated in areas where there are currently no large consumers and the necessary infrastructure, tariff setting model does not provide the necessary level of investment yield. At the same time, the development of these areas is one of the key directions of Russian regional politics.

#### 5. State support of the Issuer

The specifics of the Issuer's activities is determined and will be determined later by the availability of two major vectors: the need to address state tasks and at the same time the requirement for growth of the Issuer's business.

#### 6. Formation of the new markets model

Emerging markets model will determine the efficiency and reliability of operation of power plants using renewable energy sources, the pace of development of their use, the degree of compensation of unique HPP contribution to system reliability in the long term. Currently regulations that determine market rules (capacity market, system services market, retail markets) are being updated.

#### 7. Participation in the formation of the securities market

The inclusion of securities of the Issuer in the listing of the leading stock exchanges imposes high demands in terms of information disclosure in accordance with the requirements of stock exchanges and market regulators, both Russian and international.

8. Development of electricity production based on renewable energy sources (.). Attention to problem of electricity generation based on renewable energy sources (wind, ground heat, small hydro, and others) in the world, the need to diversify energy sources and reduce the burden on the environment, along with the presence of significant untapped potential of renewable energy sources under conditions of the adopted legislation to support the generation in price zones of the wholesale market in Russian Federation are opening up new possibilities for the development of electricity generation through the use of renewable energy sources both in the wholesale and retail markets. The Issuer shall prepare projects for participation in the competitive selection in the wholesale market.

#### 9. Opportunities of related industries

Research and Development, Design and Research, Engineering and Construction complexes have in recent decades had significant losses due to the low demand for their products and services. Limitations caused by the shortage of goods and services in these markets may have a significant impact on the rate of development of the Issuer.

10. Staffing: one of the most acute problems on the way of large-scale hydropower development is the lack of technical staff.

#### 11. Global climate change

Climate change has increasingly direct impact on the Issuer's business, which is reflected in the increasing complexity of predicting water regimes due to the growth of hydrograph inflow variations and weather conditions.

### **Forecast of duration of these factors and conditions**

The action of these factors and conditions will have a significant impact on the Issuer's activities over the next few years.

### **Actions taken by the Issuer and actions which the Issuer plans to undertake in the future to effectively use these factors and conditions:**

- Overcoming the tendency of the moral and physical wear and tear of equipment, improving reliability and safety of HS through the implementation of the Programme of comprehensive modernization of generating facilities.
- Balanced development complying with the interests of all groups of shareholders, new schemes of financing and distribution of property, including the determination of forms and procedures for state participation in ongoing projects;
- Providing the state and regions with opportunities and projects of industrial, infrastructure and social development, at which hydraulic power plants would be needed and their order would be constantly recurring;
- The promotion of forming market model that ensures the efficiency of construction of renewable energy sources and adequate compensation of the Issuer's contribution to system reliability;
- Development of competencies on work in conditions of publicity, meeting the requirements of the investment community and minority shareholders, as well as the use of the best practices of corporate management;
- Formation of an effective system of interaction with key stakeholders of resource markets, reducing risks by business diversification, organization of support of sectoral science and innovative technology;
- Creation of an effective system of training of engineering personnel, including a system of cooperation with relevant educational establishments, and mechanisms stimulating the influx of personnel in the sector and the development of professional knowledge and skills;
- Creating a system for forecasting and water regime monitoring.

The methods used by the Issuer, and the ways in which the Issuer plans to use in the future to reduce negative effect of factors and conditions affecting the Issuer's activities, including:

- Strategic planning;
- Investment planning;
- Business planning;
- Budget planning;
- Tax planning;
- Corporate management;
- The use of modern systems of motivation;
- Strengthening of financial control and the introduction of cost-cutting programs.

### **Significant events / factors that may have the most negative impact on the possibility of the Issuer in the future to obtain the same or better results compared with the results obtained during the last reporting period:**

Significant events / factors that may have the most negative impact on the possibility of the Issuer to obtain good results in the future are as follows:

- Unfavourable tariff decisions, including establishing tariff levels that are not sufficient to finance the necessary expenses for re-equipping, reconstruction and completion of facilities of the Issuer;
- High capital intensity and long-term implementation of the HPP construction projects. Projects of construction of hydraulic power plants are the basis of the Issuer's development. However, they are capital intensive and have long terms of implementation, in addition, construction of networks for HPP hydroelectric power supplies in most cases is very expensive;
- Uncertainty in demand for electricity, both due to reduced investment in the building of new facilities and due to the closure of existing inefficient enterprises, to which the existing generating facilities were oriented;
- Failure to adopt necessary regulations in the field of electricity and capacity markets. Currently, hydropower can be considered as one of means of curbing the growth of tariffs and prices for electricity in times of crisis;

The probability of occurrence of these factors is estimated by the Issuer as the average.

### **Significant events / factors that can improve the results of the Issuer's activity, the probability of their occurrence and their duration:**

Significant events / factors that may affect the improvement of the Issuer's activity are the factors affecting the sector as a whole. For more effective functioning in the new conditions the Issuer should:

- Implement a long-term program of complex Issuer modernization, including ensuring an increase of installed capacity, manoeuvrability and controllability of equipment operation modes, the automation of technological processes and application of new technologies that will help to avoid the dangers associated with wear and tear and obsolescence of equipment, reducing the possibility of accidents and increasing the effectiveness of operation of the existing structures;

- To solve the challenges facing the management of the Issuer on increase of operational efficiency, quality of corporate management in view of the need to meet the requirements made by the investment community to public companies;
- To stimulate demand for hydraulic energy of HPPs by large consumers, entry into strategic alliances with federal level companies interested in the implementation of cluster development projects;
- To assist the development of organizational control schemes of regional development - \regions development corporations;
- To apply a long-term tariff regulation using the method of return on invested capital in non-price zones and isolated power districts, and for that reason to actively participate in the development of additional guidelines on setting prices (tariffs) in technologically isolated regional power systems by the FAS (Federal Antimonopoly Service) of Russia by the method of return on invested capital in the framework of implementation of the Decree of the Government of the Russian Federation No.1178 dated 29.12.2011;
- Promote the practical use of the mechanism of concluding bilateral agreements between new generating facilities and consumers at the price not exceeding the limits of regulated prices / tariffs within the approved Electric power and capacity retail markets rules;
- Promote the adoption of the rules of markets of capacity and ancillary services that provide adequate compensation of PSHPP contribution to system reliability and safety;
  
- Promote the adoption of legislation aimed at providing state support for renewable energy sources use and ensuring return on renewable energy sources projects in non-price and isolated zones of electricity and capacity market.

The probability of occurrence of the first two events / factors is considered by the Issuer as high, and the rest - as the average.

## 4.8. Competitors of the Issuer

**The main existing and expected competitors of the issuer on core activities, including competitors abroad:** In the Russian market of generation of the electric power PJSC RusHydro takes the leading positions: main competitors are the independent Russian energy companies formed as a result of reforming of RAO UES of Russia.

№	Holding company	Competition area	The type of generating	Installed capacity for the end of 2015 on types of generation, MW
1	LLC Gazprom Energoholding	Deliveries to WMEP	TPS	35,000
			HPP	3,000
2	PJSC Inter RAO	Deliveries to WMEP	TPS	28,973
			HPP	30
3	State Corporation Rosatom	Deliveries to WMEP	APP	25,741
			TPS	959
4	JSC EuroSibEnergо	Deliveries to WMEP	TPS	4,493
			HPP	15,002
			SPP	5
5	PJSC T Plus KES	Deliveries to WMEP	TPS	16,140
			HPP	35
			SPP	25
6	PJSC Unipro (previously E.ON Russia)	Deliveries to WMEP	TPS	11,145
7	PJSC Enel Russia	Deliveries to WMEP	TPS	9,507
8	LLC Siberian Generating Company (JSC SUEK)	Deliveries to WMEP	TPS	8,870
9	JSC Tatenergo	Deliveries to WMEP	TPS	4,010
			HPP	1,205
10	OJSC Fortum (TGC - 10)	Deliveries to WMEP	TPS	4,482
		Deliveries to	TPS	3,977

11	PJSC Lukoil	WMEP Deliveries to WMEP	HPP	298
12	JSC SIBECO, JSC Biyskenergo (RU-COM)	Deliveries to WMEP	TPS	3,058
13	OJSC TGC-2 (Syntez Group)	Deliveries to WMEP	TPS	2,341
14	PJSC Quadra (Onexim Group)	Deliveries to WMEP	TPS	2,867
15	OJSC TGC-16 (OJSC TAIF)	Deliveries to WMEP	TPS	1,264
16	PJSC TGC-14 (OJSC RZhD)	Deliveries to WMEP	TPS	650

***The list of the Issuer's competitiveness factors with a description of degree of their influence, in the Issuer's opinion, on competitiveness of products (works, services):***

1. Environmental friendliness Hydro resources are renewable and the most ecological energy source, the use of which allows reducing atmospheric emissions by thermal electrical power plants and preserving hydrocarbon fuel
2. High flexibility because it is HPPs that are the most flexible and capable, if necessary, to significantly increase the volumes produced in just a few minutes covering peak loads
3. Absence of a fuel component in production cost – independence from changes in prices for energy carriers and as a consequence the possibility of long-term price guarantees for consumers

***The Issuer's analogue companies abroad.***

No	Company	Installed capacity, MW
1	China Three Gorges Corporation (China)	59,550
2	Eletrobras (Brazil)	46,016
3	Hydro-Québec (Canada)	36,912
4	U.S. Army Corps of Engineers (CIIA)	23,900
5	Statkraft (Norway)	18,471
6	Edelca (Venezuela)	15,420
7	US Bureau of Reclamation	14,730
8	BC Hydro (Canada)	12,047

There are a number of energy companies in the world, capacities of which are based on hydro power plants.

1. The largest hydro generation company in the world is China Three Gorges Corporation (China) The largest HPP are Three Gorges (22,500 MW), Xiluodu (13,860 MW), Xiangjiaba (6,400 MW).

The company is 100% state-owned

2. Brazilian Eletrobras (42,987 MW) is the second largest hydro generation company in the world. At the same time, it is the largest energy company in Brazil and Latin America. Its assets include a series of large HPPs, including Itaipu HPP on the Parana River, the second largest HPP in the world in terms of capacity (14,000 MW). The company is controlled by the state, which holds 54% of its shares

3. Canadian Hydro-Québec (36,643 MW), the largest energy company of Canada, which played a great role in the economic development of the Province of Quebec. The company's assets include a great number of HPPs, including large cascades on the Manicouagan and La Grande rivers. The company is owned by the authorities of the Province of Quebec

4. The U.S. Army Corps of Engineers (USCE). It is not an energy company in the truest sense of the word, but a state agency engaged in construction and operation of HPPs (electricity is sold by other state agencies).

5. Norwegian Statkraft. It is the largest electricity producer in Norway and the third in



Scandinavia. The company owns approximately 150 HPPs, many of them - with long-term regulation reservoirs.

The company is 100% state-owned

6. Venezuelan Edelca. The main asset of the company is Guri HPP on the Caroni River, the third largest HPP in the world in terms of capacity, with a capacity of 10.2 GW. The company supplies most of Venezuela's electricity, and is fully state-owned

7. US Bureau of Reclamation. Again, it is not an energy company in traditional sense, but it operates a variety of HPPs, including the famous Hoover Dam

Canadian BC Hydro, the largest electricity producer in the province of British Columbia. The company owns 30 HPPs, and the company itself is owned by the authorities of the province

***Issuer's competitors in the electric power of Armenia  
In 2011, PJSC RusHydro acquired 90% of the shares in Sevan-Hrazdan Cascade of HPPs with a total capacity of 562 MW of installed capacity in the Republic of Armenia. Thus, having entered the electric power market of Armenia, PJSC RusHydro had occupied a substantial share of this market.***

The Issuer's competitors in Armenia

Generation object	Type	Installed capacity, MW	Generating companies	Parent company
Vorotan Cascade of HPPs	HPP	404	CJSC Vorotan Cascade of HPPs	ContourGlobal (USA)
Dzoraget HPP	HPP	25	Dzoraget HPP	Offshore company Global-Contact
Small HPP	HPP	66	SHPP	Private investors
Armenian NPP	APP	440	CJSC Armenian NPP	Government of Armenia
Hrazdan TPP	TPS	1110	LLC HrazTPP	OJSC Inter RAO UES
Yerevan HPP	HPP	271	CJSC Yerevan HPP	Government of Armenia

## 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

The information is provided in the Quarterly Report for Q2 2016, during Q4 2016 there were no changes in this information.

### 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 27.06. 2016)

Full name: *Artem Davidovich Avetisyan*

Born in: *1976*

Education: *Higher education, Finance Academy under the Government of the Russian Federation, specialty - Appraisal activity "Finance and Credit", year of graduation - 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		
2010	2015	JSC Regional credit Commercial Bank	Chairman of the Board of Directors
2011	present	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
2013	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 Uniastrum Commercial Bank	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 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);

**He is a member of the Investment Committees 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);

**He is a member of the Investments Committees 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		
2011	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 Baikal region "	Managing 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
2014	2016	АО «Полюс	President
2014	present	LLC UK POLIUS	General Director
2014	2016	Polyus Gold International Limited	CEO
2016	present	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);

**He is a member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC RusHydro, the Strategy Committee of 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 organizations in the past 5 years and currently, in chronological order, including part-time positions**

Period		Name of the company	Title
From	to		
2002	2015	CJSC INPK "RET"	Member of the Board of Directors
2007	2013	OJSC "Malaya Energetika"	Member of the Board of Directors
2007	2014	ANO "National Energy Security Institute"	Chairman of the Presidium
2011	2016	OJSC "ERKO"	Director-General
2012	2013	OJSC "Exhibition hall" Electrification "	Member of the Board of Directors
2012	2015	LLC "LENSENT"	General Director of the managing organization
2014	2015	CJSC "Novoyeniseysk Wood Chemical Complex"	Member of the Board of Directors
2015	2016	OJSC "ERKO"	Member of the Board of Directors
2015	2016	OJSC Corporation "Nechernozemagropromstroy"	Director General
2015	present	PJSC RusHydro	Member of the Board of Directors
2016	present	LLC RT-Kapital	Director general, Member of the 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 affiliate. 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 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 did not occupy such positions

Information on participation (Committee member, Chairman of the Committee) in the Committees of the Board of Directors (Supervisory Board) with the name of the committee (the Committee):

He is a Chairman of the Audit Committee of the Board of Directors of PJSC RusHydro, as well as a member of the Committee for Personnel and Remuneration of the Board of Directors of PJSC RusHydro.

Full name: **Vyacheslav Mikhaylovich Kravchenko**

Year of birth: **1967**

Education: **Higher**, Lomonosov Moscow State University, speciality - 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 position**

Period		Name of entity	Position
from	by		
2010	2012	OJSC United Energy Retailing Company	General Director
2011	2015	JSC "Center for Financial Settlements"	Member of the Board of Directors, Chairman of the Board of Directors
2011	present	PJSC "Rossetti"	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	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);

**He is 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: Higher 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):

He was the Chairman of the Committee on Development of the Far East Energy.

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		
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):

He is 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 Capital	Chief of Branch, Head of Directorate
2012	2013	Executive Office of the Government of the Russian Federation	Deputy Director of Department of Economy and Finance
2013	present	Ministry of Economic Development of Russia	Deputy Minister of Economic Development of the Russian Federation.
2015	2016	JSC "Rosgeologiya"	Member of the Board of Directors
2015	present	GK «АСВ»	Member of the Board of Directors
2015	present	АО «АИЖК»	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee of the Supervisory Board
2016	present	ОАО «РЖД»	Member of the Board of Directors, a member of the Strategic Planning Committee of the Board, member of the committee on priority investment projects of the Board of Directors
2016	present	ПАО «Россети»	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 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);

**He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.**

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> 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	present	ФГБОУ ВО «НИУ МЭИ»	Head. the Department (part-time)
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
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);

He is the Chairman of the Committee on the Reliability, Efficiency and Innovation of the Board of Directors of PJSC RusHydro, as well as a member of the Strategy Committee of the Board of PJSC RusHydro Directors and a member of the Investment Committee of 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.

**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		
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);

He is a member of the Investment Committee of the Board of Directors of PJSC RusHydro, member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC RusHydro, a member of the Committee on the Reliability, Efficiency and Innovation of the Board of Directors of PJSC RusHydro.

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 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);

**He is a member of the Strategy Committee 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		
2010	2012	Ministry of Energy of Russia	Deputy Minister
2012	2015	Rusenergo Fund	Member of the Board of Directors
2012	present	OJSC Rosneft Oil Company	Board member
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

			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 Supervisory Board
2014	present	RIG Research Pte Ltd	Chairman 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	Chairman of the Board of Directors
2015	present	LLC RN-Active	Director General
2015	present	PJSC RusHydro	Member of the Strategy Committee of the Board of Directors
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);

**He is a member of the Committee on the Reliability, Efficiency and Innovation, the Strategy Committee (-s).**

Full name: *Nikolay Hryhorievych Shulginov*

Born in: *1951*

Education: *Higher education, Novocherkassk Labor Red Banner Order Polytechnic Institute named after Sergo Ordzhonikidze, 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 First Deputy Chairman of the Board
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
2013	2016	PJSC "FGC UES"	Member of the Board of Directors
2015	present	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board - CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership for the organization of wholesale and retail market Board effective system of electrical energy and power	Member of the Supervisory Board

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 (Committee member, Chairman of the Committee) in the Committees of the Board of Directors (Supervisory Board) with the name of the committee (committees):

He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.

**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 Polytechnic Institute named after Sergo Ordzhonikidze, 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 First Deputy Chairman of the Board
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
2013	2016	PJSC "FGC UES"	Member of the Board of Directors
2015	present	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board - CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	Present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	Present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	Present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership Market Board for the organization of efficient wholesale and retail system of	Member of the Supervisory Board

		electrical energy and power trade	
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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);

**He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.**

### 5.2.3. Composition of the Issuer's Collective Executive Body

Full name: ***Nikolay Hryhorievych Shulginov***

Born in: ***1951***

Education: ***Higher education, Novocherkassk Labor Red Banner Order Polytechnic Institute named after Sergo Ordzhonikidze, 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 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	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board - CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	Present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	Present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	Present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership for the organization of wholesale and retail market Board effective system of electrical energy and power	Member of the Supervisory Board

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);

**He is a member of the Strategy Committee of the Board of Directors of PJSC 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
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);

**He is a Member of the Committee on Reliability, Energy Efficiency and Innovation of the Board of Directors of JSC RusHydro.**

Full name: ***Sergey Anatoliyovich 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 CEO and procurement Deputy General Director for Economics,

			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	2012	JSC "Ust-SrednekanGESstroy"	Member of the Board of Directors
2010	2015	JSC "UK GidroOGK"	Member of the Board of Directors
2010	2012	JSC "ESC RusHydro	Member of the Board of Directors
2013	2015		
		JSC "ESCO UES"	Member of the Board of Directors
2015	2015		
2011	2012	JSC "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	JSC "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	JSC "Nizhne-Bureya HPP"	Member of the Board of Directors
2011	2015	JSC "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	JSC "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	JSC " B.E Vedeneyev VNIIG "	Member of the Board of Directors
2013	2015	JSC "Gidroremont-VKK"	Member of the Board of Directors
2013	2015	JSC "Geoterm"	Member of the Board of Directors
2014	2015	JSC "Malaya Dmitrovka"	Member of the Board of Directors
2014	2015	JSC "Institute Hydroproject"	Member of the Board of Directors
2014	2015	JSC "Chuvash Energy Retail Company"	Member of the Board of Directors
2015	2015	JSC "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);

**He is Member of the Investment Committee of 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	PJSC 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 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):

**He is a Member of the Committee on Reliability, Energy Efficiency and Innovation, 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; Deputy Chairman of the Board, First Deputy Chairman of the Board
2015	present	PJSC RusHydro	Advisor to the Chairman of the Board - Director General; 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):

**He is a 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 December 31.2016
Remuneration for participation in the management entities' activities	5,561,538.45
Salary	0
Bonuses	0
Commission	0
Compensation of expenses	0
Other types of remuneration	0
<b>TOTAL</b>	<b>5,561,538.45</b>
Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	52,510.00

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 members of the Board of Directors pursuant to approved general

shareholders meeting documents and individual solution of the general shareholders meeting.

27.06.2016 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 from 26.06.2015 to 27.06.2016 in the amount, order and time defined by the On Payment of Remuneration to Members of the Board of Directors of PJSC RusHydro, approved by the decision of the Annual General Shareholders Meeting on 26.06.2015 (Protocol №13).

The Regulations with regard to remuneration and compensation to the members of the Board of Directors of PJSC RusHydro accepted on 27.07.2016 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 %).

[http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie\\_o\\_vyplate\\_chlenam\\_S\\_D\\_Obschestva\\_voznagrazhdenij\\_-\\_2010.pdf](http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie_o_vyplate_chlenam_S_D_Obschestva_voznagrazhdenij_-_2010.pdf)

## Management Board

Unit of measure: **RUB**

Indicator	As of 12/31/2016
Remuneration for participation in the management entities' activities	0
Salary	71, 655, 251.40
Bonuses	153, 917, 203.00
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	225, 572, 454.40
Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	6, 993, 854.30

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 PJSC RusHydro, approved by the resolution of the Company's Board of Directors dated 16.11.2010 (Minutes No. 111 dated 19.11.2010).

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 PJSC RusHydro is given in Clause 1.3 of the Quarterly Report.

In accordance with Article 16 of the PJSC 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:**

Audit Committee of the Company's Board of Directors elected by Company's Board of Directors on 10.08.2016, (Minutes No. 240) consists of 3 members in the Audit Committee under the Company's Board of Directors:

Sergey Nikolaevich Ivanov (Chairman)  
Maksim Sergeevych Bystrov  
Vyacheslav Viktorovich Pyvovarov

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 PJSC RusHydro on 23.06.2016, 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:**

The Company operates the Department of control and risk management.

The Department is a structural subdivision of the Company subordinate to the Company's Chairman of the Management Board—CEO.

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;

**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 – Chairman of the Board – General Director of the Company.

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.
- 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 were formed taking into account international standards as well as regulatory requirements and recommendations in force in the Russian Federation, common principles and approaches of which 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 PJSC 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 PJSC 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 PJSC 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 PJSC 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. 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***

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*
2016	present	OJSC ANK "Bashneft"	Member of the Committee on Budget 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 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 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**

***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 organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

***The person has not held such positions***

Full name: ***Igor Nikolaevich Repin***

Year of birth: ***1966***

Education: ***Higher education***

**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 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. 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***

***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 organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

***The person has not held such positions***

Full name: ***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. 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**

***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 organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

***The person has not held such positions***

Full name: ***Khvorov Vladymyr Vasylyevych***

Year of birth: ***1947***

Education: ***Higher education***

**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 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. 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**

***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

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***

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 organizations in the past 5 years and currently, in chronological order, including part-time positions**

Period		Name of the company	Title
from	to		
			Director, Chairman of the Academic Council
2002	2015	INPK CJSC "RET"	Member of the Board of Directors
2007	2013	JSC "Malaya Energetika"	Member of the Board of Directors
2007	2014	ANO "National Energy Security Institute"	Chairman of the Presidium
2011	2016	Open Joint Stock Company "Russian Energy Company"	Director General
2012	2015	LLC "LENSENT"	General Director
2012	2013	Open Joint Stock Company "Exhibition pavilion" Electrification "	Member of the Board of Directors
2014	2015	CJSC "Novoyeniseysk Wood Chemical Complex"	Member of the Board of Directors
2013	2016	LLC "Oberon"	General Director of the managing organization
2013	present	PJSC RusHydro	Member of the Board of Directors
2013	2016	LLC "Almateia"	General Director of the managing organization
2014	2016	JSC Corporation "Nechernozemagropromstroy"	Director General
2015	2016	Open Joint Stock Company "Russian Energy Company"	Member of the Board of Directors
2016	present	LLC "RT-Capital"	Director General
2016	present	LLC "RT-Capital"	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. 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**

***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 organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

***The person has not held such positions***

Full name: **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 organizations 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	PJSC "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 organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

***The person has not held such positions***

Full name: **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 organizations 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	Adviser to the Minister of Economic Development
2011	present	LLC "Altera Capital"	President
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 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***

***Internal Audit, Control and Risk Management Department— Director of the Department***

Full name *Shchegolev Elena Alexandrovna*



Born in: **1976**

Education: **higher education**

**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		
29.12.2007	15.05.2012	ОАО «ГидроОГК»	Начальник управления методологии учета и контроля обязательств ДКУиО
16.05.2012	31.10.2016	PJSC «MOESK»	Заместитель директора департамента внутреннего аудита и управления рисками/ Заместитель директора департамента внутреннего аудита/ Директор Департамента внутреннего аудита и управления рисками/ Директор по контролю – начальник Департамента внутреннего аудита и управления рисками/ Директор по контролю подразделения по контролю
01.11.2016	present	PJSC RusHydro	Директор по внутреннему контролю и управлению рисками - Главный аудитор

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**

***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 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***

#### **Head of the Internal Audit Department**

Full name: **Oleg Evgeniyovich Adzhymov**

Born in: **1977**

Education: **higher education**

**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	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**

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***

## **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 during the reporting period::

### ***Internal Audit Commission***

Unit of measure: **RUB**

Indicator	31.12.2016
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
<b>TOTAL</b>	<b>629 475.00</b>
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:

Regulation on remuneration and compensation to Members of Internal Audit Commission of PJSC RusHydro approved by the Annual General Meeting of 27.06.2016 (Minutes No. 15 of 29.06. 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 31.12.2016
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.

Payment of remuneration to the members of the Audit Committee of the Board of Directors shall be made in accordance with the Regulations on payment of remunerations and compensations to members of the Board of Directors of PJSC RusHydro, approved by the General Meeting of Shareholders of PJSC RusHydro on 27/06/2016 (Minutes of 29.06.2016 No. 15), <http://www.rushydro.ru/upload/iblock/170/05Polozhenie-o-vyplate-vozn-chlenov-SD-novaja-redakcija.pdf>.

Regulations on payment of remuneration and compensation to members of the Board of Directors of PJSC RusHydro, approved on 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) members of the collegial executive body of the Company or acting as a sole executive 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 shall not be charged and paid.

Agreements concerning the remuneration of the members of the Audit Committee of the Board of Directors are not available.

***Control and Risk Management Department***

Unit of measure: **RUB**

Indicator	As of 31.12.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	39, 634, 195.50
Bonuses	10, 786, 242.,00
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	<b>50, 420, 437.50</b>

Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	1, 612, 482.00
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**Internal Audit Service**

Unit of measure: **RUB**

Indicator	As of 31.12.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	9, 500, 183.10
Bonuses	3, 017, 012.00
Commission	0
Compensation of expenses	0
Other types of remuneration	0
<b>TOTAL</b>	<b>12,517, 195.10</b>
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	513, 048.45

**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	As of 31.12.2016
Average number of employees, persons	5 480.3
Total payroll for the reporting period	6, 430, 476, 969
Social payments to the employees for the reporting period, RUB	334, 866, 585

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: : **305 385**

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: **16**

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: **Full name: Non-bank credit organization Joint Stock Company "National Settlement Depository"**

Abbreviated corporate name: **NCO JSC 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: **115 572 995 479**

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 (Joint Stock Company) 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 31.12.2016, the Issuer has no information about the ownership and/or the accurate share owned by Gazprombank (Joint Stock Company) 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%<sup>2</sup>**

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: ***0.000022%***

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: **0,002838%**

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 %**

12. Name: Administration of the municipal formation "the village council Miatlinskaya" Kizilyurtovsky district of Dagestan

Location: Russia, Republic of Dagestan, Kizilyurtovsky district, s.Miatli

The size of the share capital of the issuer owned by municipalities: 0.001406%. 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	13	15, 719, 949, 565.58 <sup>2</sup>
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	13	15, 719, 949, 565.58
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	-	-

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:

*No such transactions*

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:

No such transactions

### **6.7. Information on Accounts Receivable**

Not indicated in Quarterly Report for Q4.

## **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 1quarter 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**

Not indicated in Quarterly Report for Q4.

### **7.3. Consolidated Financial Statements of the Issuer**

The Issuer prepares consolidated financial statements in accordance with IFRS which complies with Article 2

<sup>2</sup> Of the total number of transactions are 7 additional agreements to the previously concluded agreements do not provide for the emergence of new obligations, modify the number of essential conditions of previously concluded contracts. At the same time, the price of these transactions accounted for in the column "Total volume of transactions in terms of money."

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 nine months ended on September 30, 2016 (Appendix 1):

- 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 significant 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***

Not indicated in Quarterly Report for Q4.

#### ***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): **5,40%**

**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 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:  
authorized capital changes did not occur.

At the same time, the Issuer considers necessary to note that the Bank of Russia 07.12.2016 the state registration of the additional issue of 40,429,000,000 ordinary shares placement method: public offering. Additional securities issue was assigned state registration number: 1-01-55038-E-042D.

As at the date of the reporting quarter the Issuer did not carry out the placement of additional shares, the change of the authorized capital in the quarter did not occur.

Issuer's management body that made the decision to change the authorized capital of the issuer: The Board of Directors;

## ***Date and number of the meeting (session) of the issuer's management protocol, which made a decision to change the authorized capital of the issuer: Minutes of 23.11.2016 number 244.*** **8.1.3. Information on Convening and Holding the Meeting of the Issuer's Supreme Management Body**

The information is provided in the Quarterly Report for Q2 2016, in Q3 2016 there were no changes in such information

## **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 list of commercial organizations, in which the Issuer Holds as at the end of the last reporting quarter at least Five Per Cent of the Authorized Capital or at least Five Per Cent of its Equity Shares.

1. Full corporate name: **Joint-Stock Company HydroEngineering Siberia**

Abbreviated corporate name: **CJSC HydroEngineering Siberia**

Location **Moscow, Russian Federation**

INN **7804328940**

OGRN : **1057813314525**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

2. Full corporate name: **B.E. Vedenev Russian Research Hydrotechnics Institute Joint-Stock Company**

Abbreviated corporate name: **VNIIG JSC B.E. Vedenev**

Location **St. Petersburg**

INN **7804004400**

OGRN : **1027802483400**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

3. Full corporate name: **Joint-Stock Company Geoterm**  
Abbreviated corporate name: **JSC Geoterm**  
Location **Petropavlovsk-Kamchatsky, Kamchatka Krai, Russia**  
INN **4101023932**  
OGRN : **1024101023429**

The Issuer's share in the authorized capital of the commercial company, %: **99.65**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **99.65**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

4. Full corporate name: **Joint-Stock Company Zaramagskiye HPPs**  
Abbreviated corporate name: **JSC Zaramagskiye HPPs**  
Location **Moscow**  
INN **1505008701**  
OGRN : **1021500822001**

The Issuer's share in the authorized capital of the commercial company, %: **99.75**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **99.75**  
Share of the person in the authorized capital of the Issuer, %: **0.070239**  
Share of the Issuer's equity shares held by the person, %: **0.070239**

5. Full corporate name: **Joint-Stock Company Hydroinvest**  
Abbreviated corporate name: **JSC Hydroinvest Ufa, Republic of Bashkortostan, Russia**  
INN **7814382859**  
OGRN : **1077847558381**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **3.55**  
Share of the Issuer's equity shares held by the person, %: **3.55**

6. Full corporate name: **Non-Public Joint-Stock Company Leningradskaya PSHPP**  
Abbreviated corporate name: **JSC Leningradskaya PSHPP**

***Location Yanega, Lodeynopolsky District, Leningrad Oblast, Russian Federation***

INN **7804328926**  
OGRN : **1057813313315**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

7. Full corporate name: **Joint-Stock Company Scientific Research Institute of Energy Structures**  
Abbreviated corporate name: **JSC NIIES**  
Location **Moscow**  
INN **7733021533**  
OGRN : **1027739536868**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

8. Full corporate name: **Joint-Stock Company Experimental-Industrial Verkhne-Mutnovskaya GeoPP**  
Abbreviated corporate name: **JSC Experimental-Industrial Verkhne-Mutnovskaya GeoPP**  
Location **Petropavlovsk-Kamchatsky, Kamchatka Krai, Russia**  
INN **4101100400**  
OGRN : **1054100011668**

The Issuer's share in the authorized capital of the commercial company, %: **48.04**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **48.04**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

9. Full corporate name: **Joint-Stock Company Managing Company HydroOGK**  
Abbreviated corporate name: **JSC MC HydroOGC**  
Location **Moscow**  
INN **5260096381**  
OGRN : **1025203040136**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

10. Full corporate name: **Joint-Stock Company Energy Construction Complex of**

**UES** Abbreviated corporate name: **JSC ECC of UES**

Location **Moscow**

INN **7729540430**

OGRN : **1067746217373**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Full corporate name: **Joint-Stock Company Construction Contractor of Boguchanskaya HPP**

Abbreviated corporate name: **JSC Construction Contractor of Boguchanskaya HPP**

Location **Kodinsk 2420070942**

OGRN : **1072420000135**

The Issuer's share in the authorized capital of the commercial company, %: **51**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **51**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

12. Full corporate name: **Closed Joint-Stock Company Construction Customer of Boguchanskaya HPP**

Abbreviated corporate name: **CJSC Construction Customer of Boguchanskaya HPP**

***Location: Leninskogo Komsomola Prosp., Kodinsk, Kozhemy District, Krasnoyarsk Krai, Russia, 663491 10/1***

INN **2420070910**

OGRN : **1072420000168**

The Issuer's share in the authorized capital of the commercial company, %: **49**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

13. Full corporate name: **Closed Joint-Stock Company Construction Contractor of Boguchansk Aluminium Smelter**

Abbreviated corporate name: **CJSC Construction Contractor of Boguchansk Aluminium Smelter**

***Location: Leninskogo Komsomola Prosp., Kodinsk, Kozhemy District, Krasnoyarsk Krai, Russia, 10/1***

INN **2420070928**

OGRN : **1072420000157**

The Issuer's share in the authorized capital of the commercial company, %: **49**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

14. Full corporate name: **Joint-Stock Company Construction Customer of Boguchansk Aluminium Smelter**

Abbreviated corporate name: **JSC Construction Customer of Boguchansk Aluminium Smelter**

***Location: Industrial site of Boguchansk Aluminium Smelter, Boguchansk District, Krasnoyarsk Krai, Russia***

INN **2420070935**

OGRN : **1072420000146**

The Issuer's share in the authorized capital of the commercial company, %: **51**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **51**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

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

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

Location **Novobureysky work settlement (urban-type settlement), Bureyskiy District, Amur Oblast**

INN **2813006299**

OGRN : **1062813007817**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**



16. Full corporate name: **Joint-Stock Company Nizhne-Zeiskaya HPP**

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

Location **Blagoveshchensk, Amur Oblast, Russian Federation**

INN **2801112479**

OGRN : **1062801070331**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

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

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

***Location: Bogorodskoye work settlement, Sergievo-Posadsky municipal district, Moscow Oblast, Russian Federation***

INN **5042086312**

OGRN : **1065042071137**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

18. Full corporate name: **Joint-Stock Company Transport Company RusHydro**

Abbreviated corporate name: **JSC TC RusHydro**

Location: **Cheremushki, Sayanogorsk, Republic of Khakassia,**

***Russian Federatio***

INN **1902018248**

OGRN : **1031900676356**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

19. Full corporate name: **Joint-Stock Company Renewable Energy Engineering Center**

Abbreviated corporate name: **JSC Renewable Energy Engineering Center**

Location **Moscow**

INN **7728638105**

OGRN : **1077762186633**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

20. Full corporate name: Joint-Stock Company Yuzhno-Yakutsky Hydropower Complex  
Abbreviated corporate name: **JSC South Yakutia HPC**  
Location **Moscow, Russian Federation**  
INN **1402046840**  
OGRN : **1061402006126**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

21. Full corporate name: **Non-Public Joint-Stock Company Sulaksky Hydrocascade**  
Abbreviated corporate name: JSC Sulaksky Hydrocascade 7A Stroitelny  
Proezd, Moscow, 125362  
INN: **0516009712**  
OGRN : **1070546001173**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

22. Full corporate name: **Joint-Stock Company Service Center of Neporozhny Sayano-Shushenskaya  
HPP**  
Abbreviated corporate name: JSC SC NSShHPP **Cheremushki  
work settlement**, Republic of Khakassia INN **1902018368**  
OGRN : **1031900677324**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

23. Full corporate name: **Joint-Stock Company Hydroremont VCC**  
Abbreviated corporate name: **JSC Hydroremont VCC**  
Location **Moscow**  
INN **6345012488**  
OGRN : **1036301733005**

The Issuer's share in the authorized capital of the commercial company, %: **100**  
Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**  
Share of the person in the authorized capital of the Issuer, %: **0**  
Share of the Issuer's equity shares held by the person, %: **0**

24. Full corporate name: Joint-Stock Company Karachaevo-Cherkesskaya Hydrogeneration  
Company  
Abbreviated corporate name: JSC Karachaevo-Cherkesskaya Hydrogeneration Company  
Location **Moscow**  
INN **0917001661**

OGRN : **1050900973177**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

25. Full corporate name **Private Company Limited by Shares HYDROOGK ALUMINIUM COMPANY LIMITED**

Abbreviated corporate name: HydroOGK Aluminium Company Limited Location: 16 Kyriakos Matsis Avenue Nicosia, Cyprus The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

26. Full corporate name: **Private Company Limited by Shares HYDROOGK POWER COMPANY LIMITED**

Abbreviated corporate name: **HYDROOGK POWER COMPANY LIMITED**  
Location **16 Kyriakos Matsis Avenue Nicosia, Cyprus**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

27. Full corporate name: **Joint-Stock Company Zharki**

Abbreviated corporate name: **JSC Zharki**

***Location Territory of Zharki Leisure Centre, Bldg. 1, Bolshoy Babik river mouth, Beysky District, Republic of Khakassia, Russia, 655770***

INN **1902017734**

OGRN : **1031900671780**

The Issuer's share in the authorized capital of the commercial company, %: **25.000964**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **25.000964**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

28. Full corporate name: **Joint-Stock Company Lenhydroproject**

Abbreviated corporate name: **JSC Lenhydroproject**

Location **Saint Petersburg**

INN **7814159353**

OGRN : **1077763382597**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

29. Full corporate name: **Public Joint-Stock Company Kolymaenergo**

Abbreviated corporate name: **PJSC Kolymaenergo**

Location: **Magadan**

INN **2460215591**

OGRN : **1092468017751**

The Issuer's share in the authorized capital of the commercial company, %: **98.759682**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **98.759682**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

30. Full corporate name: **Joint-Stock Company Energy Main Computer**

## **Centre**

Abbreviated corporate name: **JSC Energy MCC**

Location **Moscow**

INN **7705020880**

OGRN : **1027739064858**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

31. Full corporate name: **Joint-Stock Company ChirkeyGESstroy**

Abbreviated corporate name: **JSC ChirkeyGESstroy**

Location **Moscow**

INN **0533001760**

OGRN : **1020501741523**

The Issuer's share in the authorized capital of the commercial company, %: **75**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **75**

Share of the person in the authorized capital of the Issuer, %: **0.007561**

Share of the Issuer's equity shares held by the person, %: **0.007561**

32. Full corporate name: **Joint-Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name: **JSC Ust-Srednekamskaya HPP** Location: **Magadan,**

**Magadan Oblast, Russian Federation** INN: **4909095293**

OGRN : **1074910002310**

The Issuer's share in the authorized capital of the commercial company, %: **67.82**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **67.82**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

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

Abbreviated corporate name: **JSC ESC RusHydro**

Location **Moscow**

INN **7804403972**

OGRN : **1089848039973**

The Issuer's share in the authorized capital of the commercial company, %: **100 minus one share**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100 minus one share**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

34. Full corporate name: **Joint-Stock Company Far East WPP**

Abbreviated corporate name: **JSC Far East WPP**

Location **Moscow**

INN **2536217601**

OGRN : **1092536005297**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

35. Full corporate name: **Joint-Stock Company Malaya Dmitrovka**

Abbreviated corporate name: **JSC Malaya Dmitrovka**

Location **Moscow**  
INN **7727685303**  
OGRN : **1097746103905**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

36. Full corporate name: **Joint-Stock Company Small HPPs of Altai**

Abbreviated corporate name: **JSC Small HPPs of Altai**

Location **Gorno-Altaysk, Republic of Altai, Russian Federation**

INN **0411151856**

OGRN : **1100411007674**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

37. Full corporate name: **Joint-Stock Company Small HPPs of Dagestan**

Abbreviated corporate name: **JSC SHPPs of Dagestan**

Location **Moscow, Russian Federation**

INN **0562068208**

OGRN : **1042401810494**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

38. Full corporate name: **RusHydro International B.V**

Abbreviated corporate name: **RusHydro International B.V**

Location **Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

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

Abbreviated corporate name: **PJSC Yakutskenergo**

Location **Yakutsk, Russian Federation**

INN **1435028701**

OGRN : **1021401047260**

The Issuer's share in the authorized capital of the commercial company, %: **29.795104**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **29.002941**

Share of the person in the authorized capital of the Issuer, %: **0.000014**

Share of the Issuer's equity shares held by the person, %: **0.000014**

40. Full corporate name: **Public Joint-Stock Company Kamchatka Gas Power Complex**

Abbreviated corporate name: **PJSC KamGEK**

Location **Petropavlovsk-Kamchatsky, Kamchatka Krai, Russia**

INN **4101047002**

OGRN : **1024101019469**

The Issuer's share in the authorized capital of the commercial company, %: **96.583531**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **96.583531**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

41. Full corporate name: **Joint-Stock Company RusHydro Delivery**

Abbreviated corporate name: **JSC RusHydro Delivery**

Location: **Moscow, Russian Federation INN: 1510012774**

OGRN : **1041500751016**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

42. Full corporate name: **Public Joint-Stock Company RAO Energy System of East**

Abbreviated corporate name: **PJSC RAO ES of East**

Location **Khabarovsk, Khabarovsk Krai**

INN **2801133630**

OGRN : **1087760000052**

The Issuer's share in the authorized capital of the commercial company, %: **84.39**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **85.163759**

Share of the person in the authorized capital of the Issuer, %: **0.012584**

Share of the Issuer's equity shares held by the person, %: **0.012584**

43. Full corporate name **Joint-Stock Company Sakhalin Energy Company**

Abbreviated corporate name: **JSC CEK**

Location **40 Dzerzhinskogo, Yuzhno-Sakhalinsk, Russia, 693007**

INN **6501210088**

OGRN : **1096501006030**

The Issuer's share in the authorized capital of the commercial company, %: **28.09**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **28.09**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

44. Full corporate name: **Limited Liability Company RusHydro IT Service**

Abbreviated corporate name: **LLC RusHydro IT Service**

Location **Moscow, Russian Federation**

INN **1902022558**

OGRN : **1091902000772**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

45. Full corporate name: **Limited Liability Company Verkhnebalkarskaya Small HPP**

Abbreviated corporate name: **LLC Verkhnebalkarskaya SHPP**

Location **Moscow**

INN **0706004536**

OGRN : **1090720000370**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

46. Full corporate name: **Limited Liability Company Fiagdonskaya Small HPP**  
Abbreviated corporate name: **LLC Fiagdonskaya SHPP**  
Location **Moscow**  
INN **1514005915**  
OGRN : **1091514000467**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

47. Full corporate name: **Limited Liability Company Small HPPs of Stavropol and Karachayevo-Cherkessia**

Abbreviated corporate name: **LLC SHPPs Stavropol and KCh**  
Location **Moscow**  
INN **0917014406**  
OGRN : **1090917001867**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

48. Full corporate name: **Closed Joint-Stock Company Verkhne-Narynskie Hydroelectric Power Plants**

Abbreviated corporate name: **CJSC Verkhne-Narynskie HPP**  
Location **326 Zhibek-Zholu Prospekt, Bishkek, Kyrgyz Republic**  
INN **02510201210033**  
OGRN : **125748-3300-3AO**

The Issuer's share in the authorized capital of the commercial company, %: **50**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **50**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

49. Full corporate name: **Joint-Stock Company Irkutsk Electric Grid Company**  
Abbreviated corporate name: **JSC IEGC**  
Location **257 Lermontova St., Irkutsk, Russian Federation, 664033**  
INN **3812122706**  
OGRN : **1093850013762**

The Issuer's share in the authorized capital of the commercial company, %: **42.75**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **42.75**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

50. Full corporate name: **Joint-Stock Company TPP in Sovetskaya Gavan**  
Abbreviated corporate name: **JSC TPP in Sovetskaya Gavan**  
Location **Sovetskaya Gavan, Russian Federation**  
INN **2704022491**  
OGRN : **1132709000489**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

51. Full corporate name: **Joint-Stock Company Blagoveshchenskaya TPP**  
Abbreviated corporate name: **JSC Blagoveshchenskaya TPP**



Location **Blagoveshchensk, Amur Oblast, Russian Federation**

INN **2801186142**

OGRN : **1132801005556**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

52. Full corporate name: **Joint-Stock Company Sakhalin SDPP-2**

Abbreviated corporate name: **JSC Sakhalin SDPP-2** Location: **Yuzhno-Sakhalinsk, Russian Federation**

INN: **6501256357**

OGRN : **1136501004012**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

53. Full corporate name: **Joint-Stock Company Yakutsk SDPP-2**

Abbreviated corporate name: **JSC Yakutsk SDPP-2**

Location **Yakutsk, Republic of Sakha (Yakutia)**

INN **1435269489**

OGRN : **1131447010640**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

54. Full corporate name: **Limited Liability Company VOLGAHYDRO**

Abbreviated corporate name: **LLC VOLGAHYDRO**

Location **76 30 let Pobedy St., Balakovo, Saratov Oblast, Russia, 413840**

INN **6439082561**

OGRN : **1136439001841**

The Issuer's share in the authorized capital of the commercial company: **40%**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

55. Full corporate name: **Joint-Stock Company Kholdingovaya Kompaniya BoAZ**

Abbreviated corporate name: **JSC Kholdingovaya Kompaniya BoAZ**

Location **Moscow**

INN **7733866026**

OGRN : **5137746242420**

The Issuer's share in the authorized capital of the commercial company: **100%**

Percentage of equity shares held by the Issuer in such joint-stock company: **100%**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

56. Full corporate name: **Joint-Stock Company Kholdingovaya Kompaniya BoGES**

Abbreviated corporate name: **JSC Kholdingovaya Kompaniya BoGES**

Location **Moscow**

INN **7733866019**

OGRN : **5137746242376**

The Issuer's share in the authorized capital of the commercial company: **100%**

Percentage of equity shares held by the Issuer in such joint-stock company: **100%**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

### 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 completed 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 ,  
Russia, 115054, z.**

**Moscow 6 Valovaya St. Russia (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+** 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. changed Stable to Negative outlook of PJSC RusHydro (due to similar change of sovereign credit rating outlook of the Russian Federation on March 21, 2014) and confirmed its credit ratings at BB+ (long-term rating in foreign and national currencies) and AA(rus) (national long-term rating).
5/20/2016	Fitch Ratings Ltd. changed Stable to Negative outlook of PJSC RusHydro (due to similar change of sovereign credit rating outlook of the Russian Federation on March 21, 2014) and confirmed its credit ratings at BB+ (long-term rating in foreign and national currencies) and AA(rus) (national long-term rating).

Rating object: **Issuer**

Rating company

Full corporate name: **Standard & Poor's International Services, Inc**

Abbreviated corporate name: **S&P**

**Location 55 Water Street New York, NY, United States, 10041,  
Russia, 125009, z.**

**Moscow 4/7 Vozdvizhenka St., bldg. 2, (Moscow office)**

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

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In February, 2017 Fitch international rating agency (including the information from December 23, 2016 ) made the decision on a confirmation and a feedback of the credit ratings assigned by Fitch on a national scale to Issuers in the Russian Federation, including PJSC

RusHydro. This rating action does not belong and does not influence the credit rating of PJSC RusHydro assigned by Fitch on the international scale.

of the credit rating and allocation (change) date thereof

Allocation date	Credit rating
February 04, 2015	Standard&Poor's rating agency revised PJSC 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+)
12/19/2016	Standard&Poor's rating agency confirmed the level of long-term ratings of PJSC RusHydro on the international scale in foreign and national currencies at BB changing Stable for Positive, long-term rating on a national scale at ruAA

Rating object: **Issuer**

Rating company

Full corporate name: **MOODY'S Investors Service Ltd.**

Abbreviated corporate name: **MOODY'S**

***Location 7 World Trade Center at 250 Greenwich Street New York, NY 10007 USA and 21, 1-ya Tverskaya-Yamskaya St., Moscow, Russia, 125047 (Four Winds Plaza Business Centre)***

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
2/25/2015	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)
2/26/2015	CJSC Moody's Interfax Rating Agency revised the long-term credit rating in foreign currency and determined it at Aa2.ru outlook (due to similar action concerning sovereign credit rating outlook of the Russian Federation on February 20, 2015).
12/7/2015	MOODY'S Investors Service Ltd. Rating Agency has revised the rating outlook of PJSC RusHydro from "Negative" to "Stable" and confirmed its credit rating at Ba2 (long-term rating in foreign and national currencies according to the international scale).
3/9/2016	MOODY'S Investors Service Ltd. Rating Agency set to the revision level (Outlook) of the rating of PJSC RusHydro on the international scale for possible downgrade (due to similar action concerning the bonds of Russian Federation with rating on March 04, 2016).
3/10/2016	CJSC Moody's Interfax Rating Agency set to the revision level (Outlook) of the rating of PJSC RusHydro on the international scale for possible downgrade (due to similar action concerning the bonds of Russian Federation with rating on March 04, 2016).
3/18/2016	CJSC Moody's Interfax Rating Agency made the decision on a feedback of rating of PJSC RusHydro on a national scale (the system decision on a feedback by the agency of all scores assigned to Issuers on a national scale).
4/27/2016	MOODY'S Investors Service Ltd. Rating Agency confirmed the level of long-term credit rating in foreign currency at Ba2 Stable.

Rating object: **securities of the Issuer**

Information on securities

Type of securities: **bonds, exchange-traded bonds**

Series, other identification characteristics of securities: **bonds, series 07, 08, 09; exchange-traded bonds: БО-П01, БО-П02, БО-П03;**

type of securities: certificated; certificated

*other identification attributes of securities: **bonds: non-convertible interest-bearing bonds with mandatory centralized custody, and the possibility of early repayment at the holders' request and at the Issuer's discretion; exchange bonds: exchange bonds certified non-convertible interest-bearing bonds with mandatory centralized custody;***

State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof): **bonds: 4-01-55038-E dated December 27, 2010, 4-02-55038-E dated December 27, 2010, 4-07-55038-E dated December 27, 2012, 4-08-55038-E dated December 27, 2012;**

***4-09-55038-E dated December 27, 2012; exchange-traded bonds: 4B02-01-55038-E-001P dated July 03, 2015, 4B02-02-55038-E-001P dated July 03, 2015, 4B02-03-55038-E-001P dated July 03, 2015; 4B02-04-55038-E-001P dated April 01, 2016z;***

Credit rating as of the date of the securities prospectus approval: senior unsecured rating on the international scale BB+;

Credit rating change history for the last five completed financial 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 E14 5GN, UK (central office), 26 Valovaya St., Moscow, 115054, Russia (Russian 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: **priority unsecured rating BB+ 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
1/21/2015	Fitch Ratings confirmed BB+ priority unsecured rating of PJSC RusHydro (series 01, 02, 07 and 08) for RUB bonds
4/30/2015	Fitch Ratings rated ruble bonds of PJSC RusHydro (series 09) as priority unsecured at B
7/9/2015	Fitch Ratings rated ruble bonds of PJSC RusHydro (exchange-traded bonds, series БО-Π01, БО-Π02 and БО-Π03) as priority unsecured+ at BB
4/11/2016	Fitch Ratings confirmed BB+ priority unsecured rating of PJSC RusHydro (exchange-traded bonds, series БО-Π04) for RUB bonds.
5/20/2016	Fitch Ratings confirmed BB+ priority unsecured , rating of PJSC RusHydro (series 01, 02, 07, 08, БО-Π01, БО-Π02, БО-Π03 БО-Π04) for RUB bond

## 8.2. Information on each category (class) of the Issuer's shares

category of shares: *equity share*;

par value *1 (one) Russian rubles 00 kopeck*

the number of shares in circulation (quantity of shares which are not redeemed or cancelled): *386,255,464,890 (Three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety)*

the number of additional shares that can be placed or are in the process of placement (the number of issuing additional shares, state registration of which is carried out, but with respect to which state registration of report on results

of additional issue is not performed or the notification on results of the additional issue is not provided): *40,429,000,000 pieces*;

The number of authorized shares: *54 047 237 489 pieces*;

The number of shares are transferred to Company's ownership (on the balance) *0 pieces*;

the number of additional shares that can be placed as a result of conversion of outstanding securities convertible into shares or as a result of fulfillment of obligations under the Company's option: *0 pieces*;

State registration number of the securities issue: *1-01-55038-E*

State registration date of the securities issue: *February 22, 2005*

Date of state registration of the report on the results of the securities issue: *2/22/2005*

Registering authority which carried out state registration of the securities issues and the report on the results of the securities issue: *FFMS Russia*

Additional issues of shares in respect of which the registering authority has not made a decision to cancel their individual number (code): State registration number of the securities issue: *1-01-55038-E-042D*

State registration date of the securities issue: *12/7/2016*

Date of state registration of the report on the results of the securities issue: *the report on results of additional issue of securities is not registered*;

Registering authority which carried out state registration of the securities issues *Bank of Russia*

Rights granted by shares to their owners:

*In accordance with clause 6.2. article 6 of the Issuer's Charter:*

*" Each ordinary registered share shall grant the shareholder, its owner, the equal scope of rights.*

*Shareholders-owners of ordinary registered shares shall have the right to:*

- 1) to participate personally or through representatives in General meeting of shareholders if the Company with the right to vote on all issues within its competence;*
- 2) to make proposals to the agenda of the General meeting of shareholders in the order stipulated by the legislation of the Russian Federation and this Charter;*
- 3) to obtain information on the activities of the Company and to examine documents of Companies in accordance with article 91 of the Federal law "On joint-stock companies";*
- 4) to receive dividends declared by the company;*
- 5) preferential acquisition of the additional shares and issued securities converted into events, in the quantity proportional to the number of owned shares of this category (type);*
- 6) to receive a part of its property un the case of liquidation of Company;*

7) *to exercise other rights stipulated by the legislation of the Russian Federation and the present Charter''*

*The company has not issued preferred shares*

other information: *none*

## **8.3. Information on Previous Issues of the Issuer's Equity Securities, Except for the Issuer's Shares**

### **8.3.1. Information on Issues with Cancelled Securities**

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

### **8.3.2. Information on Issues with Outstanding Securities**

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

## **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 Q3 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 Q3 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 the end of 3; 6,9 and 12 months of 2016 the Issuer declared no dividends

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
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 3,656,214,627.80
Share of paid dividends in total declared dividends on shares of that category (class), %	99.47 %
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 2012, dividends were 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	In connection with the expiry of a 3-year term, during which the Company's shareholders have the right to appeal with a demand for payment of dividends declared for the 2012 fiscal year declared and unclaimed dividends are restored to the retained earnings of the Company and the obligation to pay them prekraschena.

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 27, 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, 872, 225.37
Share of paid dividends in total declared dividends on shares of that category (class), %	99.65 %
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

Indicator	Dividend period: 2014
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 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, 012, 084, 284.87
Share of paid dividends in total declared dividends on shares of that category (class), %	99.66 %

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 were 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

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: June 27, 2016, minutes No. 15 dated June 29, 2016
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	July 08, 2015
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2015
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 22, 2016, 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 14 ,965,150, 858.10
Share of paid dividends in total declared dividends on shares of that category (class), %	99,69 %
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 2015, dividends were 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

## 8.7.2. Information on Accrued and Paid Yield on the Issuer's Bonds

Indicator	Reporting period: 2011–Q4 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	3 993 224 409,23 (Три миллиарда девятьсот девяносто три миллиона двести двадцать четыре тысячи четыреста девять) рублей 23 копейки
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012 The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013 The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015; The tenth coupon yield is paid on April 18, 2016 The eleventh coupon income paid 17.10.2016
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	3 993 224 409,23 (Three billion nine hundred ninety-three million two hundred twenty-four thousand four hundred and nine) rubles 23 kopeykiRUB
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. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Indicator	Reporting period: 2011–Q4 2016
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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	39 (Thirty-nine) rubles 89 (eighty nine) cents (amount of income from 1 to 10 coupon periods); 47 (forty-seven) rubles 37 (thirty seven) cents (amount of income from 11 - 20 coupon periods) .RUB
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	2 002 115 201,20 (Two billion two million one hundred and fifteen thousand two hundred and one) rubles 20 kopeekRUB
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012 The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013; The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015; The tenth coupon yield is paid on April 18, 2016 The eleventh coupon income paid 17.10.2016
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	2 002 115 201,20 (Two billion two million one hundred and fifteen thousand two hundred and one) rubles 20 kopeekRUB
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. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Indicator	Reporting period: 2013–Q4 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 2,966,600,000 (two billion nine hundred and sixty-six million six hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016 The seventh coupon yield is paid on August 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 2,966,600,000 (two billion nine hundred and sixty-six million six 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 07 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: 2013–Q4 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 2,966,600,000 (two billion nine hundred and sixty-six million six hundred thousand rubles)

Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016 The seventh coupon yield is paid on August 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 2,966,600,000 (two billion nine hundred and sixty-six million six 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 – Q4 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
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	1 907 400 000 (One billion nine hundred seven million four hundred thousand) rubleyRUB
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 27, 2015 The second coupon yield is paid on April 26, 2016 Third coupon period paid 25.10.2016
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	1 907 400 000 (One billion nine hundred seven million four hundred thousand) rubleyRUB
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: 2015 - Q4 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 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2015 The second coupon yield is paid on July 6, 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 590,900,000 (five hundred and ninety million nine 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 exchange-traded bonds of series BO-P01 is 3 years.

Indicator	Reporting period: 2015 - Q4 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 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016 The second coupon yield is paid on July 6, 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 590,900,000 (five hundred and ninety million nine 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 exchange-traded bonds of series BO-P02 is 3 years.

Indicator	Reporting period: 2015 -Q4 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, 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 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016 The second coupon yield is paid on July 6, 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 590,900,000 (five hundred and ninety million nine 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 exchange-traded bonds of series BO-P03 is 3 years.

indicator	Reporting period Q2. 2016 - 4th quarter. 2016
Series, form and other identification characteristics of the bond issue	Commercial papers documentary interest-bearing non-convertible bearer bonds with mandatory centralized custody, series BO-P04
State registration number of the bond issue and the date of its state registration (identification number of the bond issue and the date of its assignment if the bond issue is not subject to state registration)	4B02-04-55038-E-001P from 01.04.2016.
Type of yield paid on the issue bonds (face value, interest (coupon), other)	Reporting period Q2. 2016 - 4th quarter. 2016
The size of income to be paid under the bond issue, in monetary terms, based on a bond issue, rub. / Foreign currency	51 (Пятьдесят один) рубль 61 (Шестьдесят одна) копейка



The size of income, payable under the bond issue, in terms of money in the aggregate for all bonds of the issue, RUR. / foreign. currency	774 150 000 (Seven hundred and seventy four million one hundred and fifty thousand) rubles.
Term (date) of payment of issue bond yield	The first coupon income paid on 06.10.2016
The form of payment of issue bond yield (cash, other property)	Cash in the Russian Federation currency in cashless
The total amount of yield paid on all bonds of the issue, RUR. / Foreign. currency	774 150 000,00 (seven hundred and seventy four million one hundred and fifty thousand) rubles.
The share of paid income on bonds in the total amount payable on issued bonds,%	100
Reasons for non-payment of income if the payable income on bonds was not paid or paid by the issuer is not in full	-
Other information on bond income specified at the Issuer's discretion	The maturity of the BO-P04 series of exchange bonds 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. Condensed Consolidated Interim (Financial) Information (Unaudited), prepared in accordance with IAS 34, as at and for the three and nine months ended on September 30,2016



**RUSHYDRO GROUP**

**Condensed Consolidated Interim  
Financial Information (Unaudited)  
prepared in accordance with IAS 34**

**As at and for the three and nine months ended 30 September 2016**

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**RusHydro Group**  
**Condensed Consolidated Interim Statement of Financial Position (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	30 September 2016	31 December 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	774,180	744,585
Investments in associates and joint ventures		14,664	14,142
Available-for-sale financial assets	7	17,317	6,094
Deferred income tax assets		5,477	5,486
Other non-current assets	8	18,383	21,402
<b>Total non-current assets</b>		<b>830,021</b>	<b>791,709</b>
<b>Current assets</b>			
Cash and cash equivalents	9	54,383	48,025
Income tax receivable		1,412	1,396
Accounts receivable and prepayments	10	43,354	49,646
Inventories	11	27,683	23,999
Other current assets	12	19,387	22,574
		<b>146,219</b>	<b>145,640</b>
Non-current assets and assets of disposal group classified as held for sale	8,13	6,653	788
<b>Total current assets</b>		<b>152,872</b>	<b>146,428</b>
<b>TOTAL ASSETS</b>		<b>982,893</b>	<b>938,137</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	386,255	386,255
Treasury shares	14	(22,578)	(26,092)
Share premium		39,202	39,202
Retained earnings and other reserves		243,491	203,114
<b>Equity attributable to the shareholders of PJSC RusHydro</b>		<b>646,370</b>	<b>602,479</b>
Non-controlling interest	14	2,936	11,440
<b>TOTAL EQUITY</b>		<b>649,306</b>	<b>613,919</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		39,541	37,034
Non-current debt	16	162,882	135,179
Other non-current liabilities		14,113	14,551
<b>Total non-current liabilities</b>		<b>216,536</b>	<b>186,764</b>
<b>Current liabilities</b>			
Current debt and current portion of non-current debt	16	53,747	62,214
Accounts payable and accruals	17	46,339	60,307
Current income tax payable		123	898
Other taxes payable	18	12,137	14,035
		<b>112,346</b>	<b>137,454</b>
Liabilities of disposal group classified as held for sale	13	4,705	-
<b>Total current liabilities</b>		<b>117,051</b>	<b>137,454</b>
<b>TOTAL LIABILITIES</b>		<b>333,587</b>	<b>324,218</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>982,893</b>	<b>938,137</b>

Chairman of Management Board – General Director

N. G. Shulginov

Chief Accountant

Y. G. Medvedeva



15 December 2016

**RusHydro Group**  
**Condensed Consolidated Interim Income Statement (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Nine months ended 30 September		Three months ended 30 September	
		2016	2015	2016	2015
Revenue	19	268,644	245,083	80,783	74,295
Government grants	20	10,214	8,188	3,735	2,668
Other operating income		2,132	6,792	77	5,033
Operating expenses (excluding impairment losses)	21	(226,954)	(226,069)	(68,124)	(71,500)
<b>Operating profit excluding impairment losses</b>		<b>54,036</b>	<b>33,994</b>	<b>16,471</b>	<b>10,496</b>
Impairment of impairment of accounts receivable, net		(4,244)	(148)	(1,100)	637
Impairment of property, plant and equipment, net		(2,983)	(2,240)	(1,104)	(904)
<b>Operating profit</b>		<b>46,809</b>	<b>31,606</b>	<b>14,267</b>	<b>10,229</b>
Finance income	22	7,237	9,837	1,718	2,561
Finance costs	22	(6,137)	(10,284)	(1,823)	(5,103)
Profit in respect of associates and joint ventures		928	1,896	370	447
<b>Profit before income tax</b>		<b>48,837</b>	<b>33,055</b>	<b>14,532</b>	<b>8,134</b>
Total income tax expense	15	(11,437)	(8,957)	(2,607)	(2,618)
<b>Profit for the period</b>		<b>37,400</b>	<b>24,098</b>	<b>11,925</b>	<b>5,516</b>
Attributable to:					
Shareholders of PJSC RusHydro		39,077	30,153	12,363	8,491
Non-controlling interest		(1,677)	(6,055)	(438)	(2,975)
Earnings per ordinary share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	23	0.1065	0.0827	0.0337	0.0233
Weighted average number of shares outstanding – basic and diluted (millions of shares)	23	367,050	364,469	367,403	364,469

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Nine months ended 30 September		Three months ended 30 September	
		2016	2015	2016	2015
Profit for the period		37,400	24,098	11,925	5,516
<b>Other comprehensive income, net of tax:</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of pension benefit obligations		(525)	(1,038)	-	-
Other comprehensive loss		(45)	(2)	(10)	(44)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(570)</b>	<b>(1,040)</b>	<b>(10)</b>	<b>(44)</b>
<i>Items that may be reclassified subsequently to profit or loss</i>					
Gain / (loss) arising on available-for-sale financial assets	7	11,172	1,914	3,693	(782)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>11,172</b>	<b>1,914</b>	<b>3,693</b>	<b>(782)</b>
<b>Other comprehensive income / (loss) for the period</b>		<b>10,602</b>	<b>874</b>	<b>3,683</b>	<b>(826)</b>
<b>Total comprehensive income for the period</b>		<b>48,002</b>	<b>24,972</b>	<b>15,608</b>	<b>4,690</b>
Attributable to:					
Shareholders of PJSC RusHydro		49,783	31,367	16,034	7,665
Non-controlling interest		(1,781)	(6,395)	(426)	(2,975)

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Nine months ended 30 September	
		2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Profit before income tax</b>		<b>48,837</b>	<b>33,055</b>
Depreciation of property, plant and equipment and intangible assets	6, 21	18,234	16,983
Loss on disposal of property, plant and equipment, net	21	307	2,463
Profit in respect of associates and joint ventures		(928)	(1,896)
Other operating income		(2,132)	(6,792)
Finance income	22	(7,237)	(9,837)
Finance costs	22	6,137	10,284
Impairment of property, plant and equipment, net		2,983	2,240
Impairment of accounts receivable, net		4,244	148
Pension expenses		15	227
Other expenses		125	5
<b>Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities</b>		<b>70,585</b>	<b>46,880</b>
Working capital changes:			
(Increase) / decrease in accounts receivable and prepayments		(456)	1,264
Increase in inventories		(3,873)	(4,629)
Increase in other current assets		(5,330)	(94)
Decrease in accounts payable and accruals		(8,092)	(536)
Decrease in other taxes payable		(1,604)	(578)
Decrease / (increase) in other non-current assets		975	(546)
(Decrease) / increase in other non-current liabilities		(1,369)	2,788
Income tax paid		(9,699)	(6,767)
<b>Net cash generated by operating activities</b>		<b>41,137</b>	<b>37,782</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(40,674)	(58,586)
Proceeds from sale of property, plant and equipment		81	722
Reclass of cash of disposal group	13	(253)	-
Investment in bank deposits and purchase of other investments		(10,382)	(48,985)
Redemption of bank deposits and proceeds from sale of other investments		25,118	50,036
Placement of special funds on special accounts	12	(6,998)	-
Purchase of shares of subsidiary		(414)	-
Purchase of subsidiaries from third parties, net of cash acquired		-	(651)
Proceeds from sale of investments in associates		-	81
Proceeds from sale of subsidiaries, net of disposed cash		-	60
Interest received		5,619	6,674
<b>Net cash used in investing activities</b>		<b>(27,903)</b>	<b>(50,649)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from current debt	16	57,499	58,874
Proceeds from non-current debt	16	45,630	34,269
Repayment of debt	16	(79,709)	(48,705)
Interest paid		(15,030)	(13,567)
Dividends paid to the shareholders of PJSC RusHydro		(14,226)	(5,685)
Dividends paid by subsidiaries to non-controlling interest holders		(242)	(30)
Finance lease payments		(405)	(505)
<b>Net cash (used in) / generated by financing activities</b>		<b>(6,483)</b>	<b>24,651</b>
Effect of foreign exchange differences on cash and cash equivalents balances		(393)	348
<b>Increase in cash and cash equivalents</b>		<b>6,358</b>	<b>12,132</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>54,383</b>	<b>46,526</b>

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



**RusHydro Group**  
**Condensed Consolidated Interim Statement of Changes in Equity (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve	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		-	-	-	-	-	-	-	-	30,153	30,153	(6,055)	24,098
Gain arising on available-for-sale financial assets		-	-	-	-	-	-	1,912	-	-	1,912	2	1,914
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	(696)	-	(696)	(342)	(1,038)
Other comprehensive loss		-	-	-	-	1	(1)	-	-	(2)	(2)	-	(2)
Total other comprehensive income		-	-	-	-	1	(1)	1,912	(696)	(2)	1,214	(340)	874
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>1,912</b>	<b>(696)</b>	<b>30,151</b>	<b>31,367</b>	<b>(6,395)</b>	<b>24,972</b>
Dividends	14	-	-	-	-	-	-	-	-	(5,710)	(5,710)	(134)	(5,844)
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	138	138
Disposal of investments in associates		-	-	-	-	-	-	-	-	-	-	(8)	(8)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(488)	-	-	488	-	-	-
<b>As at 30 September 2015</b>		<b>386,255</b>	<b>(26,092)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(361)</b>	<b>189,987</b>	<b>1,912</b>	<b>1,025</b>	<b>147,725</b>	<b>604,578</b>	<b>9,831</b>	<b>614,409</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		-	-	-	-	-	-	-	-	39,077	39,077	(1,677)	37,400
Gain arising on available-for-sale financial assets		-	-	-	-	-	-	11,095	-	-	11,095	77	11,172
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	(330)	-	(330)	(195)	(525)
Other comprehensive loss		-	-	-	-	(73)	15	-	-	(1)	(59)	14	(45)
Total other comprehensive income		-	-	-	-	(73)	15	11,095	(330)	(1)	10,706	(104)	10,602
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73)</b>	<b>15</b>	<b>11,095</b>	<b>(330)</b>	<b>39,076</b>	<b>49,783</b>	<b>(1,781)</b>	<b>48,002</b>
Purchase of shares of PJSC RAO ES East	14	-	3,514	-	-	-	-	-	-	4,872	8,386	(6,694)	1,692
Dividends	14	-	-	-	-	-	-	-	-	(14,278)	(14,278)	(242)	(14,520)
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	213	213
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(472)	-	-	472	-	-	-
<b>As at 30 September 2016</b>		<b>386,255</b>	<b>(22,578)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(547)</b>	<b>188,095</b>	<b>13,047</b>	<b>359</b>	<b>177,612</b>	<b>646,370</b>	<b>2,936</b>	<b>649,306</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 value of 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 nine months ended 30 September 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 30 September 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 and procurement in the Group and the way accounts receivable are accrued and repaid has a significant influence on the interim financial statements.

## **Note 2. Summary of financial reporting framework and new accounting pronouncements**

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 15) and discount rate for pension benefit obligations as provided below.

***Discount rate.*** Principal actuarial assumptions used in determining pension benefit obligations as at 30 September 2016 remained unchanged in comparison with 31 December 2015 except for the discount rate which decreased from 9.8 percent as at 31 December 2015 to 8.75 percent as at 30 September 2016.

### ***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.

Apart from new standards and interpretations becoming effective from 1 January 2017 and after that date applicable to the Group as disclosed in Consolidated Financial Statements as at and for the year ended 31 December 2015, amendments to IFRS 15 were issued in April.

***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 30 September 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.

	30 September 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%	-

\* As at 30 September 2016 LLC ESC Bashkortostan is classified as disposal group (Note 13, 28).

### **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:

	30 September 2016		31 December 2015	
	% of ownership	% of voting	% of ownership	% of voting
PJSC RAO ES East*	99.98%	99.98%	85.92%	86.20%
PJSC DEK	52.11%	52.17%	44.92%	52.17%
JSC DGK	52.11%	100.00%	44.92%	100.00%
JSC DRSK	52.11%	100.00%	44.92%	100.00%
PJSC Kamchatskenergo	98.72%	98.74%	84.83%	98.74%
PJSC Magadanenergo**	48.99%	49.00%	42.10%	49.00%
PJSC Sakhalinenergo	57.80%	57.82%	49.67%	57.82%
PJSC Yakutskenergo	79.15%	79.16%	72.21%	79.16%

\* Voting and ownership percent interests in PJSC RAO ES East as at 30 September 2016 include 15.59 percent interest held by the Group's subsidiary LLC Vostok-Finance (31 December 2015: 1.81 percent).

\*\* 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.

Group's share in PJSC RAO ES East and its subsidiaries increased as a result of voluntary and obligatory offers to purchase shares of PJSC RAO ES East (Note 14).

### **Other segments**

Other segments include:

- the Group's subsidiaries with production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.



Principal subsidiaries included in all other segments are presented below:

	30 September 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 Gidroremont-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 GidroKaskad	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 insurance indemnity, 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.

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 and nine months ended 30 September 2016 and 30 September 2015 and as at 30 September 2016 and 31 December 2015 is presented below.

**RusHydro Group**
**Notes to the Condensed Consolidated Interim Financial Information as at and for the three and nine months ended 30 September 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Nine months ended 30 September 2016</b>							
<b>Revenue</b>	<b>86,770</b>	<b>64,946</b>	<b>121,021</b>	<b>17,804</b>	<b>290,541</b>	<b>(21,897)</b>	<b>268,644</b>
<i>including:</i>							
<i>from external companies</i>	79,109	64,921	120,392	4,222	268,644	-	268,644
<i>sales of electricity</i>	57,723	64,101	75,916	460	198,200	-	198,200
<i>sales of heat and hot water sales</i>	105	-	25,583	-	25,688	-	25,688
<i>sales of capacity</i>	20,780	-	6,077	320	27,177	-	27,177
<i>other revenue</i>	501	820	12,816	3,442	17,579	-	17,579
<i>from intercompany operations</i>	7,661	25	629	13,582	21,897	(21,897)	-
Government grants	-	-	10,164	50	10,214	-	10,214
Other operating income	4	1	81	310	396	-	396
Operating expenses (excluding depreciation and other non-monetary items)	(27,290)	(62,817)	(120,931)	(18,195)	(229,233)	20,424	(208,809)
<b>EBITDA</b>	<b>59,484</b>	<b>2,130</b>	<b>10,335</b>	<b>(31)</b>	<b>71,918</b>	<b>(1,473)</b>	<b>70,445</b>
Insurance indemnity	-	-	-	1,736	1,736	-	1,736
Depreciation of property, plant and equipment and intangible assets	(10,285)	(597)	(5,882)	(1,646)	(18,410)	176	(18,234)
Other non-monetary items of operating income and expenses	(3,245)	(1,295)	(2,498)	(96)	(7,134)	(4)	(7,138)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(1,806)	-	(1,177)	-	(2,983)	-	(2,983)
<i>impairment of accounts receivable, net</i>	(1,343)	(1,285)	(1,604)	(12)	(4,244)	-	(4,244)
<i>loss on disposal of property, plant and equipment, net</i>	(96)	(10)	(117)	(84)	(307)	-	(307)
<i>profit / (loss) on disposal of subsidiaries, net</i>	-	-	400	-	400	(4)	396
<b>Operating profit / (loss)</b>	<b>45,954</b>	<b>238</b>	<b>1,955</b>	<b>(37)</b>	<b>48,110</b>	<b>(1,301)</b>	<b>46,809</b>
Finance income							7,237
Finance costs							(6,137)
Profit in respect of associates and joint ventures							928
<b>Profit before income tax</b>							<b>48,837</b>
Total income tax expense							(11,437)
<b>Profit for the period</b>							<b>37,400</b>
<b>Capital expenditure</b>	<b>16,615</b>	<b>66</b>	<b>14,324</b>	<b>18,823</b>	<b>49,828</b>	<b>3,863</b>	<b>53,691</b>
<b>30 September 2016</b>							
<b>Non-current and current debt</b>	<b>120,072</b>	<b>650</b>	<b>90,440</b>	<b>5,467</b>	<b>216,629</b>	<b>-</b>	<b>216,629</b>

**RusHydro Group**
**Notes to the Condensed Consolidated Interim Financial Information as at and for the three and nine months ended 30 September 2016 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Nine months ended 30 September 2015</b>							
<b>Revenue</b>	<b>73,721</b>	<b>61,120</b>	<b>112,466</b>	<b>17,496</b>	<b>264,803</b>	<b>(19,720)</b>	<b>245,083</b>
<i>including:</i>							
from external companies	66,536	61,092	112,289	5,166	245,083	-	245,083
sales of electricity	47,208	60,334	72,474	331	180,347	-	180,347
sales of heat and hot water sales	94	-	22,887	-	22,981	-	22,981
sales of capacity	18,481	-	5,450	292	24,223	-	24,223
other revenue	753	758	11,478	4,543	17,532	-	17,532
from intercompany operations	7,185	28	177	12,330	19,720	(19,720)	-
Government grants	-	-	8,159	29	8,188	-	8,188
Other operating income	-	-	486	251	737	(4)	733
Operating expenses (excluding depreciation and other non-monetary items)	(29,355)	(59,154)	(117,998)	(18,145)	(224,652)	18,225	(206,427)
<b>EBITDA</b>	<b>44,366</b>	<b>1,966</b>	<b>3,113</b>	<b>(369)</b>	<b>49,076</b>	<b>(1,499)</b>	<b>47,577</b>
Insurance indemnity	-	-	-	5,591	5,591	-	5,591
Depreciation of property, plant and equipment and intangible assets	(9,622)	(113)	(5,862)	(1,116)	(16,713)	(270)	(16,983)
Other non-monetary items of operating income and expenses	(34)	(345)	(1,285)	(2,741)	(4,405)	(174)	(4,579)
<i>including:</i>							
impairment of property, plant and equipment	(1,276)	-	(964)	-	(2,240)	-	(2,240)
reversal / (impairment) of accounts receivable, net	1,452	(335)	(965)	(300)	(148)	-	(148)
(loss) / profit on disposal of property, plant and equipment, net	(110)	(10)	8	(2,441)	(2,553)	90	(2,463)
(loss) / profit on disposal of subsidiaries, associates and joint venture, net	(100)	-	636	-	536	(264)	272
<b>Operating profit / (loss)</b>	<b>34,710</b>	<b>1,508</b>	<b>(4,034)</b>	<b>1,365</b>	<b>33,549</b>	<b>(1,943)</b>	<b>31,606</b>
Finance income							9,837
Finance costs							(10,284)
Profit in respect of associates and joint ventures							1,896
<b>Profit before income tax</b>							<b>33,055</b>
Total income tax expense							(8,957)
<b>Profit for the period</b>							<b>24,098</b>
<b>Capital expenditure</b>	<b>21,458</b>	<b>103</b>	<b>12,508</b>	<b>36,776</b>	<b>70,845</b>	<b>2,689</b>	<b>73,534</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>



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Three months ended 30 September 2016</b>							
<b>Revenue</b>	<b>29,556</b>	<b>19,426</b>	<b>33,073</b>	<b>6,782</b>	<b>88,837</b>	<b>(8,054)</b>	<b>80,783</b>
<i>including:</i>							
from external companies	27,110	19,417	32,599	1,657	80,783	-	80,783
sales of electricity	20,079	19,150	21,697	158	61,084	-	61,084
sales of heat and hot water sales	12	-	2,857	-	2,869	-	2,869
sales of capacity	6,871	-	2,970	113	9,954	-	9,954
other revenue	148	267	5,075	1,386	6,876	-	6,876
from intercompany operations	2,446	9	474	5,125	8,054	(8,054)	-
Government grants	-	-	3,723	12	3,735	-	3,735
Other operating income	4	-	68	5	77	-	77
Operating expenses (excluding depreciation and other non-monetary items)	(9,511)	(18,870)	(35,069)	(6,260)	(69,710)	7,540	(62,170)
<b>EBITDA</b>	<b>20,049</b>	<b>556</b>	<b>1,795</b>	<b>539</b>	<b>22,939</b>	<b>(514)</b>	<b>22,425</b>
Depreciation of property, plant and equipment and intangible assets	(3,604)	(194)	(1,890)	(545)	(6,233)	60	(6,173)
Other non-monetary items of operating income and expenses	(1,105)	(384)	(423)	(72)	(1,984)	(1)	(1,985)
<i>including:</i>							
impairment of property, plant and equipment	(408)	-	(696)	-	(1,104)	-	(1,104)
(impairment) / reversal of impairment of accounts receivable, net	(557)	(383)	(167)	7	(1,100)	-	(1,100)
(loss) / profit on disposal of property, plant and equipment, net	(140)	(1)	34	(79)	(186)	(1)	(187)
profit on disposal of subsidiaries, net	-	-	406	-	406	-	406
<b>Operating profit / (loss)</b>	<b>15,340</b>	<b>(22)</b>	<b>(518)</b>	<b>(78)</b>	<b>14,722</b>	<b>(455)</b>	<b>14,267</b>
Finance income							1,718
Finance costs							(1,823)
Profit in respect of associates and joint ventures							370
<b>Profit before income tax</b>							<b>14,532</b>
Total income tax expense							(2,607)
<b>Profit for the period</b>							<b>11,925</b>
<b>Capital expenditure</b>	<b>4,144</b>	<b>49</b>	<b>6,041</b>	<b>6,342</b>	<b>16,576</b>	<b>2,484</b>	<b>19,060</b>





	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Three months ended 30 September 2015</b>							
<b>Revenue</b>	<b>25,429</b>	<b>18,155</b>	<b>31,299</b>	<b>6,328</b>	<b>81,211</b>	<b>(6,916)</b>	<b>74,295</b>
<i>including:</i>							
<i>from external companies</i>	22,866	18,132	31,256	2,041	74,295	-	74,295
<i>sales of electricity</i>	16,704	17,881	21,467	113	56,165	-	56,165
<i>sales of heat and hot water sales</i>	13	-	2,826	-	2,839	-	2,839
<i>sales of capacity</i>	5,899	-	2,409	110	8,418	-	8,418
<i>other revenue</i>	250	251	4,554	1,818	6,873	-	6,873
<i>from intercompany operations</i>	2,563	23	43	4,287	6,916	(6,916)	-
Government grants	-	-	2,654	14	2,668	-	2,668
Other operating income	-	-	202	5	207	(4)	203
Operating expenses (excluding depreciation and other non-monetary items)	(10,751)	(17,743)	(35,220)	(5,660)	(69,374)	6,118	(63,256)
<b>EBITDA</b>	<b>14,678</b>	<b>412</b>	<b>(1,065)</b>	<b>687</b>	<b>14,712</b>	<b>(802)</b>	<b>13,910</b>
Insurance indemnity	-	-	-	4,830	4,830	-	4,830
Depreciation of property, plant and equipment and intangible assets	(3,324)	235	(2,025)	(339)	(5,453)	(373)	(5,826)
Other non-monetary items of operating income and expenses	257	3	(412)	(2,374)	(2,526)	(159)	(2,685)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(315)	-	(589)	-	(904)	-	(904)
<i>reversal / (impairment) of accounts receivable, net</i>	528	9	181	(81)	637	-	637
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	65	(6)	(12)	(2,294)	(2,247)	(6)	(2,253)
<i>(loss) / profit on disposal of subsidiaries, associates and joint venture, net</i>	(21)	-	8	1	(12)	(153)	(165)
<b>Operating profit / (loss)</b>	<b>11,611</b>	<b>650</b>	<b>(3,502)</b>	<b>2,804</b>	<b>11,563</b>	<b>(1,334)</b>	<b>10,229</b>
Finance income							2,561
Finance costs							(5,103)
Profit in respect of associates and joint ventures							447
<b>Profit before income tax</b>							<b>8,134</b>
Total income tax expense							(2,618)
<b>Profit for the period</b>							<b>5,516</b>
<b>Capital expenditure</b>	<b>5,378</b>	<b>63</b>	<b>5,699</b>	<b>10,485</b>	<b>21,625</b>	<b>3,127</b>	<b>24,752</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 nine months ended 30 September 2016 and 30 September 2015 and as at 30 September 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>30 September 2016</b>	<b>31 December 2015</b>
Promissory notes	6,124	5,711
Advances to suppliers	5,692	-
Loans issued	2,364	2,725
Loans received	750	750

The Group had the following transactions with its joint ventures:

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Sales of electricity and capacity	878	167	66	81
Other revenue	292	535	131	272
Purchased electricity and capacity	(2,039)	(1,502)	(576)	(422)

**Associates**

The Group had the following balances with its associates:

	<b>30 September 2016</b>	<b>31 December 2015</b>
Trade and other receivables	263	440
Trade payables	638	481

The Group had the following transactions with its associates:

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Sales of electricity and capacity	1,742	1,550	275	250
Other revenue	91	102	21	24
Purchased electricity and capacity	(13)	(13)	(2)	(1)
Rent	(368)	(336)	(123)	(111)



### **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 and nine months ended 30 September 2016 and 30 September 2015 and balances outstanding as at 30 September 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 and nine months ended 30 September 2016 (for the three and nine months ended 30 September 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 nine months ended 30 September 2016 the Group received government subsidies in amount of RR 10,214 million (for the nine months ended 30 September 2015: RR 8,188 million). During the three months ended 30 September 2016 the Group received government subsidies in amount of RR 3,735 million (for the three months ended 30 September 2015: RR 2,668 million) (Note 20).

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 and nine months ended 30 September 2016 (for the three and nine months ended 30 September 2016: 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 and nine months ended 30 September 2016 (for the three and nine months ended 30 September 2015: approximately 40 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 nine months ended 30 September 2016 comprised RR 956 million (for the nine months ended 30 September 2015: RR 1,766 million). Short-term remuneration paid to the key management of the Group for the three months ended 30 September 2016 comprised RR 342 million (for the three months ended 30 September 2015: RR 323 million).



**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	(29)	(23)	(2,476)	2,624	(96)	-
Additions	11	8	1,047	52,103	522	53,691
Reclassification to assets of disposal group classified as held for sale	(158)	(4)	(229)	(3)	(82)	(476)
Transfers	617	2,973	24,484	(28,191)	117	-
Disposals of subsidiaries	(194)	(125)	(223)	(29)	(51)	(622)
Disposals and write-offs	(66)	(210)	(3,628)	(830)	(311)	(5,045)
<b>Balance as at 30 September 2016</b>	<b>84,068</b>	<b>401,312</b>	<b>287,488</b>	<b>310,966</b>	<b>13,745</b>	<b>1,097,579</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	(98)	(318)	(316)	(2,243)	(8)	(2,983)
Charge for the period	(1,566)	(6,332)	(9,399)	-	(922)	(18,219)
Reclassification to assets of disposal group classified as held for sale	21	1	147	-	45	214
Transfers	(275)	(189)	(817)	1,291	(10)	-
Disposals of subsidiaries	25	52	191	28	48	344
Disposals and write-offs	18	38	2,256	122	257	2,691
<b>Balance as at 30 September 2016</b>	<b>(33,678)</b>	<b>(138,404)</b>	<b>(113,819)</b>	<b>(29,994)</b>	<b>(7,504)</b>	<b>(323,399)</b>
<b>Net book value as at 30 September 2016</b>	<b>50,390</b>	<b>262,908</b>	<b>173,669</b>	<b>280,972</b>	<b>6,241</b>	<b>774,180</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>

  

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
<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	(120)	253	(1,939)	2,598	(792)	-
Additions	944	238	1,911	69,876	565	73,534
Reclassification to assets of disposal group classified as held for sale	(469)	(278)	(405)	(55)	(1,177)	(2,384)
Transfers	797	9,503	32,004	(42,460)	156	-
Disposals and write-offs	(73)	(40)	(847)	(2,519)	(743)	(4,222)
<b>Balance as at 30 September 2015</b>	<b>82,189</b>	<b>388,378</b>	<b>256,861</b>	<b>283,561</b>	<b>12,934</b>	<b>1,023,923</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>
Impairment charge	(10)	(11)	(229)	(1,980)	(10)	(2,240)
Charge for the period	(1,343)	(6,353)	(9,702)	-	(989)	(18,387)
Reclassification to assets of disposal group classified as held for sale	292	180	364	37	149	1,022
Transfers	(82)	(2,271)	(3,283)	5,070	566	-
Disposals and write-offs	73	34	847	124	680	1,758
<b>Balance as at 30 September 2015</b>	<b>(30,574)</b>	<b>(124,832)</b>	<b>(101,164)</b>	<b>(25,811)</b>	<b>(6,271)</b>	<b>(288,652)</b>
<b>Net book value as at 30 September 2015</b>	<b>51,615</b>	<b>263,546</b>	<b>155,697</b>	<b>257,750</b>	<b>6,663</b>	<b>735,271</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>



(in millions of Russian Rubles unless noted otherwise)

As at 30 September 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 7,714 million (31 December 2015: RR 7,793 million) which are stated at cost.

Assets under construction represent the expenditures for property, plant and equipment that are being constructed, including hydropower plants under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 30 September 2016 such advances amounted to RR 50,601 million (31 December 2015: RR 59,531 million).

Additions to assets under construction included capitalised borrowing costs in the amount of RR 10,989 million, the capitalisation rate was 10.54 percent (for the nine months ended 30 September 2015: RR 9,565 million, the capitalisation rate was 9.96 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 400 million (for the nine months ended 30 September 2015: RR 199 million).

**Impairment.** Management of the Group considered the market and economic environment in which the Group operates and other factors 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 2,983 million for the nine months ended 30 September 2016 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the nine months ended 30 September 2015: RR 2,240 million).

**Events on Zagorskaya GAES-2.** On 17 September 2013 there was a partial flooding at Zagorskaya GAES-2 which is under construction in the Moscow Region. The flooding of the GAES building originated from the lower reservoir via functional joints of the station block and a newly formed cavity in the right junction of the GAES-2 building foundation. Construction and assembly works as well as property, including equipment, were insured by PIJSC Ingosstrakh, JSC AlfaStrakhovanie and JSC SOGAZ. As at 30 September 2016 all insurance companies have finished all payments on the insured event.

Other operating income for the nine months ended 30 September 2016 include insurance indemnity received from JSC SOGAZ in the amount of RR 1,383 million (for the nine months ended 30 September 2015: RR 667 million) and from JSC AlfaStrakhovanie in the amount of RR 353 million (for the nine months ended 30 September 2015: RR 220 million). For the nine months ended 30 September 2015 insurance indemnity from PIJSC Ingosstrakh in the amount of RR 4,703 million was also recognised.

For the nine months ended 30 September 2016 a loss on disposal of damaged equipment and assets under construction which are not recoverable was recognised in Operating expenses in the amount of RR 13 million. Also for nine months ended 30 September 2016 the Group has carried expenses on recovery works in the total amount of RR 992 million which are recognized in the following items of Operating expenses: services of subcontracting companies, other third parties services, other materials, employee benefit expenses, rent expenses.

Currently management of the Group cannot reliably estimate future expenses that may be necessary to eliminate consequences of the technical incident. However, these expenses may be material for the Group.

Management of the Group believes that there are no indications of property, plant and equipment impairment as at 30 September 2016 there were capacity supply contracts concluded in respect of new power generation facilities of Zagorskaya GAES-2, that guarantee the payback period of 20 years for all capital expenses invested in construction in the period.



**Note 7. Available-for-sale financial assets**

	30 September 2016		31 December 2015	
	% of ownership	Fair value	% of ownership	Fair value
PJSC Inter RAO	4.92%	16,259	4.92%	5,606
PJSC Russian Grids	0.28%	524	0.28%	228
PJSC FGC UES	0.13%	297	0.13%	99
Other	-	237	-	161
<b>Total available-for-sale financial assets</b>		<b>17,317</b>		<b>6,094</b>

**Note 8. Other non-current assets**

	30 September 2016	31 December 2015
Long-term promissory notes	38,491	38,189
Discount	(16,524)	(16,946)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	7,942	7,218
VAT recoverable	2,567	2,546
Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs	-	2,164
Goodwill	481	481
Customer base of LLC ESC Bashkortostan	-	553
Other non-current assets	7,393	8,440
<b>Total other non-current assets</b>	<b>18,383</b>	<b>21,402</b>

As at 30 September 2016 dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs in the amount of RR 2,094 million were reclassified to non-current assets classified as held for sale (Note 28).

As at 30 September 2016 customer base of LLC ESC Bashkortostan in the amount of RR 138 million were represented as assets of disposal group classified as held for sale (Note 13).

**Note 9. Cash and cash equivalents**

	30 September 2016	31 December 2015
Cash equivalents	39,602	36,137
Cash at bank	14,757	11,857
Cash in hand	24	31
<b>Total cash and cash equivalents</b>	<b>54,383</b>	<b>48,025</b>

Cash equivalents held as at 30 September 2016 and 31 December 2015 comprised short-term bank deposits with original maturities of three months or less.

**Note 10. Accounts receivable and prepayments**

	30 September 2016	31 December 2015
Trade receivables	51,633	55,075
Provision for impairment of trade receivables	(22,552)	(20,158)
<b>Trade receivables, net</b>	<b>29,081</b>	<b>34,917</b>
<b>VAT recoverable</b>	<b>7,179</b>	<b>8,156</b>
Advances to suppliers and other prepayments	3,785	3,540
Provision for impairment of advances to suppliers and other prepayments	(697)	(1,021)
<b>Advances to suppliers and other prepayments, net</b>	<b>3,088</b>	<b>2,519</b>
Other receivables	7,554	7,248
Provision for impairment of other receivables	(3,548)	(3,194)
<b>Other receivables, net</b>	<b>4,006</b>	<b>4,054</b>
<b>Total accounts receivable and prepayments</b>	<b>43,354</b>	<b>49,646</b>

The Group does not hold any accounts receivable pledged as collateral.



**Note 11. Inventories**

	30 September 2016	31 December 2015
Fuel	17,198	14,291
Materials and supplies	7,217	6,555
Spare parts	2,842	2,782
Other materials	654	606
<b>Total inventories before write-off</b>	<b>27,911</b>	<b>24,234</b>
<b>Write-off of inventories</b>	<b>(228)</b>	<b>(235)</b>
<b>Total inventories</b>	<b>27,683</b>	<b>23,999</b>

**Note 12. Other current assets**

	30 September 2016	31 December 2015
Special funds	6,998	-
Deposits and promissory notes	4,384	19,532
Loans issued	2,363	2,728
Other current assets	5,642	314
<b>Total other current assets</b>	<b>19,387</b>	<b>22,574</b>

As at 30 September 2016 the rest of special funds in the amount of RR 6,998 million received in the course of additional share issue to fund construction of generating facilities are located on special accounts of the Federal Treasury in Moscow.

**Note 13. Assets and liabilities of disposal group classified as held for sale**

As at 30 September 2016 assets and liabilities of LLC ESC Bashkortostan (the Group's subsidiary included in ESC RusHydro subgroup segment (Note 3)) are represented as assets and liabilities of disposal group classified as held for sale (Note 28).

Assets and liabilities of disposal group classified as held for sale are represented by:

	30 September 2016
<b>Non-current assets</b>	
Property, plant and equipment	262
Deferred income tax assets	75
Other non-current assets	391
<b>Total non-current assets</b>	<b>728</b>
<b>Current assets</b>	
Cash and cash equivalents	253
Income tax receivable	32
Accounts receivable and prepayments	3,535
Inventories	11
<b>Total current assets</b>	<b>3,831</b>
<b>Total assets of disposal group classified as held for sale</b>	<b>4,559</b>
<b>Non-current liabilities</b>	
Deferred income tax liabilities	45
Other non-current liabilities	188
<b>Total non-current liabilities</b>	<b>233</b>
<b>Current liabilities</b>	
Current debt and current portion of non-current debt	1,907
Accounts payable and accruals	2,487
Other taxes payable	78
<b>Total current liabilities</b>	<b>4,472</b>
<b>Total liabilities of disposal group classified as held for sale</b>	<b>4,705</b>

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three and nine months ended 30 September 2016 (unaudited)**



(in millions of Russian Rubles unless noted otherwise)

Assets and liabilities of disposal group classified as held for sale do not include intercompany balances eliminated in this consolidated financial information. These intercompany balances are represented by:

	<b>30 September 2016</b>
Intercompany accounts receivable and prepayments	1,615
Intercompany accounts payable and accruals	595

Revenue and operating expenses of disposal group classified as held for sale are represented by:

	<b>Note</b>	<b>Nine months ended</b>	
		<b>30 September</b>	
		<b>2016</b>	<b>2015</b>
Revenue	19	23,496	23,565
Operating expenses (excluding impairment losses)	21	(22,146)	(23,199)
<i>including:</i>			
<i>Purchased electricity and capacity</i>		(13,758)	(14,724)
<i>Electricity distribution expenses</i>		(6,847)	(6,956)
<i>Depreciation of property, plant and equipment and intangible assets</i>		(454)	(458)
(Impairment) / reversal of impairment of accounts receivable, net		(152)	19
<b>Operating profit</b>		<b>1,198</b>	<b>385</b>

Revenue and operating expenses of disposal group classified as held for sale do not include intercompany revenue and operating expenses eliminated in this consolidated financial information. This information is represented by:

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2016</b>	<b>2016</b>
Intercompany revenue	304	110
Intercompany operating expenses	(1,351)	(409)

**Note 14. Equity**

	<b>Number of issued ordinary shares</b> <b>(Par value of RR 1.00)</b>
As at 30 September 2016	386,255,464,890
As at 31 December 2015	386,255,464,890
As at 30 September 2015	386,255,464,890
As at 31 December 2014	386,255,464,890

**Treasury shares.** As at 30 September 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 nine months ending 30 September 2016 2,934,258,766 treasury shares were transferred to shareholders of PJSC RAO ES East in exchange for purchased shares of the subsidiary under voluntary and obligatory offers to purchase shares of PJSC RAO ES East as described below.

**Voluntary and obligatory offers to purchase shares of PJSC RAO ES East.** On 3 November 2015 in accordance with decision of the Board of Directors of the Company subsidiary of the Group – LLC Vostok-Finance declared voluntary offer to purchase shares of PJSC RAO ES East. Under voluntary offer shareholders of PJSC RAO ES East could choose to sell their ordinary and preferred shares of PJSC RAO ES East for a cash consideration or exchange them for ordinary shares of the Company.

During nine months ended 30 September 2016 PJSC RAO ES East shareholders that accepted terms of the voluntary offer transferred 4,715,738,904 ordinary shares and 346,195,762 preference shares of PJSC RAO ES East to LLC Vostok-Finance for a cash consideration of RR 34 million and in exchange for 2,934,258,766 shares of the Company in the amount of RR 3,514 million.

According to current Russian legislation repurchase of more than 10 percent and consolidation of more than 95 percent of PJSC RAO ES East shares allowed the Group to claim the remaining shareholders for obligatory shares purchase.





(in millions of Russian Rubles unless noted otherwise)

Under obligatory offer to purchase shares LLC Vostok-Finance has repurchased 887,217,472 ordinary shares and 312,687,580 preference shares of PJSC RAO ES East for a cash consideration of RR 380 million.

**Effect of changes in non-controlling interest of subsidiaries.** As a result of the voluntary and obligatory offers to purchase shares of PJSC RAO ES East as described above non-controlling interest decreased by RR 6,694 million.

Retained earnings of the Group increased by RR 4,872 million as a result of treasury shares disposal, decrease in non-controlling interest and derecognition of the remaining obligation to purchase shares after they were partly purchased for cash.

**Dividends.** On 27 June 2016 the Company declared dividends for the year ended 31 December 2015 of RR 0.0389 per share in the total amount of RR 15,011 million (RR 14,278 million excluding dividends to subsidiaries).

On 26 June 2015 the Company declared dividends for the year ended 31 December 2014 of RR 0.0156 per share in the total amount of RR 6,033 million (RR 5,710 million excluding dividends to subsidiaries).

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 242 million for the nine months ended 30 September 2016 (for the nine months ended 30 September 2015: RR 134 million).

**Note 15. 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, 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 nine months ended 30 September 2016 was 24 percent (for the nine months ended 30 September 2015: 27 percent).

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
Current income tax expense	8,877	6,569	2,200	1,556
Deferred income tax expense	2,560	2,388	407	1,062
<b>Total income tax expense</b>	<b>11,437</b>	<b>8,957</b>	<b>2,607</b>	<b>2,618</b>



**Note 16. Current and non-current debt**

*Non-current debt*

	<b>Due date</b>	<b>30 September 2016</b>	<b>31 December 2015</b>
PJSC Sberbank of Russia	2016–2028	54,264	47,865
Russian bonds (PJSC RusHydro) issued in February 2013	2018*	20,217	20,635
EBRD	2016–2027	19,392	20,280
Russian bonds (PJSC RusHydro) issued in April 2016	2019	15,722	-
Russian bonds (PJSC RusHydro) issued in July 2015	2018	15,407	15,840
PJSC Bank VTB	2017–2027	12,875	4,522
Russian bonds (PJSC RusHydro) issued in April 2015	2017*	10,536	10,214
PJSC ROSBANK	2017–2018	8,260	4,909
Bank GPB (JSC)	2016–2023	6,329	469
UniCredit Bank Austria AG	2017–2026	5,845	6,585
Crédit Agricole Corporate and Investment Bank Deutschland	2018–2029	5,532	6,252
Municipal authority of Kamchatka region	2016–2034	1,622	1,535
ASIAN Development bank	2017–2026	1,483	1,787
Bayerische Landesbank	2016–2025	1,020	1,212
Bank «RRDB» (JSC)	2018	430	-
Russian bonds (PJSC RusHydro) issued in April 2011	2016/2021**	261	15,240
PJSC Bank Vozrozhdenie	2017	200	440
Other long-term debt	-	964	964
Finance lease liabilities	-	2,042	2,262
<b>Total</b>		<b>182,401</b>	<b>161,011</b>
Less current portion of non-current debt		(18,924)	(25,159)
Less current portion of finance lease liabilities		(595)	(673)
<b>Total non-current debt</b>		<b>162,882</b>	<b>135,179</b>

\* The bonds mature in 10 years with a put option to redeem them in 2018 and 2017 respectively.

\*\* On 22 April 2016 bonds issued in April 2011 were partially redeemed under put option exercised by bond holders. 14,750,061 bonds with a nominal value of RR 14,750 million were bought as a result. The bonds which were not redeemed mature in 2021 with a coupon set at 9.5 percent per annum.

**Bonds issue.** In April 2016 the Group placed non-convertible interest bearing market bonds of series BO-P04 with a nominal amount of RR 15,000 million. The term of the offer – 3 years, coupon rate is of 10.35 percent per annum.



*Current debt*

	<b>30 September 2016</b>	<b>31 December 2015</b>
PJSC Sberbank of Russia	11,939	19,668
Bank GPB (JSC)	7,951	7,038
PJSC ROSBANK	6,468	6,776
AO Raiffeisenbank	2,412	-
PJSC Bank VTB	2,269	-
Bank «RRDB» (JSC)	832	966
LLC AlstomRusHydroEnergy	750	750
BANK «ROSSIYA»	650	-
JSC Alfa-Bank	-	501
Current portion of non-current debt	18,924	25,159
Current portion of finance lease liabilities	595	673
Other current debt	957	683
<b>Total current debt and current portion of non-current debt</b>	<b>53 747</b>	<b>62,214</b>
<i>Reference:</i>		
Interest payable	2 951	2,942

**Compliance with covenants.** The Group is subject to certain covenants related to its debt. As at 30 September 2016 and 31 December 2015 the Group met all required covenant clauses of the credit agreements.

**Note 17. Accounts payable and accruals**

	<b>30 September 2016</b>	<b>31 December 2015</b>
Trade payables	26,987	33,475
Advances received	7,544	9,849
Settlements with personnel	6,683	8,410
Accounts payable under factoring agreements	2,082	4,071
Dividends payable	138	86
Obligation to PJSC RAO ES East shares purchase	3	2,108
Other accounts payable	2,902	2,308
<b>Total accounts payable and accruals</b>	<b>46,339</b>	<b>60,307</b>

All accounts payable and accruals are denominated in Russian Rubles.

**Note 18. Other taxes payable**

	<b>30 September 2016</b>	<b>31 December 2015</b>
VAT	6,797	8,085
Insurance contributions	2,584	2,864
Property tax	2,129	2,159
Other taxes	627	927
<b>Total other taxes payable</b>	<b>12,137</b>	<b>14,035</b>

**Note 19. Revenue**

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Sales of electricity	198,200	180,347	61,084	56,165
Sales of capacity	27,177	24,223	9,954	8,418
Sales of heat and hot water	25,688	22,981	2,869	2,839
Other revenue	17,579	17,532	6,876	6,873
<b>Total revenue</b>	<b>268,644</b>	<b>245,083</b>	<b>80,783</b>	<b>74,295</b>

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repair and other services.



**Note 20. Government grants**

In accordance with legislation of the Russian Federation, several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel. During the nine months ended 30 September 2016 the Group received government subsidies in the amount of RR 10,214 million (for the nine months ended 30 September 2015: RR 8,188 million). During the three months ended 30 September 2016 the Group received government subsidies in amount of RR 3,735 million (for the three months ended 30 September 2015: RR 2,668 million). The subsidies were received in the following territories: Kamchatka territory, Republic of Sakha (Yakutiya), Magadan region and other Far East regions.

**Note 21. Operating expenses (excluding impairment losses)**

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
Employee benefit expenses (including payroll taxes and pension benefit expenses)	52,535	52,571	16,549	16,672
Purchased electricity and capacity	41,698	42,720	12,333	12,235
Fuel expenses	37,768	37,811	7,506	9,051
Electricity distribution expenses	33,435	30,238	10,835	9,514
Depreciation of property, plant and equipment and intangible assets	18,234	16,983	6,173	5,826
Taxes other than on income	7,505	7,306	2,463	2,452
Other materials	6,401	5,966	2,883	2,256
Third parties services, including:				
Repairs and maintenance	3,036	3,049	1,213	1,563
Provision of functioning of electricity and capacity market	2,730	2,761	905	952
Security expenses	2,546	2,414	848	784
Purchase and transportation of heat power	2,450	2,172	657	582
Services of subcontracting companies	1,916	3,295	947	1,487
Rent	1,565	1,603	528	537
Insurance cost	1,512	1,171	481	370
Consulting, legal and information expenses	1,343	1,781	550	647
Transportation expenses	887	764	98	368
Other third parties services	4,938	4,291	1,499	1,260
Water usage expenses	2,390	2,042	781	633
Social charges	958	1,066	231	339
Loss on disposal of property, plant and equipment, net	307	2,463	187	2,253
Other expenses	2,800	3,602	457	1,719
<b>Total operating expenses (excluding impairment losses)</b>	<b>226,954</b>	<b>226,069</b>	<b>68,124</b>	<b>71,500</b>



**Note 22. Finance income, costs**

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
<i>Finance income</i>				
Interest income	5,370	7,629	1,600	2,399
Foreign exchange gain	1,425	1,874	-	-
Income on discounting	234	143	103	-
Other income	208	191	15	162
<b>Total finance income</b>	<b>7,237</b>	<b>9,837</b>	<b>1,718</b>	<b>2,561</b>
<i>Finance costs</i>				
Interest expense	(4,574)	(5,498)	(1,499)	(2,174)
Foreign exchange loss	(418)	(2,349)	(50)	(1,924)
Finance lease expense	(237)	(173)	(72)	(58)
Expense on discounting	(216)	(1,407)	(6)	(660)
Other costs	(692)	(857)	(196)	(287)
<b>Total finance costs</b>	<b>(6,137)</b>	<b>(10,284)</b>	<b>(1,823)</b>	<b>(5,103)</b>

**Note 23. Earnings per share**

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
Weighted average number of ordinary shares issued (millions of shares)	367,050	364,469	367,403	364,469
Profit for the period attributable to the shareholders of PJSC RusHydro	39,077	30,153	12,363	8,491
<b>Earnings per share attributable to the shareholders of PJSC RusHydro, – basic and diluted</b> (in Russian Rubles per share)	<b>0.1065</b>	<b>0.0827</b>	<b>0.0337</b>	<b>0.0233</b>

**Note 24. Capital commitments**

In accordance with the investment programme of the Company and separate investment programmes of subsidiaries, the Group has to invest RR 327,128 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 30 September 2016 were RR 276,068 million, including: 2016 year – RR 87,131 million, 2017 year – RR 113,580 million, 2018 year – RR 75,357 million.

Future capital expenditures are mainly related to reconstruction of equipment of power: Saratovskaya HPP in the amount of RR 19,810 million, Volzhskaya HPP in the amount of RR 16,767 million, Zhigulevskaya HPP in the amount of RR 10,556 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 24,150 million, Zaramagskie HPP in the amount of RR 22,353 million, Ust'-Srednekanskaya HPP in the amount of RR 11,984 million, HPP in Sovetskaya Gavan in the amount of RR 7,881 million, Zagorskaya GAES-2 in the amount of RR 7,059 million.

**Note 25. Contingencies**

**Social commitments.** The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services and other social needs in the geographical areas in which it operates.

**Insurance.** The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

**Legal proceedings.** The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the 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 nine months ended 30 September 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 30 September 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 705 million as at 30 September 2016 (31 December 2015: RR 683 million).

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

**Guarantees.** The Group has issued guarantees for CJSC Boguchansky Aluminium Plant in favour of its suppliers for future equipment deliveries and for PJSC Boguchanskaya HPP in favour of the State Corporation Vnesheconombank for the loan facility:

Counterparty	30 September 2016	31 December 2015
<i>for PJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	26,908	27,398
<i>for CJSC Boguchansky Aluminium Plant:</i>		
ALSTOM Grid SAS	34	77
<b>Total guarantees issued</b>	<b>26,942</b>	<b>27,475</b>

## **Note 26. Financial instruments and financial risk management**

**Financial risks.** The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

This Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements; it 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 nine months ended 30 September 2016.



**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 as at 30 September 2016 and 31 December 2015:

<b>As at 30 September 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>8,569</b>	-	<b>8,569</b>
Promissory notes	7,942	-	7,942
Long-term loans issued	612	-	612
Net settled derivatives	15	-	15
<b>Available-for-sale financial assets (Note 7)</b>	-	<b>17,317</b>	<b>17,317</b>
<b>Trade and other receivables (Note 10)</b>	<b>32,624</b>	-	<b>32,624</b>
Trade receivables	29,081	-	29,081
Other financial receivables	3,543	-	3,543
<b>Other current assets (Note 12)</b>	<b>13,754</b>	-	<b>13,754</b>
Special funds	6,998	-	6,998
Deposits and promissory notes	4,384	-	4,384
Short-term loans issued	2,363	-	2,363
Net settled derivatives	9	-	9
<b>Cash and cash equivalents (Note 9)</b>	<b>54,383</b>	-	<b>54,383</b>
<b>Total financial assets</b>	<b>109,330</b>	<b>17,317</b>	<b>126,647</b>
<b>Non-financial assets</b>			<b>849,593</b>
<b>Non-current assets and assets of disposal group classified as held for sale</b>			<b>6,653</b>
<b>Total assets</b>			<b>982,893</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 (Note 7)</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	19,532	-	19,532
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 16), trade payables and other accounts payable (Note 17).



**Note 27. Fair value of assets and liabilities**

**a) Recurring fair value measurements**

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<b>30 September 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	17,266	-	51	<b>17,317</b>
<b>Non-financial assets</b>				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	485,494	<b>485,494</b>
<b>Total assets recurring fair value measurements</b>	<b>17,266</b>	<b>-</b>	<b>485,545</b>	<b>502,811</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)	-	-	479,427	<b>479,427</b>
<b>Total assets recurring fair value measurements</b>	<b>6,057</b>	<b>-</b>	<b>479,464</b>	<b>485,521</b>

The Group had no liabilities measured at fair value as at 30 September 2016 and 31 December 2015.

There were no changes in valuation techniques, inputs and assumptions for recurring fair value measurements during the nine months ended 30 September 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 and cash equivalents, short-term deposits (Level 1 of the fair value hierarchy) 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 30 September 2016 the fair value of bonds exceeded their carrying value by RR 464 million (31 December 2015: carrying value exceeded fair value by RR 763 million).

As at 30 September 2016 the carrying value of non-current fixed rate debt exceeded their fair value by RR 5,487 million (31 December 2015: by RR 7,121 million).

**Note 28. Subsequent events**

**Sale of dams of the Angara cascade.** In November 2016 the Group completed the transaction to sell dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs to EuroSibEnergo Group. These dams are part of technological complex of EuroSibEnergo's cascade of hydropower plants located on the Angara river. The dams were received by the Company in 2011 in course of additional share issue and were leased by EuroSibEnergo Group before the sale. The transaction amount is RR 10,950 million (including VAT) (Note 8).

**Sale of LLC ESC Bashkortostan.** In December 2016 the Group completed the transaction to sell 100 percent shares of LLC ESC Bashkortostan (electricity sales company, guaranteeing supplier of electricity in the Republic of Bashkortostan) to Inter RAO Group. The transaction amount is RR 4,100 million (Note 13).

**Additional share issue.** On 22 November 2016 the Board of Directors adopted a resolution to make a placement of 40,429,000,000 ordinary shares with a par value of RR 1.00 per share by open subscription.





The placement price of additional issue shares is determined at RR 1.00 per share. On 7 December 2016 the share issue of 40,429,000,000 ordinary shares was registered with the Bank of Russia.