

Results of the Board of Directors Meeting on December 24, 2018

December 28, 2018. Moscow, Russia. PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on December 24, 2018.

Resolutions passed on Items of the agenda:

Item 1: Approval of the Company's internal documents:

1.1. Internal documents in the field of the Company's corporate governance.

Resolution adopted:

1. To take into consideration a report on compliance with the Regulation on the Information Policy of the Company as per Appendix No. 1 hereto.
2. To approve the new version of the Regulation on the Information Policy of the Company as per Appendix No. 2 hereto.
3. To approve the Policy for Shareholding by Members of the Board of Directors and Members of the Management Board in RusHydro and in Entities Controlled by RusHydro, as per Appendix No. 3 hereto.
4. To amend the RusHydro Code of Corporate Ethics approved by decision of the Company's Board of Directors April 7, 2016 (Minutes No. 235 dated April 8, 2016), as per Appendix No. 4 hereto.

1.2. Approval of the Standard for Auditing the Implementation of the Long-Term Development Program of RusHydro Group.

Resolution adopted:

To approve the Standard for Auditing the Implementation of the Long-Term Development Program of RusHydro Group. (Appendix No. 5 hereto).

Item 2: The Company's non-core assets.

Resolution adopted:

1. To approve a new version of the Register of RusHydro's Non-Core Assets (Appendix No. 6 hereto).
2. To approve the Action Plan for the Sale of RusHydro Non-Core Assets for 2018 (Q4) - 2019 (Appendix No. 7 hereto).

Item 3: Adjustment of the Company's business plan for 2018–2022 insofar as it concerns the RusHydro Investment Program for 2018.

Resolution adopted:

1. To take into consideration information on the incident at Sakhalinskaya GRES-2 (Appendix No. 8 hereto).
 2. To note the absence of an additional financial burden on the Company in connection with the need to eliminate the consequences of the incident, thanks to the mechanism for
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transmission of financial liability for compliance with the commissioning deadlines to the general contractor.

3. To approve the adjustments to the Company's business plan for 2018 amending the parameters of the RusHydro Investment Program for 2018, considering their influence on the KPI "Compliance with the capacity commissioning schedules and financing and utilization plan, %" for 2018 (Appendices No. 9 and 10 hereto).

Item 4: Approval of the annual comprehensive procurement program of the Company for 2019.

Resolution adopted:

To approve the annual comprehensive procurement program of RusHydro for 2019 (Appendix No. 11 hereto).

Item 5: Approval of the Insurance Protection Program of the Company for 2019.

Resolution adopted:

To approve the Insurance Protection Program of RusHydro for 2019 (Appendix No. 12 hereto).

Item 6: Considering matters of significance to the Company:

6.1. Formation of RusHydro's management bodies.

6.1.1. Determining the number of members of RusHydro's Management Board.

Resolution adopted:

To define the number of members of the Company's Management Board as 7 persons.

6.1.2. Election of a member of RusHydro's Management Board.

Resolution adopted:

1. To elect Viktor Viktorovich Khmarin as a member of the Company's Management Board starting January 16, 2019.

2. To order the Chairman of the Management Board and General Director of the Company, Nikolay Grigoryevich Shulginov, to determine the terms and conditions of an agreement with member of the Management Board Viktor Viktorovich Khmarin, and to issue and sign the documents needed to perform clause 1 of this resolution in accordance with the labor laws of the Russian Federation.

The participation interest in the issuer's authorized capital held by the person elected to the office of a member of the issuer's Management Board, **Viktor Viktorovich Khmarin, is 0%**, and the percentage of the issuer's ordinary shares belonging to such person is **0%**.

6.2. Execution of Decree No. 232 of the Government of the Russian Federation dated March 6, 2018, concerning approval by the Ministry of the Russian Federation for Far East Development of planning and targeted program documents which are to be implemented by the Company in the territory of the Far Eastern Federal District.

Resolution adopted:

To adopt the following resolution with regard to the execution of Decree No. 232 of the Government of the Russian Federation dated March 6, 2018, concerning approval by the Ministry of the Russian Federation for Far East Development of planning and targeted program documents which are to be implemented by the Company in the territory of the Far Eastern Federal District:

1. To approve the Regulation on the procedure for approval by the Ministry of the Russian Federation for Far East Development of planning and targeted program documents which are to be implemented by RusHydro Group in the territory of Far Eastern Federal District, as per Appendix No. 13 hereto.

2. To instruct the Chairman of the Management Board and General Director N. G. Shulginov to publish the Regulation in the Company's account on the Interdepartmental Portal for State Property Management by December 29, 2018.

3. To deem null and void the Regulation on the procedure for approval by the Ministry of the Russian Federation for Far East Development of investment programs and other infrastructure development plans which are to be implemented by RusHydro in the territory of Far Eastern Federal District approved by resolution No. 254 of the Company's Board of Directors dated June 21, 2017.

6.3. Amendments to the Regulation on the Audit Committee of the Board of Directors of RusHydro.

Resolution adopted:

To introduce amendments to the Regulation on the Audit Committee of the Board of Directors of RusHydro approved by resolution of the Company's Board of Directors (Minutes No. 239 dated June 26, 2016, No. 254 dated June 21, 2017) (Appendix No. 14 hereto):

6.4. Status of the implementation of priority projects for the construction of three facilities in the Far East (Yakutskaya GRES-2 (Phase 1), CHP in Sovetskaya Gavan, and Sakhalinskaya GRES-2 (Phase 1)) for 9 months of 2018.

Resolution adopted:

To take into consideration the information on the status of the implementation of priority projects for the construction of three facilities in the Far East (Yakutskaya GRES-2 (Phase 1), CHP in Sovetskaya Gavan, and Sakhalinskaya GRES-2 (Phase 1)) as of September 30, 2018 (Appendix No. 15 hereto).

6.5. Consideration of a report on the accomplishment of the action plan for works at Zagorskaya PSHP-2.

Resolution adopted:

1. To take into consideration an interim report on the accomplishment of the subsequent action plan for works at Zagorskaya PSHP-2 (Appendix No. 16 hereto).

2. To take into consideration information on the work done to prepare for the alignment of the plant assembly building at Zagorskaya PSHP-2.

3. To approve the proposal of the Company's Management Board to start implementation of actions for alignment of the plant assembly building at Zagorskaya PSHP-2.

6.6. Contributions to the authorized capital of CHP in Sovetskaya Gavan JSC.

Resolution adopted:

If the corresponding resolutions are adopted by the Government of the Russian Federation, the following shall be deemed reasonable and expedient:

1. The provision by the Company of contributions to the authorized capital of CHP in Sovetskaya Gavan JSC for the purpose of capital investments in capital construction projects under the investment project "Construction of the CHP in Sovetskaya Gavan, Khabarovsk Krai. Adjustment 2017" in the amount of eight hundred and ninety-nine million three hundred and four thousand one hundred and fifty-nine (899,304,159) rubles and 70 kopecks, according to Article 21 of Federal Law No. 459-FZ dated November 29, 2018, "On the Federal Budget for 2019 and for the Planning Period of 2020 and 2021", using unspent contributions to the Company's authorized capital (hereinafter, the "balance of target funds") received by the Company:

1.1. in accordance with Part 6, Article 25 of Federal Law No. 204-FZ dated November 24, 2008, "On the Federal Budget for 2009 and for the Planning Period of 2010 and 2011" for completing construction of the shore spillway at Sayano-Shushenskaya HPP in the amount of four hundred and seventy-six million nine hundred and thirty-four thousand six hundred and eighty-four (476,934,684) rubles and 55 kopecks;

1.2. in accordance with Part 1, Clause 2 of Article 12 of Federal Law No. 204-FZ dated November 24, 2008, "On the Federal Budget for 2009 and for the Planning Period of 2010 and 2011", for the implementation of the comprehensive investment project "Development of design documentation for the implementation of the investment project 'Comprehensive development of South Yakutia'" in the amount of four hundred and twenty-two million three hundred and sixty-nine thousand four hundred and seventy-five (422,369,475) rubles and 15 kopecks,

by performing a transaction for the purchase of additional shares of CHP in Sovetskaya Gavan JSC.

2. Conclusion of supplementary agreements providing for the possibility of allocating the balance of target funds for the implementation of the investment project "Construction of the CHP in Sovetskaya Gavan, Khabarovsk Krai. Adjustment 2017" to:

- Budget Investment Contract No. 01-08/827 dated December 18, 2012;
- Budget Investment Agreement for Construction of Electrical Power Facilities in the Far East No. S-718-AB/D07 [Rus: C718-АБ/Д07] dated December 14, 2012;
- Budget Investment Contract No. 01-13/307 dated June 24, 2009;
- Budget Investment Contract No. 09/0412.3400200.082/08/392 dated December 14, 2009.

6.7. Financing of the project "Construction of two single-circuit overhead lines 110 kV Pevek-Bilibino (construction stage No. 1)".

Resolution adopted:

For the purpose of timely implementation and financing of the investment project "Construction of two single-circuit overhead lines 110 kV Pevek-Bilibino (construction stage No. 1)" (hereinafter, the "Project"), to instruct the Chairman of the Management Board and General Director of the Company N. G. Shulginov to ensure:

1. The making of contributions to the authorized capital of Chukotenergo JSC in 2019 and 2020 in an amount not exceeding RUB 13.0 billion (if the corresponding resolutions are adopted by the Government of the Russian Federation), from the following amounts allocated to the Company's authorized capital:

- budget investments in the amount of RUB 10.0 billion, including RUB 4.0 billion in 2019 and RUB 6.0 billion in 2020, in accordance with Article 9 of Federal Law No. 459-FZ dated November 29, 2018, "On the Federal Budget for 2019 and for the Planning Period of 2020 and 2021";
- budget appropriations from the Reserve Fund of the Government of the Russian Federation in the amount of RUB 3.0 billion in 2019.

2. Financing of the 1st stage of the Project, including costs for the development of design and cost estimate documentation, using the Company's own funds in an amount not exceeding RUB 6.294 billion.

3. An increase in the loan amount by RUB 1.294 billion by concluding supplementary agreement No. 1 (hereinafter, the "Supplemental Agreement") to Loan Agreement No. 1010-235-59-2017 dated December 28, 2017 (hereinafter, "Loan Agreement"), concluded by and between the Company and Chukotenergo JSC in pursuance of the decision of the Company's Board of Directors dated October 27, 2017 (Minutes No. 259 dated October 30, 2017), on the following material terms and conditions:

Parties to the Supplementary Agreement:

Borrower: Chukotenergo JSC;

Lender: the Company.

Scope of the Supplementary Agreement:

Clause 1.1 of the Loan Agreement shall be amended to read as follows:

"1.1. Under this Agreement, the Lender shall transfer into the Borrower's ownership an amount of money not exceeding six billion two hundred and ninety-four million (6,294,000,000) rubles and 00 kopecks, and the Borrower undertakes to repay the amount of the loan to the Lender in the manner and on the conditions established herein".

6.8. Adoption of preferential use of national software by the Company.

Resolution adopted:

To instruct the Chairman of the Management Board and General Director of the Company N. G. Shulginov:

1. To ensure that the Board of Directors of RusHydro, by agreement with the Center of Competences for Import Substitution in the Field of Information and Communications Technology, prepares and approves, within 2 months, an action plan for 2018-2021 for the adoption of the preferential use of national software in the Company (hereinafter, the "Plan"), which, among other things, would provide for:

- an authorized officer, ranked not lower than deputy head of the sole executive body of the Company, responsible for the implementation of measures for the adoption of the preferential use of national software in the Company;
- organizational and technical measures aimed at ensuring the adoption of the preferential use of national software in the Company within the prescribed time;
- financial resources, indicating the time frames, amounts and sources of financing, to ensure the adoption of the preferential use of national software in the Company;

and establishment of key performance indicators for the adoption of the preferential use of national software.

2. Introduction of amendments to the Long-Term Development Program of RusHydro Group for 2018-2022 during the next planned adjustment of measures under the Plan, which would provide for the adoption of the preferential use of national software in the Company within the framework of import substitution measures.

3. Implementation of the above approach in subsidiary companies in which the Company holds, directly and/or indirectly, over 50%.

4. Presentation of reports on the execution of directives of the Government of the Russian Federation No. 10068p-P13 [Rus: 10068п-П13] dated December 6, 2018 (hereinafter, "Directives"), and on the implementation of the Plan in the scope as per the schedule to the Directive, to the Ministry of Digital Development, Telecom and Mass Communications of the Russian Federation on a quarterly basis, on or before the 10th day of the month following the reporting quarter, by publishing them on the Interdepartmental Portal for State Property Management.

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 400 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 39 GW, heat capacity – 18.5 thousand GCal/h.

Russian Federation owns 60.56% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

For more information:

Investor Relations Department

Tel. +7 (495) 225 3232 ext. 1607, 1319, 1304

ir@rushydro.ru

The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of PJSC "RusHydro" ("RusHydro"). One can identify forward-looking statements by terms such as "expect", "believe", "anticipate", "plan", "aim", "target", "forecast", "project", "should", "estimate", "intend", "will", "could", "may" or "might", the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements.

We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic and political conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.
