

Results of the Board of Directors on October 11, 2017

October 16, 2017. 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 October 11, 2017.

Pursuant the Order of the Government of the Russian Federation, the Board of Directors instructed the Chairman of the Board - General Director to submit to the Ministry of Economic Development of Russia information on the assets owned in Russia via foreign legal entities no later than 10 days after the adoption of the decision. The information also has to be submitted on an annual basis no later than in 30 days after the end of a reporting period.

The Board of Directors has approved the supplement agreement to the Model collective labor agreement of RusHydro's branch for 2017-2019. The Board of Directors has instructed the Chairman of the Board - General Director to provide for signing supplement agreements to acting collective labor agreements of RusHydro's branches according to the procedure, established by the Labor Code of the Russian Federation.

The Board of Directors took notice of the report on implementation of RusHydro's long-term development program for the 1H of 2017, including the information on the achievement of the program's intermediary KPIs for the period.

The Board of Directors took notice of the report on the status of priority projects in the Far East (Yakutskaya TPP-2 (1st phase), Blagovesheskaya CHPP (2nd phase), CHPP in Sovetskaya Gavan', Sakhalinskaya TPP-2 (1st phase), as of 30.06.2017.

In order to secure timely implementation of the second phase of the investment project expansion of 220 kV Maya substation and construction of the transmission lines enabling the connection between the Federal Grid transmission lines, and generating capacities of Yakutskenergo, the Board of Directors instructed Chairman of the Board - General Director to provide for:

- Implementation and financing of the project via provision of an intragroup loan to Yakutskenergo;
- Submission of tariff application by Yakutskenergo for the respective regulatory period with including costs of the project in the necessary gross proceeds of Yakutskenergo.

The Board of Directors approved amount the loan limit – no more than Rub 385.7 mn. The loan is to be redeemed on demand, but no later than in 10 years since the date of loan agreement.

The project will allow integration of Yakutia's central energy region, where the majority of Yakutia population is concentrated, including the Yakutsk, the capital of the Republic, into Unified Energy System of East and provide to energy consumers access to the wholesale market of energy and capacity. This will solve the problem of systemic reliability and mitigate risks, stemming from isolated status of the energy region. The Project also unlocks capacity of Nerungrinskaya TPP. The project is due to be completed in the fourth quarter of 2018.

The Board of Directors approved Supplement agreement #4 to Agreement on the provision of budget investment of 18.12.2012. The Supplement agreement stipulates change in commissioning dates of CHPP in Sovetskaya Gavan' from 2017 to 2019, Sakhalinskaya TPP-2 (1st phase) from 2017 to 2018, Yakutskaya TPP-2 from 2016 to 2017. The Supplement agreement also provides for change in construction cost of Yakutskaya TPP-2 in accordance with appraisal of Glavgosexpertisa (appraisal report of 26.04.2017) by RUB 5,138.6 mn (including VAT) as well as increase in the fine for delay in commissioning beyond the planned date from RUB 0.5 mn to RUB 0.75 mn per day of delay.

The Board of Directors approved preliminary results of the business-plan implementation for 2017, including actual figures of 1H 2017 (including implementation reports of the integrated modernization program and annual integrated procurement program).

Actual production and output of electricity for the 1H of 2017 was 109.6% and 110.4% of the 1H plan. The operating results above the plan is due to favorable hydrological situation.

During 2017, installed capacity due to rerating has increased by 10.4 MW on Saratovskaya HPP 5MW on Novosibirskaya HPP.

Financing of the investment program in the 1H of 2017 totaled RUB 15.57 bn, or 113% of the 1H plan and 29.44% of the annual plan. In addition, financing of investment program of subsidiaries totaled RUB 7.88 bn or 63% of the 1H plan and 22% of the annual plan. Actual financing of the integrated modernization program was RUB 7.4 bn, or 100.2% of the 1H and 26% of the annual plan.

The Board of Directors approved adjusted business plan and adjusted investment program, of RusHydro for 2017, planned indicators of investment program of RusHydro and subsidiaries, included in KPIs of RusHydro's Management Board members for 2017.

RusHydro's investment program for 2017 totals RUB 45,664.18 mn, (including VAT). The change against the adjustment, approved by the Board of Directors on April 4, 2017 was RUB 1,248.33 mn (including VAT). The reduction reflects, among other factors, fine-tuning of implementation schedule and shifting payment dates of deferred payments under existing contracts.

Pursuant the Order of the Government of the Russian Federation, the Board of Directors instructed Chairman of the Board - General Director to provide for:

1. The amendment of the employment contract with the single executive body of the Company by including the provision on personal responsibility for failure to disclose information or the disclosure of false informations on the disposal of RusHydro's non-core

assets at the Intradepartmental portal on state property management no later than 01.11.2017;

2. Analysis of Non-core assets divestment program from the point of view of compliance with methodological recommendations on identification and divestment of non-core assets, approved by the Order of the Government of the Russian Federation of 10.05.2017.;

3. Submission of the Non-core assets divestment program and Register of non-core assets to the Board of Directors (if need arises) not later than 01.01.2018.

The Board of Directors approved report on achievement of integrated innovations KPI of the Company for 2016.

About RusHydro

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

Russian Federation owns 60.56% 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.

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