

May 13, 2016. Moscow, Russia.

Notice of the Annual General Meeting of Shareholders of RusHydro

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting on May 12, 2016, to address issues related to the Annual General Meeting of Shareholders (AGM).

The Board of Directors approved the agenda for the 2015 Annual General Meeting of Shareholders:

1. Approval of the Company's 2015 Annual Report.
2. Approval of the Company's 2015 annual accounting statements.
3. Distribution of profit for 2015.
4. Dividend payment for 2015 and determination of dividend record date.
5. Remuneration of the Board of Directors (Supervisory Board) members (non-government officials) in the amount determined by the internal documents of the Company.
6. Approval of the amended Regulations on remuneration of the Board of Directors.
7. Election of members to the Board of Directors of RusHydro.
8. Election of members to the Audit Commission.
9. Approval of the Company's auditor.
10. Approval of the amended Articles of Association of the Company.
11. Approval of the amended Regulations on convening and holding the general meeting of shareholders of RusHydro.
12. Approval of the amended Regulations on convening and holding the Board of Directors' meetings.
13. Approval of the amended Regulations of the Company's Audit Commission.
14. Approval of the amended Regulations on remuneration of the Company's Audit Commission.
15. Approval of the Company's interested-party transactions.

The Board of Directors preliminary approved the Company's 2015 Annual Report and annual accounting statements.

The Board of Directors has preliminarily approved and recommended to the AGM the following distribution of profit for 2015 (in RUB):

Retained profit for the reporting period	30,022,009,970.70
Reserve fund	1,501,100,498.54
Company's development	13,509,863,340.14
Dividends	15,011,046,132.02

The Board of Directors recommended that the AGM approves dividend payment in the amount of RUB 0.038863 per share.

The dividend record date is July 8, 2016.

The Board of Directors recommended the AGM to approve remuneration of the members of the Board of Directors based on their performance from June 26, 2015 to June 27, 2016 in the amount and under the procedure set in the Regulations on remuneration to members of the Board of Directors of RusHydro.

The Board of Directors recommended the AGM to approve the amended Regulations on remuneration of the Board of Directors.

The Board of Directors recommended to the AGM JSC PriceWaterhouse Coopers Audit as the auditor of RusHydro's 2015 accounting statements.

The Board of Directors recommended the AGM to approve the amendments to the following documents:

- Articles of Association of the Company.
- Regulations on convening and holding the general meeting of shareholders of RusHydro;
- Regulations on convening and holding the Board of Directors' meetings;
- Regulations of the Company's Audit Commission;
- Regulations on remuneration of the Company's Audit Commission.

The amended documents reflect recent changes in the Russian legislation, Russian Civil Code and had been developed in compliance with corporate governance practice and the amended Articles of Association of RusHydro.

The Board of Directors recommended that the AGM approves termination of RusHydro's participation in non-commercial partnership "CTSCenter UES".

The Board of Directors recommended that the AGM approves the liability and financial risk insurance agreement for Directors, Officers and Companies between PJSC RusHydro and JSC SOGAZ No. 16DO0001 of December 30, 2015 (hereinafter, the "Contract"), qualified as an interested party transaction, and determined the price limit of the agreement in the amount of USD 36,000 at the exchange rate of the Bank of Russia on the payment date, not subject to VAT.

Parties to the Contract:

Insured: PJSC RusHydro;

Insurer: JSC SOGAZ.

Subject of the Contract:

Subject to all the provisions of the Insurance Contract, the Insurer shall upon the occurrence of any of the insured events specified in the Contract pay an insurance indemnity under the Insurance Contract (as appropriate) to the respective Insured Person and/or to any other person entitled to such indemnity.

Insured Person(s):

– Any individual (including non-residents of the Russian Federation), who within the insurance period is or becomes in accordance with the definitions of the Insurance Contract:

- an Official, Director; or
- Spouse of any Insured Person in relation to any Losses connected with the Claim concerning any Wrongdoing of such Insured Person; or

- Disposer, successor, property or legal representative, legal successor or executor of the deceased, legally incapable, insolvent or bankrupt Insured Person in relation to any Losses connected with the Claim concerning any Wrongdoing of such Insured Person;
- Employee of the Company in the course of performing management and supervisory duties by such employee in the Company. For the avoidance of doubt, such employees shall include, but not be limited to, executive and managing directors, heads of Departments, Directorates and other structural subdivisions of the Company, Chief Accountant and his/her deputies, other persons managing employees of the Company as well as all persons entitled under powers of attorney to sign agreements and other documents on behalf of the Company;
- Specified as a potential Insured Person in any information on listing of the Securities, issue prospectus or private offering memorandum or similar document issued by the Policy holder;
- And other persons specified in the Insurance Contract.

– Any company which according to the insurance contract is the Policy holder and/or any its subsidiary corresponding to the definition of the Subsidiary pursuant to the insurance contract (mainly, legal entities in which PJSC RusHydro or any subsidiary of PJSC RusHydro directly or indirectly through one or several other legal entities held/hold and/or controlled/controls over 50 % in the authorized (share) capital of such company).

Beneficiaries:

In relation to damage under the submitted Claims, third persons act as the Beneficiaries.

In relation to expenses on defense, Directors of the Company and the Company act as the Beneficiaries.

Insurance coverage/insured event:

– The Insured Event in relation to liability insurance of any Insured Person for any Losses incurred by other persons shall be all the following circumstances:

- (a) Creation at any moment prior to or within the Insurance Period in accordance with the applicable legislation of the obligation to compensate by any Insured Person for any Losses incurred by other persons in connection with any Wrongdoing of the Insured Person, and
- (b) Submission within the Insurance Period of any Claim concerning the Losses incurred by other persons specified in Clause (a) above against such Insured Person.

– The Insured Event in relation to insurance of any Losses of any Insured Person (other than those in the above liability for the Losses of other persons) shall be the incurring by such Insured Person of any Losses in connection with any Claim.

– The Insured Event in relation to insurance of the Losses of any company shall be the incurring by such Company of any expenses due to compensation by such Company for any Losses to any Insured Person and/or other person in the interests of any Insured Person with regard to any Claim submitted against any Insured Person and/or liability of any Insured Person for any Losses incurred by other persons.

– The Insured Event in relation to liability insurance of any Company for any Losses incurred by other persons shall be all the following events:

- (a) Creation at any moment prior to or within the Insurance Period in accordance with applicable legislation of the obligation to compensate by any Company for any Losses incurred by other persons in connection with any Wrongdoing of the Company, and
- (b) Submission within the Insurance Period of any Claim for Securities concerning the Losses incurred by other persons specified in Clause (a) above against such Company.

– The Insured Event in relation to insurance of any Losses of any Company (other than those in the above liability for the Losses of other persons) shall be the incurring by such Company of any Losses in connection with any Claim for Securities.

The Insurance Object:

- In relation to liability insurance of the Insured Person against any Losses incurred by other persons, property interests of such Insured Person connected with the obligations to compensate for the Losses incurred by other persons;
- In relation to insurance against any Losses of any Insured Person, property interests of such Insured Person connected with incurring of any Losses;
- Property interests of any Company connected with compensation by such Company for any Losses;
- In relation to liability insurance of any Company against any Losses incurred by other persons, property interests of such Company connected with the obligations to compensate for the Losses incurred by other persons;
- In relation to insurance against any Losses of any Company, property interests of such Company connected with the incurring of any Losses.

Losses:

mean any of the below:

- Any losses in accordance with Articles 71 and 84 of the Federal Law "On Joint-Stock Companies" No. 208-FZ dated December 26, 1995 (as amended and supplemented) and other similar losses; and/or
- Any damage (including any loss) in accordance with Article 931 of the Civil Code of the Russian Federation (as amended from time to time) and other similar damage (including any similar losses); and/or
- Any amount, which any Insured Person in accordance with any legislation shall pay, including, but not limited to, any amounts awarded under the decision of court, arbitration, third-party arbitration tribunal or similar body/institution (including interest accrued for the periods prior to and after the date of relevant decision), any losses (including loss of profits, multiple damages as well as exemplary damages, substantial damages, and punitive damages), expenses, out-of-court settlement costs; and/or
- Any losses and expenses covered under the Insurance Contract (including, but not limited to, Indemnification Expenses, Extra Charges, Extradition Costs, Investigation Costs, Expenses on Defense against Prosecution, Public Relations Expenses, Expenses on Casual Activity of Regulatory Authorities); and/or
- Any forfeit, penalty or punitive sanctions, which may be collected in accordance with the legislation, under which the relevant Claim is raised; and/or
- Any payments, which the Insurer shall make in accordance with any expansion of coverage stipulated by the Insurance Contract.

Wrongdoing:

- In relation to any Insured Person, any of the listed below:
 - (a) Any actual or claimed/imputed/assumed action, error, omission, carelessness, negligence, failure to perform or improper performance of duties, misconduct, misinformation, false or misleading statement, libel, defamation, violation of terms of delegated authority, abuse of power, breach/violation of fiduciary or other duties, any violation of labor relations or any other action or omission of any Insured Person who acted in the relevant capacity or any fact stated in respect of any Insured Person solely in connection with their powers to act in the said capacity; and/or
 - (b) Any actual or claimed/imputed/assumed action or failure to act, error or omission that forms the grounds of, is associated with, or has the effect of any violation of the Sarbanes-Oxley Act anywhere worldwide; including, but not limited to, any such violation associated with:
 - Work of the Audit Committee; or
 - Requirements of the Sarbanes-Oxley Act as regards affirmation and disclosure of information; or
 - Compliance of statements with GAAP; or
 - Bans in respect of a conflict of interest specified by the Sarbanes-Oxley Act; or

- Rights of the employees to inform of any violations without any effect on the informer; and
- In relation to any Company: Any actual or claimed/imputed/assumed violation/failure to perform the duties/obligations, negligence, carelessness, error, misinformation, incorrect or misleading statement, omission or any other action or omission of any Company but solely in relation to any Claim for Securities.

Insured amount/liability limit:

- In aggregate on all insurance coverages and extensions except for extension for independent directors – thirty million (30,000,000) US dollars.
- Additional insured amount for independent director – one million (1,000,000) US dollars. Aggregate additional insured amount for independent directors – two million (2,000,000) US dollars.

Franchise

Is set only in relation to compensation for the Company's losses, in the amount of one hundred thousand (100,000) US dollars.

Price of the Agreement:

Sixty eight thousand seven hundred (36,000) US dollars at the rate of the Bank of Russia on the payment date, not subject to VAT.

Insurance Period:

from January 1, 2016 to December 31, 2016

The Board of Directors determined that the price limit of the guarantee agreements aimed at securing performance of obligations of companies included in the list of affiliates of RusHydro as of December 31, 2015, published on the website at: <http://www.rushydro.ru/investors/disclosure/affiliated/2015/> under their credit facilities secured from VTB Bank, qualified as interested party transactions, amounts to RUB 30 bn.

The Board of Directors determined that the price limit of loan agreements between RusHydro and VTB Bank that might be signed in the future, qualified as interested party transactions, includes:

- credit limit in the amount of RUB 30 bn;
- a maximum amount of interest on loans paid to the Bank at the combined rate exceeding by up to 4 p. p. per annum the interest rate set by the Central Bank of Russia.

The Board of Directors determined that the price limit of the General Agreement on forward transactions and transactions that might be made in the future under the general agreement, qualified as interested party transactions, should be determined as total price of property that might be acquired (alienated) by the Company under all valid transactions made in terms of general agreement and amounts to RUB 100 bn or the equivalent amount in foreign currency at the rate of the Central Bank of Russia as of the date of transaction.

The price limit of overdraft facility transactions that might be made in the future and are qualified as interested party transactions shall be defined as the aggregate of the following values:

- a maximum amount of possible debt to the Bank (overdraft limit) of RUB 5 bn;
- a maximum total amount of fees, interest on loans paid to the Bank at the combined rate exceeding by up to two (2) p. p. per annum the indicative rate of interest on loans (deposits) in Russian rubles offered at the Moscow market (MosPrime Rate OverNight), published by National Foreign Exchange Association (NFEA) as of the date of the transaction.

The price of forex transactions made by the Company in the future are qualified as interested party transactions is determined as the price of purchased or sold foreign currency (Euro, US Dollar, Swiss franc, British Pound) at conversion rate by up to 2% different from the exchange rate set by the Central Bank or EMTA, or Bloomberg fix, or other market rate as of the date of transaction, and amounts to RUB 100 bn the equivalent amount in foreign currency at the rate of the Central Bank of Russia as of the date of transaction.

The Board of Directors recommended that the AGM approves the guarantee agreements aimed at securing performance of obligations of companies included in the list of affiliates of RusHydro as of December 31, 2015, published on the website at: <http://www.rushydro.ru/investors/disclosure/affiliated/2015/> under their credit facilities secured from VTB Bank, qualified as interested party transactions, on the following material terms and conditions:

Parties to the transaction(s):

Creditor – PJSC VTB Bank;

Borrower – Company(ies) included in the list of affiliates of RusHydro as of December 31, 2015, published on the website at: <http://www.rushydro.ru/investors/disclosure/affiliated/2015/>;

Guarantor – PJSC RusHydro.

Subject of the transaction(s) – guarantee for performance of obligations of the Borrower to the Creditor under the Loan Agreement between the Borrower and the Creditor;

Price of transaction(s):

The price of the transaction shall be defined as the maximum (aggregate) amount of the Borrower's obligations secured by the guarantee and shall not exceed RUB 30 bn.

Guarantee period is up to 15 years.

The Board of Directors recommended that the AGM approves the Loan Agreements, which may be made by the Company in the future, qualified as interested party transactions, on the following material terms and conditions:

Parties to the transaction(s):

Creditor — PJSC VTB Bank

Borrower — PJSC RusHydro

Subject of transaction(s) – The Creditor shall provide the Borrower with monetary funds (loan) in the amount and under the terms and conditions stipulated by the Agreement, and the Borrower shall return the received funds and pay interest thereon;

Price of the transaction(s):

The price of the transaction shall be defined as the aggregate of the following values:

- a maximum sum of loan funds secured from the Bank under the Agreement in the amount of RUB 30 bn;

- a maximum amount of interest on loans paid to the Bank at the combined rate exceeding by up to 4 p. p. per annum exceeding the interest rate set by the Central Bank of Russia.

Credit period is up to 15 years.

The Board of Directors recommended that the AGM approves the General Agreement on forward transactions and transactions that might be made in the future under the general agreement, qualified as interested party transactions, on the following material terms and conditions:

Parties to the transaction(s):

PJSC VTB Bank

PJSC RusHydro

Types and subject of transactions:

1. Off-market forward contract under which:

- one party agrees to buy a fixed amount of money in one currency and sell it to other party in another currency; this amount of money should be transferred by both parties on the date of payment (“deliverable forward contract”), or
- one party agrees to make recurring and (or) one-off payment at a settlement date of difference between the daily rate (reference rate) and the non-deliverable forward rate agreed by the parties on the date of transaction to another party (“non-deliverable forward”).

2. Option agreement:

- one party (buyer) pays to another (seller) a premium (in case an option terms provide for the premium payment) and purchases right but not the obligation, either to buy or sell a certain quantity of the currency, at a specified price (strike price), on a specified date in the future (expiry date); this amount of currency should be transferred by both parties on the date of payment (“deliverable FX option”);
- the buyer pays a premium to the seller (in case an option terms provide for the premium payment) and purchases right but not the obligation, to claim for recurring and (or) one-off payment of a certain quantity of the currency (providing that it is positive) on the date of payment (“non-deliverable FX option”).

There might be two types of option: an option to buy is referred to as a CALL, and an option to sell is referred to as a PUT, as well as European and American options.

3. Interest rate swap is a contractual agreement between two parties where Party A agrees to make payments to Party B in the agreed currency based on a floating interest rate, and Party B agrees to make payments to Party A based on a fixed interest rate, or floating amount of money in the same currency calculated based on net present value and another floating rate.
4. Cross currency and interest rate swap is a foreign exchange contract where (i) Party A transfers to Party B a certain amount of currency in net present value set for Party B, and Party B pays to Party A a certain amount of currency in net present value set for Party A; (ii) Party B should transfer a certain amount of currency to Party A no later than on the 3rd day after transaction in net present value set for Party B and Party A should transfer a certain amount of currency to Party B in net present value set for Party A; (iii) the party(-ies) should pay to each other periodically or all at once fixed and/or floating amounts in net present value terms set for the relevant party. The terms of cross currency swap provide for payment of the initial amount to be paid by Party B and/or final amount to be paid by Party B. The interim payments reducing the final amount may be made. The payments may be exchanged to another currency or netted.

Currencies:

Russian rouble, Euro, US Dollar, Swiss franc, British Pound.

Floating interest rates for swaps: EURIBOR, LIBOR, Mosprime with floating rate period from 1 week to 6 months, interest rate set by the Central Bank of Russia.

Dates of floating interest rates change should be determined by the parties.

Fixed interest rate for swaps: rate exceeding by up to 4 p. p. per annum the interest rate set by

the Central Bank of Russia.

Exchange rates for swaps: official exchange rate set by the Central Bank of Russia, EMTA, ECB37, WMR, BFIX and cross-rates using them.

Forward exchange rate (for FX transactions): from RUB 20 to 100 per USD 1, from RUB 30 to 130 per EUR 1, from USD 0.5 to 1.8 per EUR 1, from RUB 20 to 110 per 1 CHF 1, from RUB 40 to 180 per £1.

The execution price should not exceed the exchange rate set by the Central Bank of Russia by more than 100%.

The price of transaction (-s):

The price of the General Agreement on forward transactions and transactions that might be made in the future is determined as a total price of property that might be acquired (alienated) by the Company under all valid transactions made in terms of general agreement and amounts to RUB 100 bn or the equivalent amount in foreign currency at the rate of the Central Bank of Russia as of the date of transaction.

Terms of the agreements may not exceed 15 years.

The Board of Directors recommended that the AGM approves the related overdraft facility transactions, qualified as interested party transactions, on the following material terms:

Parties to the transaction(s):

Bank - PJSC VTB Bank

Borrower - PJSC RusHydro

Subject of transactions: the Bank should provide the Borrower with funds (loan) as an overdraft in the amount and in accordance with terms of transaction, and the Borrower should return received amount of funds and pay interest.

The price limit of overdraft facility transactions that might be made in the future and are qualified as interested party transactions shall be defined as the aggregate of the following values:

- a maximum amount of possible debt to the Bank (overdraft limit) of RUB 5 bn;
- a maximum total amount of fees, interest on loans paid to the Bank at the combined rate exceeding by up to two (2) p. p. per annum the indicative rate of interest on loans (deposits) in Russian rubles offered at the Moscow market (MosPrime Rate OverNight), published by National Foreign Exchange Association (NFEA) as of the date of the transaction.

Period of continuous outstanding loans is 30 days.

The Board of Directors recommended that the AGM approves the transactions for sale-purchase of foreign currency (conversion operations), qualified as interested party transactions, that might be made in the future on the following material terms:

Parties to the transaction(s):

PJSC VTB Bank

PJSC RusHydro

Subject of transactions: sale or purchase of foreign currency (Euro, US Dollar, Swiss franc, British Pound) on the agreed terms.

The price of forex transactions is determined as the price of purchased or sold foreign currency (Euro, US Dollar, Swiss franc, British Pound) at conversion rate by up to 2% different from the

exchange rate set by the Central Bank or EMTA, or Bloomberg fix, or other market rate as of the date of transaction, and amounts to RUB 100 bn the equivalent amount in foreign currency at the rate of the Central Bank of Russia as of the date of transaction.

The Board of Directors resolved to:

1. Convene the Annual General Meeting of shareholders on June 27, 2016.
2. Start AGM at 10.30 (local time).
3. Start registration for participants at 08.30 (local time).
4. Convene the AGM at the following address: Congress Hall, 2nd floor, Entrance 4, 12 Krasnopresnenskaya Embankment, World Trade Center, Moscow, Russia.
5. Set record date for AGM participation – May 23, 2016.
6. Determine that the following documents that might be reviewed by the AGM participants:
 - the Company's 2015 Annual Report;
 - the Company's 2015 annual accounting statements, including auditor's report; Audit Commission's report;
 - recommendations of the Board of Directors on the agenda items of AGM;
 - minutes of Audit Committee, Investments Committee, Human Resources and Remuneration Committee of the Board of Directors;
 - resolutions of the Board of Directors on determination of prices of interested party transactions;
 - information about candidates to the Company's Board of Directors;
 - information about candidates to the Company's Audit Commission;
 - information about presence or absence of written consent of candidates nominated to the Board of Directors, Audit Commission;
 - information about proposed auditor of the Company;
 - Articles of Association of the Company;
 - Draft of amended to the Articles of Association;
 - Comparative table of the amendments to the Articles of Association;
 - Regulations on the procedure for convening and holding the general meeting of shareholders;
 - Draft of amended Regulations on the procedure for convening and holding the general meeting of shareholders;
 - Regulations on the procedure for convening and holding the Board of Directors meetings;
 - Draft of amended Regulations on the procedure for convening and holding the Board of Directors meetings;
 - Regulations on Audit Commission;
 - Draft of amended Regulations on Audit Commission;
 - Regulations on remuneration to members of the Board of Directors of the Company;
 - Draft of amended Regulations on remuneration to members of the Board of Directors of the Company;
 - Regulations on remuneration to members of Audit Commission;

- Draft of amended Regulations on remuneration to members of Audit Commission;
 - Draft resolutions of AGM on the items of the agenda.
7. Determine the following locations, where AGM participants can review the documents:
- Moscow, 7 Malaya Dmitrovka Street (on working days from 10:00 a.m. to 6:00 p.m., Moscow time); telephone: +7 (495) 225-3232; +7 (800) 333-8000 ext. 1824; 1025; mail receipt/delivery: ext. 1832, 4185;
 - Moscow, 18/13 Stromynka Street; JSC R.O.S.T., Company's registrar (on working days from 10:00 a.m. to 6:00 p.m., Moscow time); telephone: +7 (495) 771-7336;
 - Krasnoyarsk, 51 Respubliki Street, office 102 (on working days from 10:00 a.m. to 6:00 p.m., local time); telephone: +7 (913) 031-7104.

The information will be also available on the Company's web site at: www.eng.rushydro.ru.

8. Approve format and text of notice of AGM.
9. Publish the notice of AGM in Rossiyskaya newspaper and place on RusHydro's corporate website not later than 30 days prior to the date of AGM.
10. Approve format and text of voting ballots for the AGM.
11. Determine that voting ballots should be sent by mail with notification of delivery or handed in against receipt to each participant of AGM not later than June 6, 2016;
12. Determine that while establishing the quorum and counting of votes the voting ballots submitted to the address stated in p.13 not later than 2 days prior to the AGM (i.e. not later than June 24, 2016) should be counted.
13. Determine that voting ballots should be sent to: JSC R.O.S.T., 18/13 Stromynka Street, Moscow, 107996, Russia;
14. Elect Anton Podgorny, Assistant to Yuri Trutnev, Deputy Prime Minister and Presidential Plenipotentiary Envoy to the Far Eastern Federal District, as Corporate Secretary of AGM.

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 38.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 66.8% 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:

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DISCLAIMER

The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of 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.