

Results of the Board of Directors Meeting on May 24, 2021

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on May 24, 2021.

Resolutions passed on Items of the agenda:

Item 1: On Including Candidates into the Voter List for Election into the Company Management and Control Bodies.

Adopted Resolution:

1. On the basis of paragraph 7 of Article 53 of Federal Law "On Joint Stock Companies" additionally* include, into the voter list of candidates to be elected into the Board of Directors of the Company at the Annual General Meeting of Company Shareholders on the results of 2020, the following candidates:

No.	Candidate's full name	Candidate's position
1.	Maksim Sergeyevich Bystrov	Chairman of the Management Board, Association Nonprofit Partnership Council for Organizing an Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market
2.	Pavel Sergeyevich Grachev	Chief Executive Officer, Public Joint-Stock Company Polyus
3.	Alexey Vladimirovich Kozlov	Assistant to the Deputy Prime Minister of the Russian Federation Y.I.Borisov
4.	Alexey Yurevich Pavlov	Deputy Head of the Federal Agency for State Property Management
5.	Vyacheslav Viktorovich Pivovarov	President, Limited Liability Company Altera Capital
6.	Nikolay Dmitriyevich Rogalev	Rector, National Research University Moscow Power Engineering Institute (MPEI)
7.	Dmitry Nikolaevich Snesar	Head of the Department-Senior Vice-President, VTB Bank (public joint stock company)
8.	Pavel Nikolaevich Snikkars	Deputy Minister of Energy of the Russian Federation
9.	Yuriy Petrovich Trutnev	Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District
10.	Natalia Olegovna Filippova	Deputy Director of Secretariat of Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District Y.P. Trutnev
11.	Victor Viktorovich Khmarin	Chairman of the Management Board – General Director, Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro
12.	Aleksey Olegovich	Minister of the Russian Federation for the development of the

	Chekunkov	Far East and Arctic
13.	Nikolay Grigoryevich Shulginov	Minister of Energy of the Russian Federation

2. On the basis of paragraph 7 of Article 53 of Federal Law “On Joint Stock Companies” include, into the voter list of candidates to be elected into the Internal Audit Commission of the Company at the Annual General Meeting of Company Shareholders on the results of 2020, the candidates as follows:

No	Candidate’s full name	Candidate’s position
1.	Nataliya Nikolayevna Annikova	Member of the Internal Audit Commission of Joint-Stock Company Zarubezhneft
2.	Alexey Vladimirovich Kulagin	Deputy Head of the Department, Ministry of Energy of the Russian Federation
3.	Jakub Hadzimuratovich Malsagov	Chief specialist-expert of the Department, Federal Agency for State Property Management
4.	Igor Nikolayevich Repin	Deputy Executive Director, Association of Professional Investors
5.	Ilya Nikolayevich Khazov	Head of the Division of the Department, Ministry of Finance of the Russian Federation

** in accordance with resolution of the Board of Directors of the Company dated April 05, 2021 (Minutes No. 324 dated April 06, 2021)*

Item 2: On Preliminary Approval of the Company’s Annual Report for 2020.

Adopted Resolution:

To preliminarily approve the RusHydro Annual Report for 2020 as per Schedule 1 to the Minutes and submit it for approval to the Annual General Meeting of Company Shareholders.

Item 3: On Preliminary Approval of the Company annual accounting (financial) statements as of 2020 year - end.

Adopted Resolution:

To preliminarily approve the Annual Accounting (Financial) Statements of the Company, for 2020, and recommend the Annual General Meeting of Company Shareholders to adopt the resolution as follows:

“To approve the Annual Accounting (Financial) Statements of the Company, for 2020, which is a part of the materials for the Meeting, posted on the RusHydro corporate website www.rushydro.ru.”

** the expression “materials for the Meeting” shall mean information (materials) to be provided to persons entitled to participate in the annual General Meeting of Company Shareholders on the results of 2020, when preparing for the Meeting.*

Item 4: On recommendations to the Annual General Meeting of Company Shareholders on matters related to the AGM agenda:

Adopted Resolution:

Recommend the Annual General Meeting of Company Shareholders to adopt the resolutions as follows:

1. To approve Joint Stock Company PricewaterhouseCoopers Audit (OGRN 1027700148431) as the Auditor of PJSC RusHydro.

2. To approve the Articles of Association of PJSC RusHydro in the new edition, which is a part of the materials for the Meeting, posted on the RusHydro corporate website www.rushydro.ru.*

3. To approve the Regulation on Payment of Remunerations and Compensations to the Members of the Board of Directors of PJSC RusHydro in the new edition, which is a part of the materials for the Meeting, posted on the RusHydro corporate website www.rushydro.ru.*

* *the expression “materials for the Meeting” shall mean information (materials) to be provided to persons entitled to participate in the annual General Meeting of Company Shareholders on the results of 2020, when preparing for the Meeting.*

Item 5: On the Matters Related to Convening, Preparing and Holding the Annual General Meeting of Company Shareholders.**5.1. On the Convening of the Annual General Meeting of Company Shareholders.****Adopted Resolution:**

1. To convene the Annual General Meeting of Shareholders of RusHydro in the form of absentee voting (hereinafter also referred to as the “Meeting”).

To set the deadline for accepting voting ballots to be June 30, 2021.

2. To approve the date whereon the persons entitled to participate in the Meeting shall be determined (recorded) to be June 05, 2021.

3. To establish the information (materials) to be provided to persons having the right to take part in the Meeting to be as follows:

the Company’s Annual Report for 2020, and a report by the Internal Audit Commission of the Company based on the results of review thereof;

the Annual Accounting (Financial) Statements for 2020, including an Auditor’s Report and a report by the Internal Audit Commission of the Company, based on the results of review thereof;

rationalization of the proposed net profit distribution and assessment of its compliance with the dividend policy adopted at the Company, including to the dividend payment and the Company’s auxiliaries, with explanations and economic rationalization of the need to allocate a certain part of the net profit to the auxiliaries;

information on shareholder's agreements concluded during the year prior to the date of the Meeting;

report on interested party transactions concluded by the Company in 2020, and a report by the Internal Audit Commission of the Company as to the reliability of the data contained in the above report;

recommendations (stance) of the Board of Directors of the Company concerning an agenda for the Annual General Meeting of Company Shareholders as well as minority opinions of the Board Members as to each agenda item;

information on proposals as to putting items to the agenda of the Annual General Meeting of Shareholders, including information on the persons having proposed each of the items included in the Meeting Agenda;

abstracts of minutes of the Audit Committee under the Board of Directors of the Company, Investment Committee under the Board of Directors of the Company, and HR and Remuneration (Nominations) Committee under the Board of Directors of the Company, concerning the corresponding items considered by the Meeting;

details of candidates to the Board of Directors of the Company, including information on persons the having nominated these candidates, as well as information as per Clause 8 of Schedule 3 to the Regulation on the Information Policy of RusHydro;

details of candidates to the Internal Audit Commission of the Company, including information on the persons having nominated these candidates;

information as to the presence or absence of written consents of the candidates nominated for election into the Board of Directors and the Internal Audit Commission, for being elected into a corresponding body of the Company;

details of the candidacy of the Company Auditor, including information as per Sub-Clause 2 of Clause 3, Schedule 3 to the Regulation on the Information Policy of RusHydro;

information on the corporate activities that have the dividend rights of the shareholders impaired and (or) their shares diluted, details of the judicial orders having established the episodes of the shareholders' use of ways, other than dividends and disposal value, to generate income at the Company's expense;

internal auditing report;

draft resolutions of the Meeting, as to the agenda items.

4. To establish that the persons entitled to take part in the Meeting shall be able to familiarize themselves with the information (materials) for the Meeting at:

- 7 Malaya Dmitrovka Street, Moscow (on business days, from 10:00 to 17:00, local time), tel.: 8-800-333-80-00, ext. 1969; 2204;

- 23/10 Pravdy Street, Moscow, JSC VTB Registrar (on business days, from 10:00 to 17:00, local time), tel.: 8 (800) 200-61-12 (toll-free call, if in Russia);

- 43/1 Dubrovinskogo Street, Krasnoyarsk (on business days, from 10:00 to 17:00, local time), tel.: 8-913-031-71-04;

- on the Company's website: www.rushydro.ru, as well as in the Shareholder's Personal Account on the Registrar's website: <http://www.vtbreg.ru>, in the Quorum mobile application (for IOS and Android) developed by the Registrar, in the shareholder's online E-voting account: <https://www.e-vote.ru/ru>.

5. To establish the Internet sites where voting ballots may be remotely registered and filled up, to be as follows: <http://www.vtbreg.ru>; <https://www.e-vote.ru/ru>, and the Quorum mobile application (for IOS and Android) developed by the Registrar.

6. To elect Evgeniya Stepanovna Brusenina as the Secretary of the Meeting.

7. To ensure a range of communications with shareholders, concerning the Annual General Meeting of Shareholders and summarizing its results on the corporate website.

5.2. On Recognizing Candidates to the Company Board of Directors as Independent.

Adopted Resolution:

1. Pursuant to the recommendations of the HR and Remunerations (Nominations) Committee under the Board of Directors of the Company (Minutes No. 111), the information be taken into consideration on the results of assessment of the Board candidates' (members') compliance with the independence criteria provided for in Appendix 4 to the Moscow Exchange Listing Rules* (hereinafter, "the Listing Rules").

2. In accordance with Clause 2 of Section 2.18, Appendix 2, and Appendix 4 to the Listing Rules, be recognized:

2.1. Pavel Sergeevich Grachev as an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders

in 2021, despite the presence of nominal criteria of relatedness, on the grounds specified in Schedule 2 to the Minutes.

2.2. Maksim Sergeevich Bystrov as Independent Director and an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, despite the presence of nominal criteria of relatedness, on the grounds specified in Schedule 3 to the Minutes.

2.3. Vyacheslav Viktorovich Pivovarov as an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, despite the presence of nominal criteria of relatedness, on the grounds specified in Schedule 4 to the Minutes.

2.4. Aleksandr Viktorovich Shevchuk as an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, despite the presence of nominal criteria of relatedness, on the grounds specified in Schedule 5 to the Minutes.

**Approved by resolution of the Supervisory Board of Moscow Exchange on March 3, 2021 (Minutes No. 20)*

Schedule 2 to the Minutes

Having assessed the compliance of P. S. Grachev, a member of the Board of Directors of the Company, as an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, with the criteria for determining the independency of the Board of Directors members, as envisaged by Appendix 4 to the Listing Rules, the HR and Remunerations (Nominations) Committee (Minutes No. 111 dated May 21, 2021) established that P. S. Grachev is not a party related to:

- the Company;
- any substantial Company shareholder;
- Company competitors;
- the state (the Russian Federation, a Russian Federation constituent entity), or any municipal entity.

Based on the results of the assessment, the criteria of P. S. Grachev's relatedness to the Company's substantial counterparty – PJSC FGC UES*, were revealed due to the Company's contractual relations in the field of technological connection of the Company's generating facilities to PJSC FGC UES power grids and due to the contractual relations in the field of electric capacity sales by the Company. Therewith, the amount of liabilities under contracts between the Company and PJSC FGC UES exceeds 2% of revenues according to the consolidated financial statements of each party, prepared under IFRS for the preceding fiscal year.

The HR and Remunerations (Nominations) Committee under the Board of Directors of the Company established that the existing relatedness to the substantial counterparty is of nominal nature, and recommended the Board of Directors of the Company to recognize P. S. Grachev as an Independent Director. The above relatedness cannot affect P. S. Grachev's ability to form unbiased and independent opinions as to the agenda items considered by the Board of Directors and act for the benefit of the Company and its shareholders due to the reasons as follows:

1) Pursuant to Order No. 785-r dated March 30, 2021 of the Government of the Russian Federation (hereinafter, the Russian Government), P. S. Grachev was nominated, by the Russian Federation, to the Company Board Members as an Independent Director, thereby there is no duty for P. S. Grachev to vote in pursuance of the Russian Government

directives, if elected into the Board of Directors in 2021 (Clause 16 of Resolution No. 738 of the Government of the Russian Federation dated December 3, 2004);

2) PJSC FGC UES is an organization for managing the unified national (all-Russian) power grid under Article 8 of the Federal Law “On Electric Power Industry” and provides services for the transmission of electricity under conditions of natural monopoly. As a participant in the wholesale electricity and capacity market, the Company sells electricity and capacity as produced, which requires that the Company’s generating facilities be connected to the PJSC FGC UES power grids. The connection to the power grids is performed by entering into contracts with PJSC FGC UES in accordance with the procedure and on terms specified by the Government of the Russian Federation, and at prices determined in accordance with acts of the Government of the Russian Federation. In addition, obligations under similar contracts concluded with PJSC FGC UES may be transferred to the Company through accepting obligations from RusHydro’s controlled entities, assumed under such previously concluded contracts, by means of intragroup transactions for the transfer of industrial assets to the Company from its controlled entities, as concluded in the course of ordinary business activities.

Considering the above, P. S. Grachev has no opportunity to influence any terms of the technological connection contracts between the Company and PJSC FGC UES.

3) The Company is an entity of the wholesale electricity and capacity market (WECM) and a party to the Contract for Joining the Wholesale Market Trading System (hereinafter referred to as the “Joining Contract”). The Company concludes contracts in accordance with WECM Rules and WECM Regulations, which are appendices to the Joining Contract. Joining Contract terms and conditions are binding on the parties when they participate in relations on the wholesale electricity and capacity market (WECM).

The Company and PJSC FGC UES, in accordance with Sub-Clause 4 of Clause 4 of WECM Rules, have entered into agreements for the supply of capacity at free prices based on results of competitive capacity takeoff (hereinafter, “CCT Agreements”), where the Company acts as a capacity supplier.

Prices under the CCT agreements are determined in the course of / on the basis of competitive procedures (competitive selection) conducted in accordance with WECM Rules and Joining Contract provisions.

Considering the above, P. S. Grachev has no opportunity to influence any terms of CCT agreements between the Company and PJSC FGC UES.

Throughout his period of being a member of the Board of Directors, P. S. Grachev has been involved actively in activities of the Board of Directors of the Company – he has been participating in the absolute majority of meetings held by the Board of Directors and Committees under the Board of Directors of the Company (including those of the Board of Directors, Audit Committee, HR and Remunerations (Nominations) Committee, Strategy Committee, and Far East Power Industry Development Committee, as held since the early 2020).

P. S. Grachev’s track record with the Company Board of Directors and Committees under the Company Board of Directors in 2016 to 2021, as well as his active stands in the discussions at in-person meetings, have been demonstrating his ability to provide independent, unbiased and fair judgments, since the P. S. Grachev’s stands as to agenda items of meetings of the Board of Directors and the Committees are based on his professional expertise and experience, being rational and independent, and the nature of resolutions adopted by P. S. Grachev previously and at present allow coming to a conclusion that the occurrence of his nominal relatedness to a material counterparty of the Company will affect neither independence of P. S. Grachev, nor his ability to act for the benefit of the Company and all shareholders thereof.

In 2020, P. S. Grachev signed a Declaration of a Member of the Board of Directors of the Company Recognized as Independent, in the form recommended by Moscow Exchange.

** P. S. Grachev is a member of the Board of Directors of PJSC FGC UES.*

Schedule 3 to the Minutes

Having assessed the compliance of M. S. Bystrov, a member of the Board of Directors of the Company, as an independent candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, with the criteria for determining the independency of the Board of Directors members, as envisaged by Appendix 4 to the Listing Rules, the HR and Remunerations (Nominations) Committee (Minutes No. 111 dated May 21, 2021) established that M. S. Bystrov is not a party related to:

- Company competitors;
- the state (the Russian Federation, a Russian Federation constituent entity), or any municipal entity.

According to the assessment results, for M. S. Bystrov, criteria were revealed of being related to:

- a substantial Company shareholder – the Russian Federation*, as M. S. Bystrov is a Board Member at more than two organizations controlled by the Russian Federation, namely Rosseti PJSC, SO UES JSC, and RusHydro;

- the Company – M. S. Bystrov has been a Member of the Board of Directors of the Company since 2013, i.e. his period of being a member of the Board of Directors of the Company amounted to over 7, but less than 12 years in aggregate;

- the Company substantial counterparties: ATS JSC, SO UES JSC, CFR JSC, Market Council TC ANO**, Karachaevo-Cherkesskenergo JSC, Kabbalkenergo JSC, PJSC FGC UES, EENS JSC***, and STC UPS Protivoavariynoe Upravlenie JSC****, because the amount of liabilities under agreements between the Company and each of the aforesaid counterparties has exceeded 2% of the book value of assets as of the reporting date preceding the counterparties' assessment of the counterparties to identify substantial ones, and/or 2% of the revenues of each of the counterparties for the preceding fiscal year, and as regards liabilities to PJSC FGC UES, SO UES JSC and JSC CFS exceeds 2% of the Company's revenue under consolidated statements prepared under IFRS for the preceding fiscal year, and also exceeds 2% of the book value of the Company assets as of the reporting date preceding the counterparties' assessment to identify substantial ones.

The HR and Remunerations (Nominations) Committee under the Board of Directors of the Company established that the existing relation to the Company, its substantial counterparties and its substantial shareholder, is of nominal nature, and recommended the Board of Directors of the Company to recognize M. S. Bystrov as an Independent Director.

M. S. Bystrov's relatedness to the Company substantial counterparties: ATS JSC, SO UES JSC, CFR JSC, Market Council TC ANO, Karachaevo-Cherkesskenergo JSC, Kabbalkenergo JSC, STC UPS Protivoavariynoe Upravlenie JSC, PJSC FGC UES, EENS JSC and with the Company substantial shareholder is of nominal nature and cannot affect his ability to form unbiased and independent opinions as to the agenda items considered by the Board of Directors and act for the benefit of the Company and all shareholders thereof, due to the reasons as follows:

- Pursuant to Order No. 785-r dated March 30, 2021 of the Government of the Russian Federation (hereinafter, the Russian Government), M. S. Bystrov was nominated, by the Russian Federation, to the Company Board of Directors as an Independent Director, thereby there is no duty for M. S. Bystrov to vote in pursuance of the Russian Government

directives, if elected into the Board of Directors in 2021 (Clause 16 of Regulation No. 738 of the Government of the Russian Federation dated December 03, 2004);

– ATS JSC**** (Wholesale Electricity and Capacity Market Trading System Administrator Joint Stock Company) is a wholesale electricity and capacity market (hereinafter, the wholesale market) commercial operator, and renders services, to the Company, in the sphere of arranging electricity and capacity trading at the wholesale market, as prescribed by Article 33, Clause 7 of Federal Law No. 35-FZ dated March 26, 2003, “On Electric Power Industry” (hereinafter, the Russian Federal Law on the Electric Power Industry), under the Contract for Joining the Wholesale Market Trading System. Joining Contract terms and conditions are and shall be binding on the parties. Commercial relations between the Company and ATS JSC are based on the principle of non-discriminatory access to the services providable by the wholesale market commercial infrastructure organizations (Article 20 of the Russian Federal Law on the Electric Power Industry) and the principle of the state regulation of tariffs for the wholesale market commercial operator’s services (Article 23.1 of the Russian Federal Law on the Electric Power Industry);

– SO UES JSC (System Operator of the Unified Energy System Joint-Stock Company) renders services, to the Company, in the operational dispatch management in the electric power industry owing to its system operator’s status assigned thereto by Article 12, Clause 1, of the Russian Federal Law on the Electric Power Industry, under the Contract for Joining the Wholesale Market Trading System. Commercial relations between the Company and SO UES JSC are based on the principle of non-discriminatory access to the operational dispatch management in the electric power industry (Article 20, Clause 6, of the Russian Federal Law on the Electric Power Industry) and the principle of the state regulation of tariffs for the operational dispatch management services (Article 23.1 of the Russian Federal Law on the Electric Power Industry);

– CFR JSC (Center of Financial Settlements Joint-Stock Company) is a Russian Federation wholesale electricity and capacity market commercial infrastructure organization that ensures functioning of the wholesale market contractual structure and the system of financial settlements between the market participants, and renders services to the Company in estimating requirements and liabilities under the Contract for Joining the Wholesale Market Trading System. Such contract has been entered into in accordance with Article 32, Clause 1 of the Federal Law on the Electric Power Industry, and Clause 40 of Rules of the Wholesale Electricity and Capacity Market as approved by the Russian Government Resolution No. 1172 dated December 27, 2010 (hereinafter, “WECM Rules”).

Commercial relations between the Company and CFR JSC are based on the principle of non-discriminatory access to the services providable by the wholesale market commercial infrastructure organizations (Article 20 of the Russian Federal Law on the Electric Power Industry). The amount of payment for the CFR JSC service package, the same for all counterparties, is and shall be as approved by the NP Market Council Association Supervisory Board;

– Karachaevo-Cherkesskenergo JSC and Kabbalkenergo JSC are the only guaranteed supply companies in the territory where they operate, that acquire energy resources at the wholesale market and sale them to any offtaker having addressed them, by entering into public contracts with the latter. Under contracts, Karachaevo-Cherkesskenergo JSC and Kabbalkenergo JSC sell electric power to the Company for business and administrative needs thereof. The payment is made at the price and/or pursuant to the price determination procedure fixed as per the provisions, as in force on the payment date, of Federal Laws, other regulations, as well as acts adopted by the authorized bodies in the sphere of state regulation of tariffs;

– STC UPS Protivoavariynoe Upravlenie JSC is a Competency Center for mathematical, digital and physical modeling/simulation of power systems, research of electrical modes, steady-state and transient stability, development and design of devices and systems for relay protection, mode and emergency control, and development of specialized software; furthermore, STC UPS Protivoavariynoe Upravlenie JSC is the only organization that has technical equipment, unique in Russia, to perform real-time validity checks of settings and algorithms of physical and digital models/simulators of power systems, with such services having no equivalent replacement in the market. The contracts between the Company and STC UPS Protivoavariynoe Upravlenie JSC were entered into for the purposes of implementing measures of accident rate reduction at the industrial sites specified in a range of binding documents;

– PJSC FGC UES is an organization for managing the unified national (all-Russian) power grid under Article 8 of the Federal Law “On Electric Power Industry” and provides services for the transmission of electricity under conditions of natural monopoly. As a participant in the wholesale electricity and capacity market, the Company sells electricity and capacity as produced, which requires that the Company’s generating facilities be connected to the PJSC FGC UES power grids. The connection to power grids is performed by entering into contracts with PJSC FGC UES in accordance with the procedure specified by the Government of the Russian Federation, and at prices determined in accordance with acts of the Government of the Russian Federation. In addition, obligations under similar contracts concluded with PJSC FGC UES may be transferred to the Company through accepting obligations from RusHydro’s controlled entities, assumed under such previously concluded contracts, by means of intragroup transactions for the transfer of industrial assets to the Company from its controlled entities, as concluded in the course of ordinary business activities.

The Company is a participant in the wholesale market for electricity and power and a party to the Joining Contract. The Company concludes contracts in accordance with WECM Rules and WECM Regulations. Joining Contract terms and conditions are binding on the parties when they participate in relations on the wholesale electricity and capacity market (WECM).

The Company and PJSC FGC UES, in accordance with Sub-Clause 4 of Clause 4 of WECM Rules, have entered into agreements for the supply of capacity at free prices based on results of competitive capacity takeoff (hereinafter, “CCT Agreements”), where the Company acts as a capacity supplier.

Prices under the CCT agreements are determined in the course of / on the basis of competitive procedures (competitive selection) conducted in accordance with WECM Rules and Joining Contract provisions;

– JSC EENS (Joint Stock Company Ekaterinburgenergosbyt) is one of the energy retail companies with which the Company, in the ordinary course of business, has entered into a non-regulated capacity purchase and sale contract with a price exceeding 2% of the book value of assets of JSC EENS as of December 31, 2020.

Since the price under the said contract corresponds to the prices based on the results of capacity competitive auction (competitive transactions) and this practice is exercised by the Company under all non-regulated capacity purchase and sale contracts with other counterparties not related to M. S. Bystrov, the latter as a member of the Board of Directors has no possibilities to influence the price parameters of the above contract.

Selecting such counterparties was stipulated by unbiased factors such as a unique status of the counterparties at a particular market, and peculiarity of the electricity and capacity market structure; part of the contractual terms and conditions are governable by the Russian Government acts. Therefore, concluding such contracts has no relation to M. S. Bystrov’s being Member of the Board of Directors of the Company.

M. S. Bystrov's relatedness to the Company, which appeared in June 2020, is of nominal nature and exerts no influence on his ability to form unbiased and independent opinions as to the agenda items considered by the Board of Directors and act for the benefit of the Company and all shareholders thereof, due to the reasons as follows:

- since 2015, M. S. Bystrov has been sitting on the Audit Committee under the Board of Directors of the Company; from 2015 through July 2019, he was sitting, and from December 2020 has been sitting, on the HR and Remunerations (Nominations) Committee under the Board of Directors of the Company. From 2013 through 2021, he was also sitting on other Committees under the Board of Directors of the Company. Throughout his period of being a member of the Board of Directors, M. S. Bystrov has been involved actively in the activities of the Board of Directors of the Company – he has been participating in the absolute majority of meetings held by the Board of Directors (including all meetings of the Board of Directors and Investment Committee, and 16 of 17 meetings of the Audit Committee, as held in 2020);

- M. S. Bystrov's track record with the Company Board of Directors and Committees under the Company Board of Directors in 2013 to 2020 has been demonstrating his ability to provide independent, unbiased and fair judgments, since M. S. Bystrov's stands as to agenda items of meetings of the Board of Directors and Committees are based on his professional expertise and experience, being rational and independent, and the nature of resolutions adopted by M. S. Bystrov previously and at present contributes to a conclusion that his nominal relatedness to the Company and a material counterparty of the Company will affect neither independence of M. S. Bystrov, nor his ability to act for the benefit of the Company and all shareholders thereof.

The long period of M. S. Bystrov's work with the Board of Directors of the Company, HR and Remunerations (Nominations) Committee and Audit Committee under the Board of Directors is of advantage for the Company, since M. S. Bystrov has the necessary many years' professional experience in electric power industry, investments, economy and finance, and extensive knowledge of the Company business, which facilitate and enhance the performance of the Board of Directors of the Company and the Committees thereunder.

In addition to the aforementioned actual relatedness criteria, M. S. Bystrov was found to be potentially related to:

- entities controlled by Rosseti PJSC, operating in the wholesale and retail electricity and capacity markets, due to the existence, or possible conclusion by the Company, of the following contracts with the following counterparties:

- A) contracts with the only guaranteed supply companies in the territory, under which contracts the Company purchases electric power for administrative and business needs, and the aggregate amount of liabilities may exceed 2% of the book value of assets for a reporting period and/or 2% of the revenue of a guaranteed supply company for a year.

Guaranteed electricity supply companies purchase energy resources on the wholesale market and sell them to any offtaker who applies to them, concluding public contracts with those offtakers. Under such contracts, payment is made at the price and/or pursuant to the price determination procedure fixed as per the provisions, as in force on the payment date, of Federal Laws, other regulations, as well as acts adopted by the authorized bodies in the sphere of state regulation of tariffs;

- B) contracts for technological connection with grid organizations, under which the Company acts as an offtaker and the grid organizations connect the Company's power receivers to their power grids, and the aggregate amount of liabilities may exceed 2% of the book value of the grid organization's assets and/or 2% of its revenues.

In order to purchase electricity for its own needs, the Company may be required to connect its power receivers to power grids owned by grid distribution companies operating in the relevant territory, which connection is done on the basis of contractual relations

whose price and conditions are regulated in accordance with the procedure established by the Government of the Russian Federation.

At the conclusion of such contracts the Company has no opportunity to select other counterparties or change material terms and conditions of the contracts against those prescribed by the respective regulatory legal procedure.

C) regulated contracts the Company as a seller of electric power (capacity) concludes (may conclude) in accordance with Clause 4, Sub-Clauses 1, 9, and 10, of WECM Rules, and competitive contracts the Company as a seller of electric power (capacity) concludes (may conclude) in accordance with Clause 4, Sub-Clauses 3 through 5, 7, and 13 through 15, of WECM Rules.

Conclusion of these contracts is conditioned by unbiased factors and arrangements of the WECM, the standard forms of contracts have been approved by the Supervisory Board of NP Market Council Association, and the scope, price and cost of the said contracts are determined by the Commercial Operator of the WECM in accordance with the acts of the Government of the Russian Federation and/or the Joining Contract provisions.

The Company is a WECM participant, a party to the Joining Contract, and concludes contracts/agreements in accordance with WECM Rules and the Joining Contract. Joining Contract terms and conditions shall be binding on the parties when they participate in the circulation of electric power and capacity in the wholesale electric power (capacity) market.

Prices (tariffs) under regulated contracts are determined by the federal executive body in charge of state regulation of tariffs.

Prices under competitive agreements are determined in the course of / on the basis of competitive procedures (competitive selection, capital project bidding) conducted in accordance with WECM Rules and the Joining Contract.

Due to specifics of building relations between companies on the WECM, the Company has no opportunity to influence the selection of potential counterparties.

In view of the above, M. S. Bystrov has no opportunity to influence any material terms of entering into the said contracts/agreements;

– Market Council TC ANO (NP Market Council Training Center Continuing Professional Education Autonomous Non-Commercial Organization) established under NP Market Council Association, a wholesale and retail electricity and capacity trading infrastructural organization, renders services, to the Company, in educating and training specialists in the sphere of arranging effective wholesale and retail electricity and capacity trading system.

Whereas wholesale market regulations, as approved by the NP Market Council Association Supervisory Board (hereinafter, “WECM Regulations”), change regularly, for the purposes of maintaining high level of knowledge in the area of wholesale market procedures and obtaining information on the wholesale market actual and planned changes, the Company employees should be trained at the original source of changes, namely at Market Council TC ANO. Contracts for education and training between the Company and Market Council TC ANO are concluded on an arm’s length basis;

– In 2020, M. S. Bystrov signed a Declaration of a Member of the Board of Directors of the Company Recognized as Independent, in the form recommended by Moscow Exchange.

**61.73% of the RusHydro ordinary shares are owned by the Russian Federation represented by the Federal Agency for State Property Management, and 12.95% of the RusHydro ordinary shares are owned by VTB Bank (PJSC) which is also controlled by the Russian Federation. The data are given subject to outstanding shares of the additional issue No. 1-01-55038-E-043D dated August 27, 2018.*

*** M. S. Bystrov is a member of the SO UES JSC Board of Directors, as well as the ATS JSC Management Board Chairman and Member of the Board of Directors, and the Management Board Chairman and Supervisory Board Member at NP Market Council Association. CFR JSC (through ATS JSC) and Market Council TC ANO are controlled entities of NP Market Council Association.*

**** Karachaevo-Cherkesskenergo JSC and Kabbalkenergo JSC, FGC UES PJSC, EENS JSC are controlled entities of Rosseti PJSC, the Board of Directors whereof includes M. S. Bystrov.*

***** STC UPS Protivoavariynoe Upravlenie JSC is a controlled entity of UES Research Center JSC, the Board of Directors whereof includes M. S. Bystrov.*

****** By resolution of the NP Market Council Association Supervisory Board (previous name – NP ATS) dated November 30, 2007, since April 01, 2008, ATS JSC has been charged with performing functions of the wholesale market commercial operator regarded, under Article 33, Clause 1 of the Russian Federal Law on the Electric Power Industry, as a wholesale market commercial infrastructure organization.*

Schedule 4 to the Minutes

Having assessed the compliance of V. V. Pivovarov, a member of the Board of Directors of the Company / candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, with the criteria for determining the independency of the Board members, as envisaged by Appendix 4 to the Listing Rules, the HR and Remunerations (Nominations) Committee (Minutes No. 111 dated May 21, 2021) established that V. V. Pivovarov is not a party related to:

- any substantial Company shareholder;
- any substantial counterparty or competitor of the Company;
- the state (the Russian Federation, a Russian Federation constituent entity), or any municipal entity.

According to results of the assessment performed, a criterion of being related to the Company was revealed for V. V. Pivovarov, since V. V. Pivovarov has been holding a position with the Board of Directors of the Company as of April 28, 2020 over 7, but less than 12 years in the aggregate (7 full years).

The HR and Remunerations (Nominations) Committee under the Board of Directors of the Company established that the existing relation to the Company is of nominal nature, and recommended the Board of Directors of the Company to recognize V. V. Pivovarov as Independent Director.

V. V. Pivovarov's relatedness to the Company is of a nominal nature and cannot affect his ability to form unbiased and independent opinions as to the agenda items considered by the Board of Directors and act for the benefit of the Company and all shareholders thereof due to the reasons as follows:

- Pursuant to Order No. 785-r dated March 30, 2021 of the Russian Government, V. V. Pivovarov was nominated to Board of Directors Members as an Independent Director, thereby there is no duty for V. V. Pivovarov to vote in pursuance of the Russian Government directives, if elected into the Board of Directors in 2021 (Clause 16 of Regulation No. 738 of the Government of the Russian Federation dated December 03, 2004);

- throughout his period of being a member of the Board of Directors, V. V. Pivovarov has been involved actively in activities of the Board of Directors of the Company – he has been participating in the majority of meetings of the Board of Directors (all the meetings as held in 2020) and Committees under the Board of Directors of the Company (all the meetings of the Audit Committee, HR and Remunerations (Nominations) Committee, Strategy Committee, and Investment Committee, as held in 2020);
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– V. V. Pivovarov track record with the Company Board of Directors and Committees in 2013 to 2020 has been demonstrating his ability to provide independent, unbiased and fair judgments, since the V. V. Pivovarov's stance as to the agenda items of meetings of the Board of Directors and Committees under the Board of Directors has been based on his professional expertise and experience, has been rational and independent, and the nature of resolutions adopted by V. V. Pivovarov previously and at present contributes to a conclusion that, having his relatedness to the Company established formally, V. V. Pivovarov has acted and keeps acting for the benefit of the Company and all shareholders thereof;

– since 2015, V. V. Pivovarov has been sitting on the HR and Remuneration (Nominations) Committee (as its Chairman now), as well as on the Audit Committee under the Board of Directors of the Company. From 2013 through 2020, he was also sitting on the Board of Directors of the Company and other Committees under the Board of Directors of the Company. The long period of V. V. Pivovarov's working as part of the Board of Directors of the Company, HR and Remunerations (Nominations) Committee and Audit Committee under the Board of Directors, is an advantage for the Company, since V. V. Pivovarov has the necessary many years' professional experience in preparing, analyzing, assessing and auditing accounting (financial) statements, as well as extensive knowledge of the Company business, which facilitate and enhance the performance of the Board of Directors of the Company and the Committees thereunder;

– In May 2020, V. V. Pivovarov signed a Declaration of a Candidate to / Member of the Board of Directors of the Company Recognized as Independent, in the form recommended by Moscow Exchange.

V. V. Pivovarov has the sterling both business and personal reputation and also possesses skills, experience and vital professional expertise in the financial, managerial and economic areas, as needed for adopting independent resolutions falling within the scope of the Board of Directors of the Company and required for the effective exercise of his functions and allowing him, inter alia, to participate in the operation of a range of committees under the Board of Directors of the Company.

Schedule 5 to the Minutes

Having assessed the compliance of A. V. Shevchuk, a candidate to the Board of Directors of the Company to be elected at the Annual General Meeting of Shareholders in 2021, with the criteria for determining the independency of the Board members, as envisaged by Appendix 4 to the Listing Rules, the HR and Remunerations (Nominations) Committee (Minutes No. 111 dated May 21, 2021) established that A. V. Shevchuk is not a party related to:

- the Company;
- Company competitors;
- the state (the Russian Federation, a Russian Federation constituent entity), or any municipal entity.

According to the assessment results, for A. V. Shevchuk, criteria were revealed of being related to:

- a substantial Company shareholder, namely the Russian Federation*, since A. V. Shevchuk is a member of Boards of Directors of more than two entities controlled by the Russian Federation, namely OJSC MRSK Urala, PJSC MRSK Tsentra, and PJSC MRSK Tsentra i Privolzhya (through PJSC Rosseti as a controlling shareholder), and he will, if so elected at respective Annual General Meeting of Shareholders in 2021, also be a member of Boards of Directors of entities controlled by the Russian Federation, namely PJSC MRSK Severo-Zapada (through PJSC Rosseti as a controlling shareholder) and RusHydro;

– a substantial counterparty of the Company, namely JSC EENS**, since the amount of liabilities under the contract between the Company and JSC EENS exceeds 2% of the book value of JSC EENS assets as of the reporting date preceding the counterparties' assessment to identify substantial ones.

The HR and Remunerations (Nominations) Committee under the Board of Directors of the Company established that the existing relation to the Company is of nominal nature, and recommended the Board of Directors of the Company to recognize A. V. Shevchuk as Independent Director with consideration taken of the below.

A. V. Shevchuk's relatedness to a substantial shareholder of the Company and to a substantial counterparty of the Company is of a nominal nature and cannot affect his ability to form unbiased and independent opinions as to the agenda items considered by the Board of Directors and act for the benefit of the Company and all shareholders thereof due to the reasons as follows:

– A. V. Shevchuk, despite the presence of nominal criteria of relatedness to a substantial shareholder of the Company, was nominated as a candidate to the Board of Directors of the Company not by the said substantial shareholder, but by a group of shareholders being professional investors***;

– to the Boards of Directors of entities controlled by a substantial shareholder of the Company, A. V. Shevchuk was nominated not by the said substantial shareholder, but by other minority shareholders of those entities;

– the main professional activity of A. V. Shevchuk – protection of investors' rights by the Association of Institutional Investors headed by the latter – gives reasons to believe that A. V. Shevchuk will act in the interests of all shareholders of the Company, rather than in the interests of the said substantial shareholder;

– A. V. Shevchuk has no duty to vote in pursuance of the Russian Government's directives because he was not nominated by the Russian Federation to represent the same on the Board of Directors of the Company and is not named as such in Order No. 785-r of the Government of the Russian Federation dated March 30, 2021;

– JSC EENS (Joint Stock Company Ekaterinburgenergosbyt) is one of the energy retail companies with which the Company, in the ordinary course of business, has entered into a non-regulated capacity purchase and sale contract with a price exceeding 2% of the book value of assets of JSC EENS as of December 31, 2020.

Since the price under the said contract corresponds to the prices based on the results of capacity competitive auction (competitive transactions) and this practice is exercised by the Company under all non-regulated capacity purchase and sale contracts with other counterparties not related to A. V. Shevchuk, the latter has no possibilities to influence the price parameters of the above contract.

– In May 2021, A. V. Shevchuk signed a Declaration of a Candidate to / Member of the Board of Directors of the Company Recognized as Independent, in the form recommended by Moscow Exchange.

**61.73% of the RusHydro ordinary shares are owned by the Russian Federation represented by the Federal Agency for State Property Management, and 12.95% of the RusHydro ordinary shares are owned by VTB Bank (PJSC) which is also controlled by the Russian Federation. The data are given subject to outstanding shares of the additional issue No. 1-01-55038-E-043D dated August 27, 2018.*

***JSC EENS is a controlled entity of JSC MRSK Urala, the Board of Directors whereof includes A. V. Shevchuk*

**** The group of shareholders holding in aggregate 2.3% of the Company's voting shares include Kopernik Global Investors, LLC; Heptagon Fund plc - Kopernik Global All-Cap*



Equity Fund; Kopernik Global All-Cap Fund; Kopernik Global All-Cap CIT; Kopernik Global All-Cap Master Fund, LP; Kopernik Global Long-Term Opportunities Fund, LP; Kopernik International Fund; Raytheon Technologies Corporation Master Retirement Trust; Interventure Equity Investments Limited/Spectrum; TIFF Keystone Fund Kopernik.

About RusHydro

RusHydro Group is the leading producer of renewable energy in Russia. It is Russia's largest generating company and is the third hydropower company in the world with over 400 generating facilities. The Group's total electricity generation capacity including Boguchanskaya HPP is 38.0 GW.

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The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "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 conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to RusHydro and its operations.