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Notification
on the opportunity in exercising the pre-emptive rights to purchase additional shares of PJSC RusHydro

Public Joint Stock Company “Federal Hydro Generating Company - RusHydro” (hereinafter also referred to as “the Company”, “the Issuer”), location: Krasnoyarsk region, Krasnoyarsk, informs that on December 07, 2016 Bank of Russia implemented the State registration of additional issue and prospectus of ordinary uncertified shares of PJSC RusHydro, certified by public subscription (hereinafter also referred to as “the Shares”, “additional shares”, “securities”, “placed securities”). The state register number is assigned to additional shares 1-01-55038-E-042D 9 (as of December 7, 2016).

1. The quantity of placed Shares of additional issue is 40,429,000,000 (forty billion four hundred and twenty nine millions), par value of each Share is 1 (one) rouble.

2. The price of Share placement:

The placing price of 1 (one) Issuer’s Share, including the pre-emptive right holders, is **1 (one) rouble 00 kopecks**. The indicated above placing price was determined by the decision of the Board of Directors of the Issuer as of November 22, 2016 (Protocol as of November 23, 2016, # 244).

3. The number of Shares determination procedure for acquisition by the pre-emptive right holders is as follows:

The maximum number of Shares, which the pre-emptive rights holder of the Issuer’s Shares is entitled to acquire in order to exercise his pre-emptive rights is proportionate to the number of the ordinary registered uncertified shares of the Issuer as of December 2, 2016 and shall be defined by the following formula:

$X = Y * (40,429,000,000 / 386,255,464,890)$, where:

maximum number of Shares that may be acquired by a person having a pre-emptive right for acquisition of the Shares being placed;

Y is the number of ordinary registered shares of the Issuer held by a person having a pre-emptive right to purchase placed securities as of December 01, 2016 (being the date when the list of persons having the pre-emptive right for acquisition of the Shares):

40,429,000,000 (forty billion four hundred twenty-nine million) is the number of the Shares being placed by the Issuer pursuant to the decision on Additional Issue of Shares;

386,255,464,890 (three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred ninety) is the number of the Issuer’s placed ordinary registered shares as of December 02, 2016 (being the date when the list of persons having the pre-emptive right for acquisition of the Shares).

If the calculation of the number of the placed shares in respect of which the person having the pre-emptive right to acquire shares may exercise such right, results in a fractional number, such person may acquire a portion of a placed share (a fractional share) corresponding to the fractional part of the resulting number.

A fractional share shall confer to shareholder (its owner) rights carried by such shares corresponding to the category, in volume corresponding to the portion of a whole share to which it belongs.

Fractional shares shall circulate along with whole shares.

4. The application procedure to the Company for purchasing shares by the pre-emptive right holders

The date of drawing up the list of persons having the pre-emptive right to purchase the securities to be placed: 02/12/2016.

In accordance with Articles 40 of the Federal Law “On Joint Stock Companies”, persons who are shareholders of the Issuer, on the tenth day following the date of acceptance of the Issuer’s Board of Directors decision on increase in the authorized capital of the Issuer by offering additional shares,

have the pre-emptive right to acquire the additional shares of the Issuer in the amount proportionate to amount of the Issuer's ordinary shares held by them.

Placement of shares to persons having the pre-emptive right to acquire the placed Shares shall be made on the grounds of written applications from such persons (hereinafter referred to as "Applicants" or "Applicant" in the singular), for an acquisition of the offered shares or on the grounds of appropriate indications (instructions) to the person who carries out the record of his right on the Issuer's shares (hereinafter referred to as "Applicants" or "Applicant" in the singular).

Persons having the pre-emptive right to acquire shares may exercise its pre-emptive right to acquire Shares in full or in part in the amount proportionate to the quantity of the Issuer's ordinary shares held by them.

An Applicant may exercise his pre-emptive right in full or in part by means of submitting an Application on acquisition of placed Shares and performing of obligations in their payment.

Persons registered in the shareholders register submit Applications by sending or delivery by hand to the Issuer's Registrar of the document in written form, signed by the person filing application. The application for purchase of the securities sent or delivered by hand to the Issuer's Registrar is deemed to be submitted to the Issuer on the day of its receipt by the Issuer's Registrar.

The application for purchase of the securities of the person having the pre-emptive right and recorded in the Issuer's register of shareholders, must contain information that allow to identify the person who submit it and the number of securities to be acquired.

In addition to the signature of the person submitted an Application, the Application of legal entity must contain the impression of a seal (if any).

In case if the Tender Offer consists of two or more sheets, this Tender Offer must be stitched, paginated and certified with a signature and sealed (if any) by the same person that signed the Tender Offer. Instead of stitching, it is allowed to notarize each sheet of the Application with a signature and seal (if any) of the same person that signed the Application.

The Application must be made in the Russian-language version.

If the Application is signed by the authorized representative of Applicant, the original or notarized copy of Power Attorney executed in accordance with Articles 185 and 185.1. of the Civil code of the Russian Federation, should be attached to the Application. or if the Power Attorney is made in foreign language, the translation of text of the given power of attorney into Russian and the translator's signature notarized according to the procedure established by the legislation of the Russian Federation should mandatorily be attached to such power of attorney.

Submitting an Application to the Issuer's registrar is an assurance of the Applicant that the advance approval and/or agreement of the competent governance entity of the Applicant (Board of Directors, supervisory board, General Meeting of Shareholders/General Meeting of Participants or other management entity in accordance with constituent documents of the Applicant) to acquire Shares is received or such advanced approval and / or agreement is not required in regard to the Application.

The applicant is responsible for the accuracy of the information specified in the Application and their compliance with the information specified in the Issuer's Register of Shareholders.

Information on the Issuer's Registrar:

Joint-Stock Company Registrar R.O.S.T., PSRN 1027739216757, license of the Federal Commission for the Securities Market on activities implementation for maintaining the register of owners of securities # 045-13976-000001 as of December, 3, 2002.

The Issuer's Registrar location: 18, site 13, Stromynka Str., Moscow, 107996

Reception hours of the Issuer's Registrar to the specified address on working days:

Monday through Thursday: from 10 a.m. till 5 p.m. (with the termination of coupons issue of electronic queue 30 minutes before the end of reception time);

Friday: from 10 a.m. till 6 p.m. (with the termination of coupons issue of electronic queue 30 minutes before the end of reception time);

The postal address of the Issuer's Registrar for sending the Requests: 18, site 13, Stromynka Str., box 9 Moscow, 107996

It is recommended to include the following information to the Application:

- heading "The Application for purchase of PJSC RusHydro Shares in the pre-emptive right procedure";
- Name, middle name, surname (a full trade name) of the person having the pre-emptive right of placing Shares acquisition;
- Place of residence (location) of the person having the pre-emptive right for acquisition of Shares being placed;
- For individuals – passport details (date and place of birth, series, number and issue date, name of the issuing authority);
- For legal entities – data of the state registration of the legal entity (including for the Russian legal entities – data on the state registration of the legal entity / introduction of the corresponding entry in the USRLE (date, registering body, number of the relevant certificate)).

The Issuer can define the recommended application form of the Application. In this case the Application form is published in www.rushydro.ru no later than the starting date of Validity Term of the pre-emptive rights.

The person having the pre-emptive right who is not registered in the Issuer's shareholder's register performs such pre-emptive right by giving the corresponding directive (instructions) to the person who carries out the record of his rights on the Issuer's Shares. Such directives (instruction) are given according to the requirements of the legislation of the Russian Federation on securities and have to contain the number of the acquired securities. At the same time the Application for acquisition of the placed securities is considered to be submitted to the Issuer in the day of the receipt of the notice that contains declaration of intent of such person by the Issuer's Registrar from the nominee shareholder, recorded in the Issuer's register of shareholders

In the Issuer's register of shareholders, the account of nominee holder of Central Securities Depository is opened and in correspondence with the clause 2 of the Article 33 of the Federal Law "On the Central Securities Depository" the Issuer's Registrar is not entitled to credit the placed shares to the personal accounts other than the Central Securities Depository, nominee holders, in connection with it the corresponding indications (instructions) of the persons having the pre-emptive right and who are not registered in the Issuer's shareholder register, must meet these requirements.

The Applicant shall pay for the Shares being acquired in accordance with procedure specified in clause 8.6 of the Decision on Additional Issue of Shares.

The Agreement on share acquisition with the Applicant is considered to be concluded in the moment when the last of the two actions is executed:

- Receipt by the Issuer's Registrar the Application for acquisition of the placed securities from the person having the pre-emptive right for share acquisition;
- Settlement of obligations to pay for Shares by person having the pre-emptive rights for acquisition of Shares.

In any case, the Agreement on share acquisition with the Applicant can be signed not earlier than the starting date of placing and not later than the expiration date of their payment by the persons exercising the pre-emptive right of their acquisition.

In such case the written form of the agreement is considered to be respected. The place of agreement on the share acquisition is Moscow, the Russian Federation

At the same time if the last of the specified actions is executed before the starting date of securities placing, the relevant agreement is considered concluded at starting date of securities placing.

Applications are considered by the Issuer no later than two working days from the date of their receipt by the Issuer (by the Issuer's Registrar).

The applications might be turned down on basis of one of the following reasons:

- The Application does not meet the requirements set out in Clause 8.5 of the Decision on the

Additional Issue of Shares (including procedure for Applications submission);

- The Issuer (Issuer's Registrar) received the Application upon expiration of the pre-emptive right period;

- the Application was submitted on behalf of a person, not included in the list of persons, entitled to pre-emptive right in regard to shares of the issue;

If the Application isn't subject to satisfaction, the Issuer, no later than three working days from the date of receipt of the Application to the Issuer (to the Issuer's Registrar), sends the notification on refusal, naming reasons for the refusal.

The Applicant may address drawbacks in the Application that caused refusal, if they are correctable before the expiration of pre-emptive right period and, may according to the due procedure submit the corrected application to the issuer before expiration of the pre-emptive right period.

The issuer refuses to accept the application in case if the Applicant did not honour the obligation to pay for placed Shares before the end of the term of pre-emption right to acquire placed Shares.

In case the Issuer denies exercising of the pre-emptive right by the person submitting the application, the respective notice is forwarded to the Applicant not later than 5 (five) working days from the end date of summing up results of execution of pre-emptive right. .

If the Issuer rejects the Application, the funds received by the Issuer for the shares shall be repaid to the Applicant by bank transfer not later than within Sixty (60) days from the date of expiration of the Pre-Emptive Right Period to the bank account specified in the Application.

If the number of the shares specified in the Application is less than the number of the shares paid for by the Applicant , pre-emptive right of such Applicant is executed to the extent of the number of the shares specified in the Application The Issuer shall, not later than within Sixty (60) days from the date of expiration of Shares payment period by persons exercising the pre-emptive rights for Shares acquisition, repay to the Applicant the funds exceeding the value of the placed shares specified in the Application, received by the Issuer for the shares by bank transfer to the bank account specified in the Application.

If the number of the shares specified in the Application exceeds the number of shares that the Applicant pays for before the filling of Application, the Applicant shall be deemed to have exercised the pre-emptive right to acquire the shares to the extent of the paid shares. In this case, agreement on acquisition of shares with the person exercising the pre-emptive right to acquire shares shall be deemed concluded in respect of the integral number of Shares that are paid for.

If the number of the shares specified in the Application exceeds the number of the shares which the Applicant is authorized to purchase, the pre-emptive right of such Applicant should be honored, subject to the observance of all other conditions, to the extent of the maximum possible number of whole shares for the relevant person in accordance with the calculation procedure given below. The Issuer shall, not later than within Sixty (60) days from the date of expiration of Shares payment period by persons exercising the pre-emptive rights for Shares acquisition, repay to the Applicant the funds exceeding the cost of the maximum possible number of shares which may be acquired by this Applicant received by the Issuer as a payment for the shares, by bank transfer to the bank account specified in the Application.

If the bank account details are not specified in the Application, the Issuer shall repay the funds by bank transfer to the bank account from which payment was received or to the account specified in the Application's request for refund.

In case of submitting of several Applications during pre-emptive right validity term by one person, performing the pre-emptive right acquisition of the placed securities of the Issuer, , without indicating which one from them must be deemed to be appropriate, all Applications are considered to be submitted, and the Issuer considers such Applications as one Application, containing intention of the Applicant to exercise the pre-emptive right of share acquisition regarding the total number of shares according to all Applications submitted by him.

Crediting of the acquired Shares as a result of implementation of the pre-emptive right of Share acquisition is performed only after their complete payment.

In respects of persons having the pre-emptive right for acquisition of the Shares, whose Applications on acquisition of Shares are satisfied, in respect of the which the Issuer did not deny implementation of pre-emptive right by the Applicant, the Issuer sends to the Issuer's Registrar the share transfer on crediting of the placement Shares to:

- personal account in the Issuer's register of shareholders - in respects of persons registered in the register of shareholders and those who submit an Application directly to the Registrar of the Issuer;
- custody account of Central Securities Depository in Issuer's register of shareholders or the further transfer of the Shares to the Applicant (under the condition that it meets the requirements of Clause 2 of Article 33 of the Federal Law "On the Central Securities Depository")

The Issuer is obliged to submit the share transfer that is the reason for credit entry on the personal account of the Bidder or Central Securities Depository for further crediting of shares to the custody account of the Purchaser not later than the date of summing up the results of the pre-emptive right to acquire placed Shares of the Issuer's registrar (Joint Stock Company Registrar R.O.S.T., PSRN is 1027739216757, License of Federal Commission for the Securities Market on the activity to register of securities holders № 045-13976-000001 of December 3, 2002).

Shares are deemed to be placed from the date of shareholders' registration - owners of the Issuer's securities record of crediting of shares to the personal account of the Purchaser or to the custody account of the Purchaser indicated in the Purchaser's Tender Offer.

The expenses related to making credit entries about crediting the purchasers' personal accounts with the placed shares, shall be borne by the Issuer.

The Purchaser bears expenses related to making of credit entries on crediting of placed shares to the custody account of the Purchaser, as well as other types of accounts different from personal account in the Issuer's register of shareholders.

If the placed Shares are subject to transfer onto the account of the Central depository for their subsequent transfer onto the custody account of the Applicant, the Applicant shall provide the receipt to the Central depository of the relevant order on transfer of the acquired Shares carried out by the Central depository, in time no later than 3 (three) working days from payment date of the acquired Shares.

At the same time the Issuer will use the following digital code (without spaces) as the Reference: number of shares that the Applicant specified in the Application, if the Issuer and Applicant did not agree on the other digital code to be used as Reference.

5. The delivery time of the Applications for implementation of the pre-emptive right to the Issuer:

The Application for acquisition of the placed securities of the person having the pre-emptive right can be submitted to the Registrar of the Company (JSC "Registrar R.O.S.T.") during pre-emptive right validity term.

Validity term of the pre-emptive right of share acquisition constitutes 12 (twelve) working days.

The validity term of the pre-emptive right begins after performance by the Issuer of his full obligations after the Notices of the privilege, namely after the placement of the pre-emptive right Notices on the Issuer website: <http://www.e-disclosure.ru/portal/company.aspx?id=8580> и www.rushydro.ru.

6. Securities payment terms and procedures of the implementation of pre-emptive rights of shares acquisition by the Company's shareholders:

The shares must be fully paid in cash via bank transfer in Russian roubles by potential purchasers the Applicants in the terms determined by the Decision on additional Share issue, Agreements on Share acquisition and before making of credit entries of personal accounts of the Applicants and/or Central Securities Depository for further crediting of shares to the custody account of Purchaser (Applicant) using banking details specified by the Purchasers (Applicants)

Obligation to pay for Shares is considered executed from the moment the funds are credited to the account of the Issuer. Crediting of the Shares to the accounts of Purchasers (Applicants) in register of

holders of the Issuer's securities and/or Central Securities Depository for further crediting of shares to the custody account of Purchaser (Applicant) is carried out only after full payment for the Shares.

Deadline for payment:

Persons exercising the pre-emptive right for acquisition of placed additional shares, pay for shares not later than the expiration of the pre-emptive right period to acquire Shares.

No instalment plan is available to pay for Shares.

Payment method:

Cash payments are not available.

A cashless payment method is available.

Cashless payment methods: settlements by payment orders

Bank details of the Issuer for payment of the acquired Shares:

Full corporate name: VTB Bank (Public Joint-Stock Company)

Abbreviated corporate name of the Company: JSC VTB Bank;

Location: 29, Bolshaya Morskaya Str., St. Petersburg, 190000 Russia

The bank details of the account to which funds shall be deposited as payment of securities: Current account 40702810700030003502

Correspondent account 30101810700000000187

BIC: 044525187

TIN of the Bank: 7702070139

TIN of the Issuer: 2460066195

In case of Shares payment, placed to the person, having the pre-emptive right of their acquisition, the purpose of payment must contain information allowing to identify such person in the payment order.

Payments in kind are not available

IMPORTANT INFORMATION FOR SHAREHOLDERS OF PJSC RusHydro:

Please, take into account that the legislation of Russian Federation does allow acquisition of fractional shares by you in the process of implementation of the pre-emptive right, however, the fractional share, usually, doesn't influence essentially on the quantity of the votes belonging to you at the General Meeting of Shareholders, doesn't increase essentially the amount of the dividends payable to you (if dividends are subject to payment to shareholders), however, expropriation of the fractional share can involve additional costs or efforts from you, usually not commensurable with benefits from ownership of the fractional share. In this regard the acquisition of the whole number of Shares can be more preferable for you.

We draw your attention to the fact that in accordance with Clause 6.1. Regulations on maintaining the owners register of registered securities (adopted by The resolution of FCSM of the Russian Federation as of October 2, 1997 No. 27) the person registered in the shareholders register of the Company shall inform the holder of the register of shareholders of the Company in due time on the data change (full name, passport details, year and date of birth; place of residence (registration), a sample of the owner's signature of the of securities, other data provided by Sub clause 3.4.1 of the Regulations on maintaining the owners register of personalized securities (adopted by Regulation of FCSM of the Russian Federation as of October 2, 1997, # 27).

In case of changes to the Shareholders data or if there is no questionnaire of the registered person in the Register, or the Registrar lacks the set of documents of the legal entity, then such shareholder is to provide to JSC "Registrar R.O.S.T." (or one of branches of JSC "Registrar R.O.S.T.") information on the data change and (or) the missing documents in accordance with the procedures determined by the existing regulations.

In case of failure to provide information by the registered persons, on the changes of their data and (or) to other necessary documents, crediting of shares to the custody account of the Applicant may be

made impossible, with PJSC RusHydro and the Registrar of the Company (JSC “Registrar R.O.S.T.”) not bearing any responsibility for the losses, caused to such person in the connection with failure to provide such information.

Contact telephones:

JSC “Registrar R.O.S.T.” (The Registrar of PJSC RUSHYDRO) 8 800 555 99 97, calls in Russia are FREE.

PJSC RusHydro: 8 800 333 8000, add. 18-21 (Roman) or 22-04 (Anton Novgorodtsev).

**Chairman of the Management Board -
General Director of PJSC RusHydro**

N.G. Shulginov