

---

## Results of the Board of Directors Meeting on April 2, 2018

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on April 2, 2018.

\*\*\*

The Board of Directors took note on the report on consolidated investment program for 2019 – 2023 and an update on investment program for 2018 as well as its sources of financing.

The draft investment program for 2018-2023 includes commissioning of more than 1.5GW of new electric capacity and over 1,000 GCal thermal capacity, construction and modernization of over 200 km of heat lines and close to 8,500 km of electric grids. Total size of the investment program including priority projects in the Far East is over RUB 443 bn. The Group's investment program is sustainable with guaranteed sources of funding.

During the period of 2018 – 2023 RusHydro Group plans to commission the following facilities: first phase of Sakhalin GRES-2, third hydropower unit of Ust-Srednekanskaya HPP, Nizhne-Bureyskaya HPP, Zaramagskaya HPP-1, CHPP Vostochnaya, CHPP in Sovetskaya Gavan', construction of first phase of two single-circuit 110 KW power lines Pevek-Bilibino and others.

\*\*\*

The Board of Directors accepted proposal submitted by the shareholders of the Company on the list of candidates to the Board of Directors to be voted at the AGM on results of 2017. The list includes the following candidates:

- Artem Avetisyan, Director of New business division, Agency for Strategic Initiatives for New Projects Promotion;
- Maxim Bystrov, Chairman of the Management Board, JSC ATS, NP Market Council;
- Voevodin Mikhail, Genral Director, PJSC VSMPO-AVISMA Corporation;
- Pavel Grachev, CEO, PJSC Polyus;
- Sergei Ivanov, General Director, LLC RT Capital
- Vyacheslav Kravchenko, Deputy Minister of Energy of the Russian Federation;
- Pavel Livinsky, General Director, PJSC Rosseti;
- Vyacheslav Pivovarov, General Director, Altera Capital;
- Mikhail Rastrigin, Deputy Minister of Economic Development of the Russian Federation;
- Nikolay Rogalev, Chancellor, Moscow Power Engineering Institute, Federal Research University;
- Yury Trutnev, Deputy Chairman of the Government of the Russian Federation — Plenipotentiary Representative of the President of the Russian Federation in the Far Eastern Federal District;
- Alexei Chekunkov, General Director, JSC Far East and Baikal Region Development Fund;
- Sergey Shishin, Senior Vice-President, VTB Bank (PJSC);
- Andrei Shishkin, Vice-President for Energy, Localization and Innovation, PJSC Rosneft Oil Company, Chairman of the Management Board, PJSOC Bashneft;
- Nikolay Shulginov, Chairman of the Management Board — Director General of PJSC RusHydro.

\*\*\*

The Board of Directors included the following candidates to Audit Commission of the

---

Company:

- Natalia Annikova, First Deputy General Director, OJSC Construction Department №308;
- Tatyana Zobkova, Department Division Head, Ministry of Energy of the Russian Federation;
- Marina Kostina, Deputy Department Director, Ministry of Economic Development of the Russian Federation.
- Igor Repin, Deputy Executive Director, Association of Institutional Investors;
- Dmitry Simochkin, Deputy Head of Department, Federal Agency for State Property Management

\*\*\*

The Board of Directors accepted proposal on the agenda for the AGM on results of 2017 submitted by the Federal Agency for State Property Management, a Company shareholder holding 60.56% shares, representing the Russian Federation as shareholder. The Agenda contains the following items:

- Approval of the annual report;
- Approval of accounting (financial) reports;
- Approval of distribution of Company 2017 profit;
- On dividends: volume, timeline and form of payment, date of record for dividend payment eligibility based on 2017 results;
- On compensation to Board of Directors members, not employed by government agencies;
- On reimbursement for participation in the work of the Audit commission to members of the Commission, not employed by government agencies;
- Election of the Board of Directors;
- Election of the Audit Commission;
- Approval of the auditor.

The agenda and date of the AGM will be approved at one of the upcoming Board of Directors meetings.

\*\*\*

The Board of Directors approved termination of PJSC RusHydro's participation in MGES of Dagestan and authorized its representatives in the Company's Governance to liquidate MGES of Dagestan.

Liquidation of MGES of Dagestan is planned as it currently does not conduct business and operations. Amsarskaya, Shinazskaya and Arakulskaya HPPs with a combined installed capacity of 3.8 MW, formerly owned by MGES of Dagestan, were sold to PJSC RusHydro in 2013.

\*\*\*

The Board of Directors terminated the powers of members of the Reliability, Energy Efficiency, and Innovations Committee of the Company's Board of Directors:

- Roman Yevgenyevich Gromov
- Sergey Nikolayevich Tolstoguzov

and elected the following persons to the Reliability, Energy Efficiency, and Innovations Committee under the Board of Directors of the Company:

- Oleg Gennadyevich Barkin, Deputy Chairman of the Management Board, Association NP Market Council

- Viktor Sergeyeovich Gvozdev, Deputy Director for Production, Far East Division, RusHydro

The Board of Directors terminated the powers of Sergey Nikolayevich Tolstoguzov, a member of the Committee for Far East Energy Development under the Company's Board of Directors and elected Sergey Vyacheslavovich Vasilyev, First Deputy Director of the Far East Division of the Company, to the Committee for Far East Energy Development under the Company's Board of Directors.

\*\*\*

The Board of Directors approved the Action Plan of the RusHydro Board of Directors for the 1st half of 2018 (Appendix No. 1 to the Minutes) and approved the Report on Organization of Insurance Coverage of RusHydro in 2017 (Appendix No. 2 to the Minutes).

\*\*\*

The Board of Directors approved a report on the public technological and price audit of the Company's investment projects for 2017, which contains the results of a consolidated analysis of the audits and conclusions based on the results of public and expert discussion (Appendices Nos. 10 and 11 to the Minutes).

\*\*\*

The Board of Directors approved the list of investment projects implemented and planned for implementation under the RusHydro Investment Program for the public technological and price audit in 2018–2019 (Appendix No. 12 to the Minutes).

\*\*\*

The Board of Directors gave the instructions:

to analyze the management of rights to the results of intellectual activity in the Company in accordance with the provisions of the Recommendations for the Management of Rights to the Results of Intellectual Activity in Organizations, approved by Order of the Government of the Russian Federation No. ISh-P8-5594 dated August 25, 2017 (the "Recommendations"), by June 30, 2018;

to develop an internal document – the Program for the Management of Rights to the Results of Intellectual Activity in the Company (the "Program") in accordance with the Recommendations and to have it approved by the Company Board of Directors by October 31, 2018;

to post information on the implementation of the Program in the Company on the Interdepartmental Portal for State Property Management and update it on a regular basis.

\*\*\*

The Board of Directors has taken into consideration the progress status of the priority projects for the construction of 4 facilities in the Far East (Yakutskaya GRES-2 (Phase 1), CHPP in Sovetskaya Gavan, Blagoveshchenskaya CHPP (Phase 2), and Sakhalinskaya GRES-2 (Phase 1)) as of December 31, 2017 (Appendix No. 13 to the Minutes).

\*\*\*

The Board of Directors has taken into consideration information on the progress of the construction of the Ust-Srednekanskaya HPP (Appendix No. 14 to the Minutes).

\*\*\*

The Board of Directors has taken into consideration

the results of implementation of the action plan for the elimination of violations and defects pointed out by the Ministry of Energy of Russia following the onsite audit of the progress of implementation of the project for design engineering, construction, and commissioning of the Boguchanskaya HPP, as provided for by the Company Investment Program for 2014–2016 (Appendix No. 15 to the Minutes);

the results of implementation of the action plan for the elimination of violations and defects pointed out by the Ministry of Energy of Russia following the onsite audit of the progress of implementation of the investment project "Supply and Turn-Key Replacement of Six Hydraulic Turbines at the Novosibirskaya HPP" (Appendix No. 16 to the Minutes);

the results of implementation of the action plan for the elimination of violations and defects pointed out by the Ministry of Energy of Russia following the onsite audit of the progress of implementation of the investment project "Ust-Srednekanskaya HPP (including analysis of the implementation of the measures required to fill the Ust-Srednekanskiy Water Storage Basin to the design level and bringing Ust-Srednekanskaya HPP up to design capacity)" (Appendix No. 17 to the Minutes);

the results of implementation of the action plans for the elimination of violations and defects pointed out by the Ministry of Energy of Russia following the onsite audits in 2016 of the progress of implementation of the investment projects "Construction of Yakutskaya GRES-2 (Phase 1)," "Construction of a CHPP in Sovetskaya Gavan," and "Construction of Sakhalinskaya GRES-2 (Phase 1)" (Appendix No. 18 to the Minutes);

the results of the onsite audit of the progress of implementation of the investment project "Facility No. 1 – HPP Phase 2, territory of Zaramagskiye HPPs," performed by the Ministry of Energy of Russia and the results of implementation of the action plan for the elimination of violations and defects pointed out by the Ministry of Energy of Russia following the said onsite audit (Appendix No. 19 to the Minutes);

the results of onsite audits of the progress of implementation of the investment projects "Construction of Yakutskaya GRES-2 (Phase 1)," "Construction of a CHPP in Sovetskaya Gavan," and "Construction of Sakhalinskaya GRES-2 (Phase 1)" performed by the Ministry of Energy of Russia in 2017 (Appendix No. 20 to the Minutes);

\*\*\*

The Board of Directors approved the engagement of an independent consultant (PriceWaterhouseCoopers Consulting LLC) to evaluate the activity of the Company's Board of Directors.

The Board of Directors recommends the members of the Board of Directors taking part in a questionnaire survey and in interviews conducted by the independent consultant.

The Board of Directors ordered the Company to submit the results of evaluation of the activity of the Company's Board of Directors to the meeting of the Company's Board of Directors, subject to preliminary consideration of this matter at the meeting of the HR and Remunerations (Nominations) Committee of the Company's Board of Directors.

## **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 39.0 GW, heat capacity – 18.2 thousand GCal/h.

Russian Federation owns 60.6% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

### **For more information:**

Investor Relations Department

Tel. +7 (800) 333 8000 ext. 1607, 1319, 1304

[ir@rushydro.ru](mailto:ir@rushydro.ru)

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