

Results of the Board of Directors Meeting on May 31, 2018

June 4, 2018. Moscow, Russia. PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on May 31, 2018.

The Board of Directors approved RusHydro Group's updated long-term development program (LTDP) for 2018 – 2022, which includes updated production, innovation and investment programs. LTDP is updated in accordance with the directive of the Government of the Russian Federation.

The Board of Directors approved the 2017 report on execution of PJSC RusHydro's innovation development program.

The Board of Directors approved the report on implementation of Action Plan for the sale of non-core assets of the Group in the first quarter of 2018. In the period, PJSC RusHydro sold 13 facilities for a total of 28.25 million rubles.

The Board of Directors took note of report on completion of measures, aimed at refinancing loans of subsidiaries of RAO ES East Subgroup.

RUB 55 bn received from VTB Bank in March 2017 were fully used to refinance loans of RAO ES East subsidiaries. The deal allowed reducing consolidated debt burden of RusHydro Group. Net financial debt / EBITDA ratio as of 31.12.2017 stood at 1.1x (without liability under the guarantee of PJSC RusHydro to Vnesheconombank in the framework of loan agreement of PJSC Boguchanskaya HPP¹).

The Board of Directors instructed representatives of PJSC RusHydro in the governance bodies of JSC RAO ES East to approve related transactions between JSC RAO ES East and PJSC Sakhalinenergo.

JSC RAO ES East contributes grid facilities and plant, property and equipment of Unit-5 of Yuzhno-Sakhalinskaya CHP-1 to the charter capital of PJSC Sakhalinenergo. The purpose of the transactions is consolidation of electric power assets of Sakhalin region on basis of PJSC Sakhalinenergo in order to improve reliability of the power system of the region.

The Board of Directors instructed representatives of PJSC RusHydro at the AGM of JSC Sakhalinskaya GRES-2 to approve Amendment to the General contract for construction of a new phase of Sakhalinskaya GRES-2 of 23.01.2015.

The Ammendment sets a new date for actual completion of Sakhalinskaya GRES-2 project as 01.12.2018. The date was earlier approved by The Ministry of Energy of the Russian

¹ RusHydro and Vnesheconombank signed agreement on cancelation of this contract on 07.02.2018. The Net Debt/EBIRDA ratio above takes into account the fair value of the company's liabilities under the forward contract with VTB Bank (PJSC) (worth 20.7 billion rubles at the end of 2017 under IFRS) as part of financial debt of RusHydro Group.

Federation and the Federal Agency for State Property Management has early approved the new date. The Ministry of Energy of the Russian Federation, the Federal Agency for State Property Management and RusHydro has signed Addendum to Agreement on budget financing in October, 2017 according to which completion of the first phase of Sakhalinskaya GRES-2 was postponed to 2018.

The Board of Directors took note of the information on the results of evaluation of the compliance of member of the Board of Directors (candidate nominated for election to the Company Board of Directors at the annual General Meeting of Shareholders in 2018) Maksim Sergeyeovich Bystrov with the independence criteria provided for in Annex 4.1 to the Listing Rules of the Moscow Exchange.

There is no connection between Maksim Bystrov and the Company, a significant shareholder, competitors, the state, or a municipal entity.

Mr. Bystrov's track record in the Company Board of Directors proves his ability to make independent, unbiased, and conscientious judgments as Mr. Bystrov's stand on agenda items of meetings of the Board of Directors and committees under the Board of Directors is based on his expertise and experience, is autonomous and independent, and the decisions made by Mr. Bystrov allow one to draw the conclusion that his formal connection with significant counterparties of the Company—JSC ATS, JSC SO UES, JSC FSC, and ANO Market Council Training Center—does not influence his decision making as Mr. Bystrov acts in the interests of the Company and all its shareholders.

Based on Clause 2 of Section 2.18 of Annex 2 and on Annex 4.1 to the Listing Rules of the Moscow Exchange, the Board of Directors recognized Maksim Sergeyeovich Bystrov as an independent director.

The Board of Directors took note of the information on the results of evaluation of the compliance of member of the Board of Directors (candidate nominated for election to the Company Board of Directors at the annual General Meeting of Shareholders in 2018) Sergey Nikolayevich Ivanov with the independence criteria provided for in Annex 4.1 to the Listing Rules of the Moscow Exchange.

There is no connection between Sergey Ivanov and the Company, a significant shareholder, significant counterparties, competitors of the Company, or a municipal entity.

Sergey Ivanov meets the formal criteria of connection with the state as during the year preceding his election to the Company Board of Directors Mr. Ivanov acted as general director of RT-Capital LLC, an entity controlled by the Russian Federation.

Based on Clause 2 of Section 2.18 of Annex 2 and on Annex 4.1 to the Listing Rules of the Moscow Exchange, the Board of Directors recognized Sergey Nikolayevich Ivanov as an independent director.

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 – 16.2 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 (495) 225 3232 ext. 1607, 1319, 1304

ir@rushydro.ru