

**November 13, 2015. Moscow, Russia.**

### **Results of the Board of Directors on November 11, 2015**

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on November 11, 2015.

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The Board of Directors resolved to convene the EGM in absentee vote on December 25, 2015.

The record date for EGM participation is November 23, 2015.

The voting ballots should be sent to the Registrar R.O.S.T. central office: POB 9, 18, Stromynka street, Moscow, Russia, 107996.

The shareholders may review the documents within 30 days prior to the EGM at the following locations:

- Moscow, 7 Malaya Dmitrovka Street (on working days from 10:00 a.m. to 6:00 p.m., Moscow time); telephone: +7 800 333 8000 /+7 (495) 225-3232; +7 (800) 333-8000 ext. 1824; 1025; mail receipt/delivery: ext. 1832, 4185;
- Moscow, 18/13 Stromynka Street; JSC R.O.S.T., Company's registrar (on working days from 10:00 a.m. to 6:00 p.m., Moscow time); telephone: +7 (495) 771-7336;
- Krasnoyarsk, Dubrovinsky str., 43, bld. 1, (on working days from 10:00 a.m. to 6:00 p.m., local time); telephone: +7 (913) 031-7104;

The information also will be available on the Company's website at: [www.eng.rushydro.ru](http://www.eng.rushydro.ru).

The notification of the EGM will be published in Rossiyskaya Gazeta newspaper, as well as on RusHydro's corporate website not later than 30 days prior to the date of EGM.

The Board of Directors appointed Maxim Zavalko, Deputy Head of corporate governance and property management department as Corporate Secretary of the EGM.

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The Board of Directors approved the agenda for EGM:

1. Determining the amount, par value, class of shares and the rights attached to them.
2. Amendments to the Articles of Association.
3. Increase of the Company's share capital.
4. Approval of share purchase agreement between RusHydro and VTB Bank, qualified as interested party transaction.
5. Approval of a forward contract between RusHydro and VTB Bank, qualified as interested party transaction.
6. Approval of the guarantee agreement with the Russian Federation, qualified as interrelated and interested party transactions.
7. Approval of guarantee agreement under bonds issue of RAO ES of the East, qualified as interrelated and interested party transactions.

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The Board of Directors determined that:

- the price of RusHydro's shares of additional issue (par value of one share) amounts to RUB 1 per one share, hence, the price limit of share purchase agreement between RusHydro and VTB Bank, qualified as interested party transaction, amounts to RUB 85 bn.
- the price of forward contract between RusHydro and VTB Bank, qualified as interested party transaction, equals to the shortfall between estimated and forward price of the stake to be reimbursed by RusHydro in case this difference is negative, or by VTB Bank in case this difference is positive.
- upper limit price of guarantee to secure obligations of RAO ES of the East to the Russian Federation regarding reimbursement of funds that could be paid in accordance with the state guarantee provided by the latter and agreement on procedure of the guarantee issuance, being interrelated interested party transactions, amounts to RUB 42.5 bn.
- upper limit price of guarantee and agreement on procedure of the guarantee on the bond loan of the RAO of the East, being interrelated interested party transactions, is determined as the sum of par value of all bonds series 01 of RAO ES of the East in the amount of RUB 85 bn and maximum accrued coupon income on the bonds series 01 of RAO ES of the East which should be calculated at the rates of coupons for the entire maturity period of bonds, given that each such coupon is not more than 3.3 percentage points higher than the key rate established by the Central Bank of Russia (or similar rate, established by the Central Bank of Russia, for purposes of pricing REPO refinancing operations, in the case use of the key rate for determining financing terms for credit institutions of the Russian Federation will be discontinued) as of the date of the decision (or decisions) on each coupon rate is made (in case decision will be made on fixed coupon rate) or for the date of fixing of respective coupon rate (in case decision will be made to determine such coupon rate via a formula based on variables, not dependent on discretion of RAO ES of the East) as well as possible liability of the issuer to the holders of bonds of series 01.

The Board of Directors recommended to the EGM:

- to determine, that the Company has a right to place additional 154.7 bn shares with par value of RUB 1 per share with total worth of RUB 154.7 bn.
- to introduce the following changes and additions to the Articles of Association: "4.7. The Company, in addition to issued shares, has a right to place additional 154,700,000,000 ordinary registered shares with a face value of RUB 1 per one share and total par value of RUB 154,700,000,000. The ordinary registered shares which the Company has a right to place provide to shareholders the rights determined in Clause 6.2 of the Articles of Association".
- to increase the Company charter capital through placement of 154.7 bn additional shares with par value of RUB 1 per share, with total worth of RUB 154.7 bn via open subscription. The price of placement of additional shares (including to those shareholders that have preemptive right to acquire the shares of additional issue) will be determined by the Board of Directors after the end of preemptive right period, but no later than the start of placement. The shares may be paid both in cash or and ordinary shares of the following companies: PJSC Far-Eastern Energy Company, JSC Far-Eastern Energy Management Company.

- to approve the share purchase agreement between the Company and VTB Bank qualified as interested party transaction. According to the agreement VTB Bank purchases RusHydro's shares of additional issue with par value of RUB 1 per share to be placed through open subscription. The price limit of the agreement amounts to RUB 85 bn.
- to approve 5-year forward contract (series of interrelated transactions) between the Company and VTB Bank on the newly issued shares with total value of RUB 85 bn, qualified as interested party transactions. The price of forward contract between RusHydro and VTB Bank, qualified as interested party transaction, equals to the shortfall between estimated and forward price of the stake and should be reimbursed by RusHydro in case this difference is negative or by VTB Bank in case this difference is positive.

The Forward Price (per one share)	The par value of one share of the principal asset under the transaction and the accruals per par value of one share at the Forward Rate for the validity period of the Forward contract (accruals to be made given the terms of Capitalization of Forward Rate below, including potential interim payments)
Forward Rate	The annual interest amount which is not more than 3.3 (three-point-three) percentage points higher than the key rate established by the Central Bank of Russia during the relevant accrual period. In case the Bank of Russia cancels the key rate for determining the pricing terms of advancing financing to Russian credit institutions, the Forward Rate shall be equal to an interest amount which is not more than 3.3 p.p. higher than the average value of a similar rate, established by the Central Bank of Russia, for purposes of pricing REPO refinancing operations.
Term of Forward contract	5 years
Capitalization of the Forward Rate	Accrued forward rate payments are compounded on a quarterly basis with par value of the principal asset under the Transaction for the purposes of accruing future Forward Rates. When interim payments are made, the Forward Rate shall not be compounded.
Estimated Price (per one share)	The Estimated Price per one share of the principal asset under transaction is determined as total weighted average value of the prices per one share of PJSC RusHydro based on the total of the best quotations received by the settlement agent (Bank VTB (PJSC) for the part of the stake that constitute the principal asset under transaction from the market players, and/or following auction results, and/or market price determined by an independent appraiser.
Valuation Date	No later than 5 years from the date of transaction

- to approve issuance of the Company guarantee to secure obligations of RAO ES of the East to the Russian Federation via guarantee agreement and agreement on procedure of the guarantee on recourse claims by the Russian Federation, the latter being interrelated transactions between interested parties. The state guarantee in the amount of RUB 42.5 bn was provided by the Russian Federation to secure obligations under interest-bearing non-convertible bonds with mandatory centralized

custody of series 01 issued by RAO ES of the East to be placed through open subscription in the amount of 85 mn securities with par value of RUB 1,000 each, and total par value of RUB 85 bn maturing on the 4,368<sup>th</sup> day from the date of placement and the possibility of early redemption at the issuer's discretion and upon request of their owners. According to the agreement RusHydro provides guarantee to secure obligations of RAO ES of the East on payment of 50% of the par value of placed bonds. The guarantee period is 13 years.

- to approve issuance by the Company of guarantee to secure obligations of RAO ES of the East before to holders of placed bonds, qualified as interrelated and interested party transactions. According to the agreement RusHydro is committed to the holders of bonds of series 01 issued by RAO ES of the East to be jointly and severally responsible for performance of obligations arising from the Decision on securities issue and the Securities Prospectus (including payment of the par value of bonds at their early redemption or repayment, payment of the total coupon yield on bonds, the obligations arising from the issuer to the creditors in connection with their requests for early repayment or call of bonds, including compensation of damages caused to bondholders actions of the issuer). The maximum price of the agreement equals to the sum of total par value of bonds of series 01 in the amount of RUB 85 bn and a maximum aggregate amount of paid coupon yield which should be calculated at the rates of coupons for the entire maturity period of bonds, given that each such coupon is not more than 3.3 percentage points higher than the key rate established by the Central Bank of Russia (or similar rate, established by the Central Bank of Russia, for purposes of pricing REPO refinancing operations, in the case use of the key rate for determining financing terms for credit institutions of the Russian Federation will be discontinued) as of the date of the decision (or decisions) on each coupon rate is made (in case decision will be made on fixed coupon rate) or for the date of fixing of respective coupon rate (in case decision will be made to determine such coupon rate via a formula based on variables, not dependent on discretion of RAO ES of the East) as well as possible liability of the issuer to the holders of bonds of series 01. The guarantee period is 13 years.

## **About RusHydro**

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 38.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 66.8% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

### **For more information:**

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*We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic and political conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.*

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