

April 19, 2017

Results of the Board of Directors on April 18, 2017

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on April 18 2017.

The Board of Directors approved reports on the results of activity in the 2nd half of 2016 of the following committees of the Board of Directors: audit committee, remuneration and nomination committee, Committee for the Far Est energy development.

The Board of Directors approved the report on the implementation of a public technological and price audit of investment projects for 2016, containing the results of the consolidated analysis of audits and conclusions on the results of public and expert discussion.

The Board of Directors approved amendments to the long-term development program of RusHydro Group revised earlier by the decision of the Board of Directors of the Company (Minutes No. 244 of November 23, 2016).

The Board of Directors approved changes to the methodology for calculating and evaluating the annual key performance indicators of the members of the Board of Directors of PJSC RusHydro for 2017 in terms of KPI "Implementation of Capacity Schedules and Financing and Development Plan, %" and determined that the amendments will come into effect as of January 1, 2017.

The Board of Directors approved holding of the following non-executive positions by individual members of the Management Board in the managing bodies of other organizations:

1. By the Chairman of the Management Board – General Director Nikolay Shulginov:
 - Member of the Board of Directors of PJSC Rosseti;
 - Member of the Board of Directors (Chairman of the Board of Directors) of PJSC RAO Energy Systems of the East;
 - Member of the Supervisory Board of the Federal State Budgetary Educational Institution of Higher Education National Research University MPEI;
 - Member of the Supervisory Board of the Federal State Autonomous Educational Institution of Higher Professional Education Far Eastern Federal University;
 - Member of the Supervisory Board of Association Non-Profit Partnership Market Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market;
 - Member of the Supervisory Board (Chairman of the Supervisory Board) of the Association of Organizations and Workers of hydropower "Hydropower of Russia";
 - Member of the Board of All-Russian Association of Employers Russian Union of Industrialists and Entrepreneurs
 - Member of the Board of Directors of the Global Sustainable Energy Partnership.
2. By the Member of the Management Board, First Deputy General Director George Rizhinashvili, the following positions:
 - Chairman of the Management Board of the Foundation for the Development of the Faculty of Economics of Lomonosov Moscow State University;

– Member of the Strategy Committee of the Board of Directors of PJSC Rosseti.

3. By the Member of the Management Board, First Deputy General Director – Chief Engineer Boris Bogush:

– Member of the Supervisory Board (Deputy Chairman of the Supervisory Board) of the Association of Organizations and Workers of Hydropower "Hydropower of Russia":

4. By the Member of the Management Board, First Deputy General Director Andrey Kazachenkov, the following positions:

– Member of the Board of Directors (Chairman of the Board of Directors) of PJSC “RAO Energy Systems of the East”.

– Member of the Committee on investments, technical policy, reliability, energy efficiency and innovation under the Board of Directors of PJSC Rosseti.

The Board of Directors resolved to postpone the execution of item “On the progress in construction of the Zagorskaya PSHPP-2” in terms of the preparation and submission to the Board of Directors of the Company of the project justification of rehabilitation of Zagorskaya PSHPP-2 (including technical, legal and economic aspects related to the draft of the building of the station unit of Zagorskaya PSHPP-2 on 17.09.2013) to no later than June 30, 2017.

The Board of Directors took into consideration information on the Program of Development of the renewable energy sources in the Far East.

The Board of Directors approved the termination of participation of JSC RusHydro in OJSC Zharki by alienating 25,940 (twenty-five thousand nine hundred and forty) ordinary shares of Zharki OJSC (hereinafter referred to as the Shares) belonging to JSC RusHydro by means of appropriate competitive procedures in accordance with the Program of divestment of non-core assets of the Company approved by the decision of the Board of Directors of October 07, 2016.

The Board of Directors approved the termination of participation of JSC RusHydro in the following companies:

- JSC HydroEngineering Siberia;
- JSC Far-Eastern WPP;
- JSC Karachay-Cherkessia Hydro-Power Company;
- LLC Fiagonskaya SHPP;
- JSC South-Yakutia HPP.

The Board of Directors instructed the representatives of the Company in the management bodies of these companies to vote “FOR” the adoption of the decision to liquidate these joint stock companies.

The Board of Directors instructed of PJSC RusHydro (representatives of PJSC RusHydro) on the agenda item of the meeting of JSC Blagoveshchenskaya CHP Plant governing bodies to give consent to the conclusion of Supplementary Agreement No. 11 between JSC Blagoveshchenskaya CHP Plant and OJSC Power Machines to the General Contractor Agreement for the construction of the Blagoveshchenskaya CHP Plant (2nd stage) No. 1 from December 26, 2013 qualified as major transaction, the value of which exceeds 50% of the book value of the assets of JSC Blagoveshchenskaya CHP Plant, on the following material terms and conditions:

1. Introducing amendments to the Agreement aimed at clarifying the procedure and time frames for achieving the guaranteed performance indicator “Nitrogen oxide content in burned gases” (emission into the atmosphere) less than (300) (three hundred) mg/Nm³:
2. The General Contractor ensures achievement of the NO_x level indicator in burned gases during the warranty period, but not later than 24 months after the actual completion of the facility.
3. Introducing amendments to the Agreement related to the establishment of sanctions against the General Contractor and recovery of losses for failure to reach the NO_x level indicator in burned gases within the established period:
4. The Customer is entitled to accrue one-time fine in the amount of RUB 5,000,000 (five million roubles) for every full 10 mg/Nm³ exceeding the NO_x level indicator in burned gases.
5. The General Contractor shall indemnify the Customer for losses and expenses of any nature (including compensation for damage to the environment, fines and other sanctions imposed by the competent authorities) related to the violation or resulting from a violation of the NO_x level indicator in burned gases. The above losses and expenses are subject to reimbursement in full beyond the fine (penalty) established in the Contract.
6. The limit price of the Agreement shall not be changed in connection with the conclusion of Supplementary Agreement and shall amount to RUB 7,198 mn including VAT.
7. Terms of completion of work under the Agreement shall not be changed in connection with the conclusion of Supplementary Agreement.
8. The Supplementary Agreement shall enter into force upon its signature and shall apply to the relations of the Parties from December 23, 2016.

The Board of Directors instructed the management of PJSC RusHydro on the agenda of the meetings of PJSC RAO ES East, JSC RBEF and JSC ESC RusHydro to vote ‘FOR’ the participation of these companies in the share capital of JSC PERESVET Bank through acquisition of the Bank’s securities by way of conversion of the Group’s cash deposited in the Bank as of October 21, 2016, on following conditions:

- Securities are to be represented by 15-year rouble interest-bearing bonds of series C01 with a nominal value of RUB 329 (registration no. 40402110B, date of state reg. Feb 12, 2017).
- Acquisition price shall not exceed nominal price;
- Bond repayment shall be done through conversion of the bonds into equity shares of the Bank with a nominal value of RUB 329, conversion ratio – 1:1.

The Board of Directors approved the Report on the insurance protection of PJSC RusHydro for 2016.

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 38.7 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.

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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.