



**15 YEARS –
UNITING
THE ENERGY**

APPENDICES
to 2019 Annual report



CONTENT

APPENDIX No.1 INFORMATION ON COMPLIANCE WITH THE RUSSIAN CORPORATE GOVERNANCE CODE	4
APPENDIX No.2 Information (Report) on Interested-Party Transactions Concluded by PJSC RusHydro in 2019	41
APPENDIX No.3 Information on Participation in Other Organizations	48
3.1. Information Concerning All Forms of the Company's Shareholding in Commercial Entities, including its Objectives, Form and Financial Involvement, Basic Data on the Entities (Main Statutory Activities, Earnings, Profit) and Efficiency Indicators, in Particular, the Amount of Dividends Received for the Owned Shares in the Reported Period	48
3.2. Information Concerning All Forms of the Company's Participation in Non-Commercial Entities, including the Entity Name, Date of Joining, Subscription Fee in RUB/other currency, Area of the Entity's Activities.....	59
3.3. Information Concerning Shares/Stakes Purchase Contracts made by PJSC RusHydro in 2019, Indicating the Parties to the Contracts, their Subject, Price, and other Terms	63
APPENDIX No.4 Information on the Decisions Adopted by RusHydro's Board of Directors in 2019.....	67
APPENDIX No.5 Information on the Meetings of the Committees under the Board of Directors	131
Audit Committee under the Board of Directors.....	131
Nominations and Compensations Committee under the Board of Directors.....	147
Strategy Committee under the Board of Directors.....	166
Investments Committee under the Board of Directors	177
Far East Energy Development Committee under the Board of Directors	192
Committee on Reliability, Energy Efficiency and Innovations under the Board of Directors..	199
APPENDIX No.6 Information on the Sale of Non-Core Assets of PJSC RusHydro for 2019 .	203
APPENDIX No.7 Information on Pending Legal Proceedings	208
APPENDIX No.8 Information Concerning the State Support Received by the Company in the Reporting Year, Including Information on the Subsidies Granted (in Rubles), Aim of Use, Information on the Use of Funds as of the End of the Reporting Period	209
APPENDIX No.9 Report on the Long-term Development program implementation of the RusHydro Group for the year of 2019	211
9.1. Methodology for calculation and evaluation of Key Performance Indicators of RusHydro Group's Long-Term Development Program.....	242
APPENDIX No.10 Independent Assurance Report on the Fulfilment of the Long-Term Development Programme of RusHydro Group for 2019	269

APPENDIX No.11 Information Concerning Establishment of Unified Treasuries in the Head Companies, Subsidiaries, and Affiliates	272
APPENDIX No.12 Information on the Actual Results of the Implementation of Executive Orders and Instructions issued by the President of the Russian Federation and by the Government of the Russian Federation in 2019	274
APPENDIX No.13 Information about Legal Entities Controlled by the Company that are of Material Significance	285
APPENDIX No.14 List of the Most Significant Transactions Carried out by the Company and other Major Controlled Legal Entities for the last year	291
APPENDIX No.15 Accounting statements and the Independent Auditor's audit report as of December 31, 2019 (in accordance with RAS)	298
APPENDIX No.16 Consolidated financial statements prepared in accordance with IFRS and an audit opinion for the year ended December 31, 2019 and as of that date.....	368
APPENDIX No.17 Opinion of the Internal Audit Commission of Public Joint-Stock Company Federal Hydro-generating Company RusHydro (PJSC RusHydro) following RusHydro's 2019 financial and business performance audit.....	439
APPENDIX No.18 Consideration of stakeholders' recommendations given at the Public Hearings in 2019 (Report for 2018 Draft).....	445
APPENDIX No.19 Consideration of stakeholders' recommendations given at the Public Hearings in 2020 (Report for 2019 Draft).....	446
APPENDIX No.20 Certificate of Public Certification of the Report by the RUIE Council on Non-Financial Reporting	450
APPENDIX No.21 Organizational structure of PJSC RusHydro.....	451
APPENDIX No.22 GRI indicator consolidation boundaries and additional disclosures	452

APPENDIX No.1 INFORMATION ON COMPLIANCE WITH THE RUSSIAN CORPORATE GOVERNANCE CODE

Hereby the Board of Directors of PJSC RusHydro announces the observance of the principles of corporate governance enshrined in the corporate governance Code and the reasons of partially observance and non-observance the particular principles of the Russian Corporate Governance Code.

Information on principles and recommendations of the Corporate Governance Code that are not complied with by PJSC RusHydro or are compiled by PJSC RusHydro not in full with description of the extent to which they are not complied with:

Partially complied principles:

- principle 1.1.6 is not complied with in the following part: **not all candidates for the Company's management and control bodies were present at the General meeting of shareholders of the Company.**
- principle 2.8.5 is not complied with in the following part: **independent directors head not all committees, but only part of them.**
- principle 7.2.2 is not complied with in the following part: **list of grounds on which members of the Board of Directors and other parties stipulated by the legislation are considered interested in the transactions of the Company, is not widened.**

Principles not complied with:

- principle 2.4.3: **independent directors comprise not less than one third of the elected members of the Board of Directors.**

Detailed information on the compliance of RusHydro with the principles and recommendations of the Corporate Governance Code recommended for use by the Bank of Russia is indicated in the table on "Compliance with the principles and recommendations of the Corporate Governance Code".

A brief description of the most significant aspects of the model and practice of corporate governance in the Company, a description of the methodology by which the Company assessed the compliance with corporate governance principles enshrined in the Corporate Governance Code recommended by the Bank of Russia, as well as planned (proposed) actions and activities of the Company to improve the model and practice of corporate governance with an indication of the timing of the implementation of such actions and activities is indicated in the chapter "Corporate Governance" of this Annual Report.

The Company issues internal documents and corporate governance practices of the Company in accordance with the provisions of the Code of the Company. Thus, the Company respects the fundamental principles and recommendations of the Code.

The reasons for the difference in some provisions of the Company's Corporate Governance Code from the principles of the recommendations of the Corporate Governance Code recommended by the Bank of Russia: the inapplicability of a number of provisions of the Code to the Company (for example, the absence of preferred shares).

Key reasons explanation, factors and (or) circumstances due to which the Company does not comply with with or complies not in full with the principles of corporate governance, set out in the Corporate Governance Code and description of mechanisms and governance tools that are used by the Company in place of (substitute) recommended by the Corporate Governance Code are given below in column 5 of the table of the Report on compliance with the principles and recommendations of the Code of Corporate Governance.

The Company complies with all recommendations of the Corporate Governance Code, which are reflected in the requirements of the Moscow Stock Exchange Listing Rules, which are mandatory for issuers whose shares are in the First level of the list of securities.

Information on compliance with the principles and recommendations of the Corporate Governance Code¹

No.	Corporate Governance Principles	Criteria used to evaluate whether the principle is observed	Status of compliance with the principle of corporate governance for 2019	Explanations of deviations from the evaluation criteria compliance with the principle of corporate governance in 2019
1.1	The Company should ensure equal and fair treatment of all its shareholders in the course of exercising their rights to participate in the management of the Company.			
1.1.1	The Company creates the most favorable conditions possible for its shareholders, enabling them to participate in the general meetings and to	1. The internal document of the Company approved by the general meeting of shareholders and regulating the procedure of general meeting holding is available within the public	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

¹ Considered by the Board of Directors of PJSC RusHydro (minutes dated ____ No.____). The Board of Directors confirms that the data provided in this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code for 2019.

	develop informed positions on the issues forming its agenda, as well as providing them with the opportunity express their opinions regarding the issues under discussion.	domain. 2. The Company presents an available way of communication with the Company, such as hotline, e-mail or forum in the Internet, allowing the shareholders to express their opinion and send items in relation to the agenda in the process of preparation for holding the general meeting. Indicated actions were taken by the Company on the day preceding the general meeting held during the reporting period.		
1.1.2	Procedures for notification of the general meeting holding and provision of materials for it give the shareholders an opportunity to properly prepare themselves for participation therein.	1. A notice announcing a general shareholders meeting is placed (published) on the website of the Company at least 30 days before the date of the general meeting. 2. In the message about the meeting provided the meeting venue and documents required for admission to the premises. 3. The shareholders were provided with access to information about what issues were proposed on the agenda and who was nominated to the Board of Directors and the auditing Commission of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.1.3	During the preparation for	1. In the reporting period,	<input checked="" type="checkbox"/> observed	

	<p>and holding of the general meeting, the shareholders had the opportunity to freely and in a timely manner receive information about the meeting and its materials, to pose questions to members of the Company's executive bodies and Board of Directors, and to communicate with each other.</p>	<p>shareholders were provided with an opportunity to pose questions to members of the Company's executive bodies and Board members of the Company before and during the annual general meeting.</p> <p>2. The materials set out the positions of the Board of Directors regarding the general meeting's agenda, as well as dissenting opinions of the Board members on each item therein.</p> <p>3. The Company provided those shareholders who are entitled to review the list of persons authorized to participate in the meeting with the opportunity to review it starting from the date when the Company receives such information.</p>	<p><input type="checkbox"/> partially -observed <input type="checkbox"/> not observed</p>	
1.1.4	<p>There were no unjustified difficulties preventing shareholders from exercising their right to demand that a general meeting be convened, nominate candidates to the Company's management bodies, and to place proposals on its agenda.</p>	<p>1. The shareholders had the opportunity to propose items to be included in the agenda of its annual general meeting within a 60-day period following the end-date of the respective calendar year.</p> <p>2. In the reporting period, the Company did not refuse to accept proposals on the agenda or candidates to the bodies of the Company because of typing errors and other insignificant</p>	<p><input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed</p>	

		flaws in the shareholder proposal.		
1.1.5	Each shareholder was able to freely exercise his/her right to vote in a straightforward and most convenient way.	1. Internal document (internal policy) of the Company contains provisions whereby every participant of the general meeting may, until the end of the general meeting, request a copy of the filled out ballot certified by the counting commission.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.1.6	Procedures for holding a general meeting set out by the Company provides equal opportunity to all persons present at the general meeting to express their opinions and ask questions that might be of interest to them.	<p>1. When holding general meetings of shareholders in the form of a meeting (joint presence of shareholders) sufficient time for reports on the agenda was provided, as well as sufficient time to discuss these issues.</p> <p>2. The candidates to management and control bodies of the Company were available to answer the questions of shareholders at the meeting, on which the nominees were put to vote.</p> <p>3. The Board of Directors when making the decisions connected with preparation and conduction of general meetings of shareholders considered the issue of use of telecommunication systems to provide the shareholders with remote access to take part in</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Paras. 1 and 3 are fully observed. Para. 2 is partially observed. Regarding para. 2, the Company provides the following explanations: Para. 2.7. The Regulation on the procedure for convening and holding the General Meeting of Shareholders of the Company provides for the right to attend the meeting of persons included in the list of candidates for election to the management and control bodies of the Company. In practice, the Meeting in 2019 was attended by the majority of members of the Board of Directors, including the Chairman of the Board of Directors and two members of the Audit Commission. Herewith, invitations to participate in the Meeting were sent to all candidates to management and control bodies. The deviation from the compliance with this recommendation is triggered by the fact that the Company, due to various reasons (production, organizational, personal circumstances of each candidate), cannot provide the mandatory presence of each and every candidate to management and control bodies at each meeting. In practice, the candidates to the Board of Directors, who were not previously elected to the Board of Directors, are usually present at the meetings, and shareholders have an actual opportunity to ask them questions. In the future, the Company intends to strive for the fullest possible observance of this recommendation of the Code.</p>

		the general meetings during the reporting period.		
1.2.	Shareholders were provided with equal and fair opportunities to participate in the profits of the Company by means of receiving dividends.			
1.2.1	The Company developed and put in place a transparent and clear mechanism for determining the amount of dividends and their payment.	<p>1. The Company developed and disclosed its dividend policy approved by the Board of Directors.</p> <p>2. If the dividend policy of the Company utilizes indicators from the financial statements of the Company to determine the size of the dividend, the relevant provisions of the dividend policy should include the consolidated indicators of financial statements.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.2.2	The Company does not make a decision on the payment of dividends, if such decision, without formal violation of limits set out by law, is unjustified from the economic point of view and might lead to the formation of false assumptions about the Company's activity.	1. The dividend policy of the Company contains clear indications of financial / economic circumstances, which prohibit the Company from paying the dividends.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.2.3	The Company does not allow deterioration of dividend rights of its existing shareholders.	1. The Company has not taken any actions, which lead to the deterioration of dividend rights of existing shareholders in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.2.4	The Company strives to rule out any means through which its	1. The Company has established appropriate control mechanisms in its internal documents to	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	shareholders can obtain profit (gain) at the Company's expense other than dividends and distributions of its liquidation value.	prevent its controlling persons from deriving a profit (income) from the Company in ways other than dividends or liquidation value, which contain provisions establishing control mechanisms for timely identification and approval of transactions with affiliated parties and major shareholders (persons entitled to control votes attached to voting shares) in cases when the law does not formally recognize these transactions as interested-party transactions.		
1.3.	The system and practices of corporate governance ensure equal terms and conditions for all shareholders owning shares of the same class (category), including minority (small) and foreign shareholders and equal treatment of them on the part of the Company.			
1.3.1	The Company has created the conditions for fair treatment of every shareholder on the part of management bodies and controlling persons of the Company, including conditions to ensure prohibition of abuse of minority shareholders by large shareholders.	1. During the reporting period, the procedures adopted for management of potential conflicts between major shareholders were effective, and the Board of Directors paid sufficient attention to conflicts between shareholders, if there were any.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.3.2	The Company does not perform any acts, which would or could result in artificial reallocation of corporate control therein.	1. There were no quasi-treasury shares or they did not participate in voting in the course of the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
1.4.	The shareholders were provided with reliable and efficient means of recording their rights to shares, as well as with the opportunity to freely dispose of such shares in a non-onerous manner.			
1.4	The shareholders were	1. Quality and reliability of the	<input checked="" type="checkbox"/> observed	

	provided with reliable and efficient means of recording their rights to shares, as well as with the opportunity to freely dispose of such shares in a non-onerous manner.	work performed by the registrar of the Company answers the requirements of the Company and its shareholders.	<input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.	The Board of Directors performs strategic management of the Company, determines major principles of and approaches to creation of risk management and internal control system within the Company, monitors the activity of the Company's executive bodies, and carries out other key functions.			
2.1.1	The Board of Directors is responsible for decisions to appoint and remove members of executive bodies, including actions in response to failure of the latter to properly perform their duties. The Board of Directors also makes sure that the Company's executive bodies act in accordance with an approved development strategy and main business goals of the Company.	<p>1. According to the Charter of the Company, the Board of Directors has the authority to appoint, dismiss and determine the terms and conditions of contracts with members of executive bodies.</p> <p>2. The Board of Directors heard the report (reports) of the sole executive body and members of the collective executive body on the implementation of the strategy of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>In accordance with the Charter of the Company, the terms of the contract of the sole executive body shall be determined by the Board of Directors or a person authorized by the Board of Directors to sign a contract. Besides, the competence of the Board of Directors includes the authority to approve the Policy on Remuneration and Compensation of members of the Executive Bodies.</p> <p>The terms of contracts with members of the Management Board are determined by the sole executive body taking into account the Policy on Remuneration (Compensation) of members of Executive Bodies approved by the Board of Directors.</p>
2.1.2	The Board of Directors establishes basic long-term targets of the Company's activity, evaluates and approves its key performance indicators and principal business goals, as well as evaluates and approves its strategy and business plans in respect of its principal areas of operations.	1. During the reporting period at the meetings the Board of Directors reviewed matters related to the status of execution of the strategy, approval by the financial plan (budget) of the Company, as well as review of criteria and indicators (including interim) pertaining to the execution of the strategy and business plans of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

2.1.3	The Board of Directors determines principles of and approaches to creation of the risk management and internal control system in the Company.	<p>1. The Board of Directors has determined the principles and approaches to creation of the risk management and internal control system in the Company.</p> <p>2. The Board of Directors has evaluated the risk management and internal control system during the reporting period.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.4	The Board of Directors should determine the Company's policy on remuneration due to and (or) reimbursement of costs (compensation) incurred by its Board of Directors, members of its executive bodies and other key managers.	<p>1. The Company has developed and implemented a policy (policies) approved by the Board of Directors on remuneration and reimbursement of costs (compensation) incurred by its Board members, members of executive bodies and other key managers.</p> <p>2. During the reporting period, at the meetings the Board of Directors reviewed matters related to the indicated policy (policies).</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1 and para. 2 the Company provides the following explanations:</p> <p>Since the category of "key executives" was not defined and not approved by the Board of Directors, the Remuneration and Reimbursement of Expenses (Compensation) Policy was not approved by the Board of Directors for this category of employees.</p> <p>The Remuneration and Reimbursement of Expenses (Compensation) Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Reimbursement of Expenses (Compensation) Policy for members of the Company's executive bodies approved by the Board of Directors.</p>
2.1.5	The Board of Directors plays a key role in prevention, detection and resolution of internal conflicts between the Company's bodies, shareholders and employees.	<p>1. The Board of Directors plays a key role in prevention, detection and resolution of internal conflicts.</p> <p>2. The Company has created a system of identification of transactions related to a conflict of interests and a system of measures intended to resolve such conflicts.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.6	The Board of Directors	1. The Board of Directors has	<input checked="" type="checkbox"/> observed	

	plays a key role in ensuring that the Company is transparent, discloses information in full and in due course, and provides its shareholders with unhindered access to its documents.	approved a regulation on information policy. 2. The Company has appointed persons in charge of the implementation of the information policy.	<input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.1.7	The Board of Directors monitors the Company's corporate governance practices and plays a key role in its material corporate events.	1. During the reporting period, the Board of Directors reviewed the corporate governance practices in the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.2.	The Board of Directors is accountable to the Company's shareholders.			
2.2.1.	Information about the Board of Directors' work is disclosed and provided to the shareholders.	1. The annual report of the Company for the reporting period includes information about the attendance of meetings of the Board of Directors and Committees by individual directors. 2. The annual report contains information about the main results of the evaluation of the work of the Board of Directors in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.2.2	The chairman of the Board of Directors is available to communicate with the Company's shareholders.	1. In the Company there is a transparent procedure that enables the shareholders to send the Chairman of the Board of Directors issues and their position thereon.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.3.	The Board of Directors is an efficient and professional governing body of the Company, which is able to make objective and independent judgements and pass resolutions in the best interests of the Company and its shareholders.			

2.3.1	<p>Only persons with impeccable business and personal reputation, having knowledge, skills and experience necessary to make decisions that fall within the competence of the Board of Directors and to perform all such functions efficiently, should be elected to the Board of Directors.</p>	<p>1. The performance assessment procedure for the Board of Directors adopted in the Company includes the evaluation of professional qualifications of the Board members.</p> <p>2. In the reporting period, the Board of Directors (or its Nominations Committee) evaluated candidates nominated to the Board of Directors in terms of their experience, knowledge, business and personal reputation, absence of conflicts of interest etc.</p>	<p><input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed</p>	
2.3.2	<p>Members of the Board of Directors of the Company are elected pursuant to a transparent procedure enabling the shareholders to obtain information about candidates sufficient for them to get an idea of the candidates' personal and professional qualities.</p>	<p>1. In all cases of the general meeting of shareholders conducted in the reporting period the agenda of which included issues on election of the Board of Directors, the Company submitted biographical data on all candidates nominated to the Board of Directors, results of the evaluation of such candidates conducted by the Board of Directors (or its Nominations Committee), as well as information regarding the candidate's conformity with independence criteria in accordance with recommendations 102 - 107 of the Code and the candidates'</p>	<p><input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed</p>	

		written consent to be elected to the Board of Directors.		
2.3.3	The composition of the Board of Directors is balanced, in particular in terms of qualifications, expertise and business skills and enjoys the confidence of the shareholders.	1. During the procedure of assessment of the work of the Board of Directors conducted in the reporting period, the Board of Directors analysed its composition in terms of qualifications, experience and expertise of its members.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.3.4	The composition of the Board of Directors of the Company enables the Board of Directors to organize its activities in the most efficient way possible, in particular, to create the possibility to form committees of the Board of Directors, as well as to enable substantial minority shareholders of the company to put forth a candidate to the Board of Directors for whom they vote.	1. During the procedure of assessment of the work of the Board of Directors conducted in the reporting period, the Board of Directors analysed the conformity of its composition to the needs of the Company and its shareholders.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.4.	The Board of Directors should include a sufficient number of independent directors.			
2.4.1	An independent director should mean any person who has the required professional skills and expertise and is sufficiently able to have his/her own position and make objective and bona fide	1. During the reporting period all independent members of the Board of Directors answered all requirements of recommendations 102 - 107 of the Code or were deemed independent pursuant to a decision of the Board of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

<p>judgements, free from the influence of the Company's executive bodies, any individual group of its shareholders or other stakeholders. It should be noted that, under normal circumstances, a candidate (or an elected director) may not be deemed to be independent, if he/she is associated with the Company, any of its substantial shareholders, material trading partners or competitors or the government.</p>	<p>Directors².</p>		
---	-------------------------------	--	--

² The recognition of directors as independent meets the requirements established by the Listing Rules of the Moscow Exchange, with the requirements of the Corporate Governance Code of the Company, but partially does not comply with the requirements of the Corporate Governance Code recommended by the Bank of Russia in respect of a provision that does not allow for the recognition of a director as independent if he/she has a formal connection with the State (A. Chekunov).

2.4.2	<p>Evaluation is carried out of compliance of candidates nominated to the Board of Directors with the independence criteria and regular reviews are made of the compliance of independent members of the Board of Directors with independence criteria. When carrying out such evaluation, substance should take precedence over form.</p>	<p>1. During the reporting period the Board of Directors (or the Nominations Committee of the Board of Directors) issued an opinion regarding the independence of each candidate nominated to the Board and provided the shareholders with the appropriate conclusion.</p> <p>2. At least once in the reporting period the Board of Directors (or the Nominations Committee of the Board of Directors) evaluated the independence of current members of the Board of Directors indicated by the Company in the annual report as independent directors.</p> <p>3. The Company has developed procedures indicating the actions which must be taken by the Board of Directors member once he/she ceases to be independent including their obligation to inform the Board of Directors of these circumstances in a timely manner.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.4.3	<p>Independent directors should account for at least one-third of all directors elected to the Board of Directors.</p>	<p>1. Independent directors should account for at least one-third of the composition of the Board of Directors.</p>	<input type="checkbox"/> observed <input type="checkbox"/> partially -observed <input checked="" type="checkbox"/> not observed	<p>Regarding para. 1 the Company provides the following explanations: The number of independent members of the Board of Directors during the reporting period was less than 1/3 of the number of the Board of Directors, due to the fact that the Company does not affect the composition of the Board of Directors, since members of the Board of Directors are elected by shareholders at the meeting.</p>

				<p>However, the Nomination and Compensation Committee considered candidates to members of the Board of Directors in terms of their independence and this information was presented to shareholders as part of the Meeting materials.</p> <p>At the end of the reporting period, the Company had 4 independent directors (2 of which were completely independent and 2 were recognized as independent by the decision of the Board of Directors), which meets the requirements of the Moscow Exchange Listing Rules for the number of independent directors on the Board of Directors.</p> <p>In order to comply with this requirement in 2020, the Company will inform shareholders of the presence of independent candidates among candidates to the Board of Directors.</p> <p>If the Company fails to elect the sufficient number of independent directors for the meeting in 2020, the Company will consider the possibility of recognizing individual directors as independent directors by a decision of the Board of Directors.</p>
2.4.4	Independent directors play a key role in prevention of internal conflicts in the Company and performance by the latter of material corporate actions.	1. Independent directors (with no conflict of interest) preliminarily review material corporate actions related to a potential conflict of interest and the results of such evaluation should be made available to the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.5.	The Chairman of the Board of Directors helps to carry out the functions imposed thereon in a most efficient manner.			
2.5.1	The independent director is elected to the position of the chairman of the Board of Directors or among the Company's independent directors who would coordinate work of the independent directors and liaise with the chairman of the Board of Directors.	<p>1. The Chairman of the Board of Directors is an independent director or a senior independent director who was appointed from among the independent directors.</p> <p>2. The role, rights and responsibilities of the Chairman of the Board (and, if applicable, of the senior independent director) are clearly determined</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	The Company chose an approach for electing a senior independent director, in view of the fact that during the reporting period Deputy Chairman of the Government of the Russian Federation - Plenipotentiary of the President in the Far Eastern Federal District Yu. Trutnev, representing the Russian Federation in the Company's Board of Directors, was elected as the Chairman of the Board of Directors.

		in the internal documents of the Company.		
2.5.2	The Chairman of the Board of Directors ensures that meetings are held in a constructive atmosphere and that any items on the meeting agenda are discussed freely controls the execution of decisions, made by the Board of Directors.	1. The performance of the Chairman of the Board of Directors was evaluated within the framework of the Board performance assessment procedure in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.5.3	The Chairman of the Board of Directors takes any and all measures as may be required to provide the members of the Board of Directors in a timely manner with information required to make decisions on issues of the agenda.	1. The obligation of the Chairman of the Board of Directors to take any and all measures to provide the members of the Board of Directors with information required to make decisions in a timely manner is stipulated in the internal documents of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.6.	Board members act reasonably and in good faith in the best interests of the Company and its shareholders, being sufficiently informed, with due care and diligence.			
2.6.1	Acting reasonably and in good faith means that Board members make decisions considering all available information, in the absence of a conflict of interests, treating shareholders of the Company equally and assuming normal business risks.	1. Internal documents of the Company define that a Board member is obliged to notify the Board of Directors if he/she has a conflict of interests in relation to any issue of the agenda of the meeting of the Board of Directors or Committee of the Board of Directors before discussion beginning of the agenda issue. 2. According to internal	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		<p>documents of the Company, the Board member should abstain from voting on any issues in which he/she has a conflict of interests.</p> <p>3. The Company provides a procedure enabling the Board members to receive, at the expense of the Company, professional advice on issues relating to the competence of the Board of Directors.</p>		
2.6.2	Rights and duties of the Board members are clearly stated and documented in the Company's internal documents.	1. The Company adopted and published an internal document whereby the rights and duties of the Board members are clearly stated.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.6.3	Board members should have sufficient time to perform their duties.	<p>1. Individual attendance of the Board and committee meetings and time devoted to the preparation for the participation in meetings was considered during the procedure of assessment of the Board of Directors in the reporting period.</p> <p>2. In accordance with internal documents of the Company, the Board members should notify the Company's Board of Directors of their intention to take a position in management bodies of other entities and (apart from subsidiaries and affiliates of the Company), as</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		well as of the fact of such appointment.		
2.6.4	All Board members should have equal opportunity to access the Company's documents and information. Newly elected Board members should be provided with sufficient information about the Company and work of its Board of Directors as soon as possible.	<p>1. In accordance with internal documents of the Company, the Board members have the right to obtain access to the documents and make requests concerning the Company and entities controlled by the Company and executive bodies of the Company are obliged to provide corresponding information and documents.</p> <p>2. The Company has a formal induction program for newly elected Board members.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.7.	Meetings of the Board of Directors, preparation for them and participation of Board members therein should ensure efficient work of the Board.			
2.7.1	It is recommended to hold meetings of the Board of Directors as needed, with due account of the Company's scope of activities and its then current goals.	1. The Board of Directors held at least six meetings in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.7.2	In internal documents of the Company a procedure for preparing for and holding of meetings of the Board of Directors is fixed, enabling the Board members to prepare themselves properly for the conduction of such meetings.	1. The Company has an internal document in place regulating the procedure of preparation and holding of Board meetings, which, inter alia, requires that the notice of a meeting must be made, as a rule, at least 5 days before the date of the meeting.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.7.3	The form of a meeting of the Board of Directors	1. According to the Charter or an internal document of the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed	

	should be determined with due account of the importance of the issues on the agenda. Most important issues should be decided at the meetings held in person.	Company, the most important issues (in accordance with the list provided in recommendation 168 of the Code) must be considered and decided at meetings held in person.	<input type="checkbox"/> not observed	
2.7.4	Decisions on most important issues relating to the Company's business should be made at a meeting of the Board of Directors by a qualified majority vote or by a majority vote of all elected Board members.	1. According to the Charter of the Company, the most important issues as described by recommendation 170 of the Code must be decided by a qualified majority vote of at least three quarters of the votes or by a majority vote of all elected Board members.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.8.	The Board of Directors should form committees for preliminary consideration of the most important issues of the Company's business.			
2.8.1	For the purpose of preliminary consideration of any matters of control over the Company's financial and business activities, an audit committee is created comprised of independent directors.	1. The Board of Directors formed an Audit Committee comprised exclusively of independent directors. 2. The objectives of the audit committee, including the objectives listed in recommendation 172 of the Code, are determined in the internal documents of the Company. 3. At least one member of the audit committee, who is an independent director, has experience and knowledge of preparation, analysis, evaluation and audit of accounting (financial) statements. 4. Meetings of the Audit Committee were held at least	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	The requirement specified in Clause 3 of para. 2.8.1 is met by a member of the Board of Directors, V. Pivovarov, since he has experience in analysing accounting (financial) statements.

		once every quarter during the reporting period.		
2.8.2	For the purpose of preliminary consideration of any matters of development of efficient and transparent remuneration practices, it is recommended to form a remuneration committee comprised of independent directors and chaired by an independent director who should not concurrently be the Board chairman.	<p>1. The Board of Directors formed a Remuneration Committee comprised exclusively of independent directors.</p> <p>2. The Remuneration Committee is chaired by an independent director who is not the Board chairman at the same time.</p> <p>3. The objectives of the Remuneration Committee, including the objectives listed in recommendation 180 of the Code, are determined in the internal documents of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.8.3	For the purpose of preliminary consideration of any matters relating to human resources planning (making plans regarding successor directors), professional composition and work efficiency of the Board of Directors, the Nominating Committee is formed (a committee on nominations, human resources) with a majority of its members being independent directors.	<p>1. The Board of Directors formed the Nominations Committee (or its objectives indicated in recommendation 186 of the Code are implemented by a different committee), with a majority of its members being independent directors.</p> <p>2. The objectives of the Nominations Committee (or the relevant committee performing these functions) including the objectives indicated in recommendation 186 of the Code are determined in the</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		internal documents of the Company.		
2.8.4	Taking into account activity scale and risk level the Board of Directors of the Company makes sure that the composition of its committees fully complies with the activity goals of the Company. Additional committees were either formed, or were not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, committee on health, security and environment etc.).	1. In reporting period, the Board of Directors of the Company considered an issue of compliance of composition of its committees with the goals of the Board of Directors and activity goals of the Company. Additional committees were either formed, or were not deemed necessary.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.8.5	The composition of the committees is determined in a way to allow a comprehensive discussion of issues being considered on a preliminary basis with due consideration of differing opinions.	1. The Board committees are chaired by independent directors. 2. In internal documents (policies) of the Company provisions are provided in accordance to which persons who are not members of the Audit Committee, Nominating Committee and Remuneration Committee, can attend meetings of committees only at the invitation of their chairmen.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Para. 1 is partially observed. Para. 2 is fully observed. Regarding para. 1, the Company provides the following explanations: In accordance with the requirements of the Company's Corporate Governance Code, the Committees should be headed by independent directors. The Audit Committee, the Nomination and Compensation Committee, and the Investment Committee are headed by independent directors. The Reliability, Energy Efficiency and Innovations Committee and the Committee on Energy Development of the Far East are narrow-focused committees that consider issues of territorial development and issues related to technical policy, reliable and

				<p>safe operation of the Company's production facilities, energy conservation policy, and innovative and environmental policy. Given the specific features of the issues addressed by these Committees, the Chairman of the Committee shall primarily possess professional skills, experience in the operative sphere of the relevant Committee and other special knowledge. Having regard to the above, the members of the Committees were elected as Chairmen of the respective Committees based on their professional skills and experience in the relevant operative sphere of the Committees.</p> <p>The Strategy Committee is a special-purpose committee on issues of strategic development of the Company, which by the orders of the Government of the Russian Federation, Board of Directors of the Company preliminarily considers strategic and other significant transactions of RusHydro Group, issues of priority directions of development of RusHydro Group and other significant issues of activity.</p> <p>Taking into account specificities of issues considered by the Strategy Committee, the Chairman of the Committee is more interested in professional skills, experience in working with the Government of the Russian Federation and federal executive bodies, experience in the Committee's sphere of activity and other special knowledge.</p> <p>In connection with the abovementioned, I. Zadvornov was elected Chairman of the Strategy Committee (Head of the Secretariat of the Deputy Chairman of the Government of the Russian Federation - Plenipotentiary of the President of the Russian Federation in the Far Eastern Federal District Yu. Trutnev), whose professional skills and work experience allow effective interaction of committee members who are representatives of executive authorities, business and independent directors, to form recommendation to the Board of Directors of the Company when considering strategic issues for the development of the Company.</p> <p>If possible, in 2019 the Company plans to consider the possibility of electing an independent director as the Chairman of the Strategy Committee.</p>
--	--	--	--	---

2.8.6	Committee chairmen inform the Board of Directors and its chairman of the work of their committees on a regular basis.	1. During the reporting period chairmen of the Board committees presented regular reports to the Board of Directors on their activities.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.9.	The Board of Directors makes an exhaustive evaluation of the quality of its work and that of its committees and Board members.			
2.9.1	Evaluation of quality of the Board of Directors' work is aimed at determining how efficiently the Board of Directors, its committees and Board members work and whether their work meets the Company's needs, as well as at making their work more intensive and identifying areas of improvement.	1. Self-evaluation or external evaluation of the work of the Board of Directors in the reporting period included the evaluation of the work of the Board committees, separate members of the Board of Directors and of the Board of Directors as a whole. 2. The results of the self-evaluation or external evaluation of the Board of Directors in the reporting period were reviewed by the Board of Directors at meetings held in person.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
2.9.2	Quality of work of the Board of Directors, its committees and Board members is evaluated on a regular basis, at least once a year. To carry out an independent evaluation of the quality of the Board of Directors' work, an external organization (consultant) is engaged on a regular basis, at least once every three years.	1. An external organization (consultant) was engaged to carry out independent evaluation of the work quality of the Board of Directors at least once in the last three reporting periods.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
3.1.	The Company's corporate secretary carries out efficient interaction with its shareholders, coordination of the Company's actions designed to protect the			

	rights and interests of its shareholders and support of efficient work of its Board of directors.			
3.1.1	The corporate secretary possesses knowledge, experience and qualifications sufficient for performance of his/her duties, as well as an impeccable reputation and enjoys the trust of the shareholders.	<p>1. The Company has adopted and disclosed an internal document – regulation on the corporate secretary.</p> <p>2. The Company disclosed on its website and in its annual report information on the corporate secretary which is as detailed as that required to be disclosed in relation to the Board members and members of the executive bodies of the Company.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
3.1.2	The corporate secretary has sufficient independence from the Company's executive bodies and possesses necessary powers and resources required to perform his/her tasks.	1. The Board of Directors approves the appointment, termination of appointment and additional remuneration of the corporate secretary.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
4.1.	The level of remuneration paid by the Company is sufficient to enable it to attract, motivate and retain persons having required skills and qualifications. Remuneration due to the Board members, the executive bodies and other key managers of the Company is paid in accordance with a remuneration policy approved by the Company.			
4.1.1	The level of remuneration paid by the Company to its Board members, executive bodies, and other key managers creates sufficient motivation for them to work efficiently and enables the Company to attract and retain knowledgeable skilled and duly qualified persons. The Company avoids	1. The Company has adopted an internal document (documents) – a remuneration policy (policies) in relation to its Board members, members of executive bodies and other key managers whereby the approaches to the remuneration of the indicated persons are clearly determined.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p>

	setting the level of remuneration any higher than necessary, nor allowing for an excessively large gap between the level of remuneration of any of the above persons and that of the Company's employees.			
4.1.2	The Company's remuneration policy was developed by its Remuneration Committee and approved by the Board of Directors of the Company. With the help of its Remuneration Committee, the Board of Directors should monitor implementation of, and compliance with the remuneration policy by the Company and, should this be necessary, review and amend the same.	1. During the reporting period the Remuneration Committee reviewed the remuneration policy (policies), and the practice of its (their) implementation and, if necessary, provided the Board of Directors with the relevant recommendations.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>The Company's remuneration policy was developed by the Nomination and Compensation Committee and approved by the Company's Board of Directors in 2016 and is implemented since 2017. The Board of Directors with the support of the Remuneration Committee, should this be necessary, reviews and amends the same. During the reporting period, the Nomination and Compensation Committee submitted relevant recommendations to the Board of Directors.</p>
4.1.3	The Company's remuneration policy should provide for transparent mechanisms to be used to determine the amount of remuneration due to members of the Board of Directors, the executive bodies and other key managers of the Company, as well as to regulate any	1. The remuneration policy (policies) of the Company contains (contain) transparent mechanisms to be used to determine the amount of remuneration due to members of the Board of Directors, executive bodies and other key managers of the Company and regulates (regulate) all types of payments, benefits and	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company provides the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees.</p> <p>The Remuneration and Compensation Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Compensation Policy for members of the Company's executive bodies approved by the Board of Directors and contains transparent mechanisms for</p>

	and all types of payments, benefits and privileges provided to any of the above persons.	privileges provided to any of the indicated persons.		determining the amount of remuneration, as well as regulates all types of payments and benefits.
4.1.4	The Company develops a policy on reimbursement of expenses which would contain a list of reimbursable expenses and specify service levels provided to members of the Board of Directors, the executive bodies, and other key managers of the Company. Such policy can form a part of the Company's policy on compensations.	1. In the remuneration policy (policies) of the Company or in other internal documents of the Company the rules of reimbursement of expenses of the Board members, members of executive bodies and other key managers of the Company are set forth.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Regarding para. 1, the Company provides the following explanations: Since the category of "key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees. The Remuneration and Compensation Policy of all employees of the Company has been determined with due account to the principles of the Remuneration and Compensation Policy for the members of the Company's executive bodies approved by the Board of Directors.
4.2.	The system of remuneration of the Board members should ensure harmony between the financial interests of the directors and the long-term financial interests of the shareholders.			
4.2.1	A fixed annual remuneration is paid out to the Board members by the Company. The Company does not pay remuneration for participation in individual meetings of the Board of Directors or its committees. The Company does not use any form of short-term incentives or additional financial incentives in respect of the Board members.	1. A fixed annual remuneration has been the only form of monetary remuneration of the Board members for their services in the Board of Directors in the reporting period.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

4.2.2	Long-term ownership of shares in the Company contributes most to aligning the financial interests of the Board members with the long-term interests of the Company's shareholders. However, the Company does not stipulate the right to dispose of shares dependent on the achievement, nor the Board members take part in the Company's option plans.	1. If internal document (documents) - policy (policies) on remuneration of the Company stipulate provision of shares of the Company to the Board members clear rules regulating the ownership of shares by the Board members should be set out, aimed at stimulation of long-term ownership of such shares.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1, the Company shall provide the following explanations:</p> <p>Not applicable. The Company does not use remuneration by equities.</p>
4.2.3	The Company does not provide any additional allowance or compensation in the event of early dismissal of the Board members in connection with a change of control over the Company or other circumstances.	1. The Company does not provide any additional allowance or compensation in the event of early dismissal of Board members in connection with a change of control over the Company or other circumstances.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
4.3.	The system of remuneration of the members of executive bodies and other key managers of the Company provides that their remuneration is dependent on the Company's performance results and their personal contributions to the achievement thereof.			
4.3.1	Remuneration of members of the executive bodies and other key managers of the Company is set out in such a way as to procure a reasonable and justified ratio between its fixed portion and its variable portion that is dependent on the Company's	1. In the reporting period, annual key performance indicators approved by the Board of Directors were used to determine the amount of variable remuneration of members of executive bodies and other key managers of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 1-3, the Company shall provide the following explanations:</p> <p>Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees. Annual performance indicators established by the Board of Directors for the members of the Company's executive bodies are used in determining the size of the variable remuneration of all Company's employees.</p>

	<p>performance results and employees' personal (individual) contributions to the achievement thereof.</p>	<p>2. During the last evaluation of the system of remuneration of the members of executive bodies and other key managers of the Company the Board of Directors (Remuneration Committee) made sure that the Company used an effective ratio between the fixed and variable remuneration.</p> <p>3. The Company has a procedure ensuring that any bonus funds wrongfully obtained by the members of executive bodies or managers are repaid to the Company.</p>		<p>Regarding para. 3, the Company shall provide the following explanations: All bonus payments to members of executive bodies are made in accordance with the Remuneration Policy approved by the Company's Board of Directors. The Regulations on Remuneration and Labor Contracts of the executive bodies contain provisions stipulating the possibility to offset the losses incurred by the Company. Moreover, in the context of the existing provisions of the labor legislation, the establishment of formal mechanisms for the return of bonus payments illegally received by the members of the executive bodies is difficult to implement.</p>
4.3.2	<p>The Company put in place a long-term incentive program for the Company's executive bodies and other key managers involving the Company's shares (options or other derivative financial instruments the underlying assets for which are the Company's shares).</p>	<p>1. The Company has put in place a long-term incentive program for the Company's executive bodies and other key managers of the Company involving the Company's shares (financial instruments for which the Company's shares are the underlying assets).</p> <p>2. The long-term incentive program of the members of executive bodies and other key managers provides that the right to dispose of shares or exercise options shall arise no earlier than in three years from the date when such shares were provided. In addition, the right to dispose of the same should</p>	<p><input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed</p>	<p>Regarding para. 1, the Company shall provide the following explanations: Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees. The Company's managers may be included into this Program by a separate decision of the Board of Directors regarding the recommendations of the Nomination and Compensation Committee.</p>

		be made conditional on the achievement of certain targets by the Company.		
4.3.3	The amount of severance pay (so-called "golden parachute") payable by the Company in the event of early dismissal of an executive body or other key managers at the initiative of the Company, provided that there have been no bad faith actions on the part of such person, should not exceed double the fixed portion of his/her annual remuneration.	1. The amount of severance pay (golden parachute) payable by the Company in the event of early dismissal of an executive or other key manager at the initiative of the Company, provided that there have been no bad faith actions in the reporting period on the part of such persons, did not exceed double size of the fixed part of the portion of his/her annual remuneration.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Regarding para. 1, the Company shall provide the following explanations: Since the category of "other key managers" was not defined and not approved by the Board of Directors, the Remuneration and Compensation Policy was not approved by the Board of Directors for this category of employees. "Golden parachutes" in the Company are provided not for all categories of workers.
5.1.	The Company created an efficiently functioning risk management and internal control system designed to provide reasonable confidence that the Company's goals will be achieved.			
5.1.1	The Board of Directors determined the principles of and approaches to the creation of the risk management and internal control system in the Company.	1. The functions of various governance bodies and divisions of the Company in the risk management and internal control system are clearly determined in the internal documents/correspondent policy of the Company approved by the Board of Directors.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.1.2	The Company's executive bodies ensure the establishment and continuing operation of the efficient risk management and internal control system in the Company.	1. The Company's executive bodies ensured the distribution of functions and powers in relation to risk management and internal control among managers (heads) of divisions and departments subordinate to them.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.1.3	The Company's risk	1. The Company has a	<input checked="" type="checkbox"/> observed	

	management and internal control system provides objective, fair and clear view of the current condition and prospects of the Company, integrity and transparency of its accounts and reports, reasonableness and acceptability of risks being assumed by the Company.	corruption prevention policy in place. 2. The Company has developed a procedure of informing the Board of Directors or the Audit Committee of the Board of Directors of violations of the law, internal procedures and the ethics code of the Company.	<input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.1.4	The Board of Directors is recommended to take required and sufficient measures to guarantee that the existing risk management and internal control system of the Company is consistent with the principles of and approaches to its creation as set forth by the Board of Directors and that it operates efficiently.	1. During the reporting period, the Board of Directors or the Audit Committee of the Board reviewed the efficiency of the risk management and internal control system of the Company. The results of such review were included as a part of the annual report of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
5.2.	For systematic and independent evaluation of reliability and efficiency of the risk management and internal control system and corporate governance practices, the Company arranges internal audits.			
5.2.1	For conduction of internal audits in the Company a separate structural division was created or independent third-party entity was engaged. Functional and administrative reporting of the internal audit department are separate.	1. A separate structural division of internal audit was created in the Company that reports directly to the Board of Directors or the Audit Committee or an external independent organization with the same reporting status was engaged.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	Functionally, the internal audit department is subordinate to the Board of Directors.			
5.2.2	Structural division of internal audit carries out evaluation of the efficiency of the internal control system, evaluation of the risk management system, as well as corporate governance system. The Company applies generally accepted standards of internal auditing.	<p>1. In the reporting period, within the framework of internal audit procedures, the efficiency of the internal control system and the risk management system was evaluated.</p> <p>2. The Company uses generally accepted approaches to internal control and risk management.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.1.	The Company and its activities should be transparent to its shareholders, investors, and other stakeholders.			
6.1.1	The Company developed and implemented an information policy enabling the Company to efficiently exchange information with its shareholders, investors, and other stakeholders.	<p>1. The Board of Directors of the Company approved the information policy developed in compliance with the recommendations of the Code.</p> <p>2. The Board of Directors (or one of its committees) reviewed the Company's compliance with the information policy at least once in the reporting period.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.1.2	The Company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	<p>1. The Company discloses information on its corporate governance system and the general corporate governance principles applied in the Company, including on its official website.</p> <p>2. The Company discloses</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	<p>Regarding para. 3, the Company shall provide the following explanations:</p> <p>According to the information provided by the Federal Agency for State Property Management (Rosimushchestvo), the Company's controlling entity, the Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo), did not prepare a separate memorandum on the plans for the Company.</p> <p>Information about this, along with the information about the</p>

		<p>information regarding the composition of its executive bodies and the Board of Directors, independence of the Board members and their membership in the Board committees (in compliance with the Code).</p> <p>3. If there is a person who controls the Company, the Company publishes the memorandum of the controlling entity with regard to his/her plans concerning corporate governance in the Company.</p>		<p>inclusion of the Company into certain program documents of the Russian Federation, is disclosed on the Company's website at http://www.rushydro.ru/investors/stockmarket/capital/svedeniya-o-nalichii-memoranduma-o-planakh-kontroliruyushchego-obshchestvo-litsa-v-otnoshenie-obshch/</p>
6.2.	The Company discloses, on a timely basis, full, updated and reliable information about itself so as to enable its shareholders and investors to make informed decisions.			
6.2.1	<p>The Company discloses information in accordance with the principles of regularity, consistency and timeliness, as well as accessibility, reliability, completeness and comparability of the disclosed data.</p>	<p>1. The information policy of the Company determines the approaches and criteria of identifying information which may substantially affect the standing of the Company and the value of its securities and procedures which ensure that such information is disclosed in a timely manner.</p> <p>2. If the Company's securities are traded on international organized markets, material information is disclosed both in the Russian Federation and on such markets in the same amount and at the same time within the reporting period.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		3. If foreign shareholders own a substantial number of shares in the Company, the Company discloses information not only in Russian, but in one of the most commonly-used foreign languages as well.		
6.2.2	The Company is advised against using a formalistic approach to information disclosure and discloses material information on its activities, even if disclosure of such information is not required by law.	<p>1. During the course of the reporting period, the Company disclosed annual and semiannual financial statements prepared in compliance with IFRS. The annual report of the Company for the reporting period contains annual financial IFRS statements and the relevant audit report.</p> <p>2. The Company discloses full information about the structure of the capital of the Company in compliance with Recommendation 290 of the Code in the annual report and on the website of the Company in the Internet.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.2.3	The Company's annual report, as one of the most important tools of its information exchange with its shareholders and other stakeholders, contains information enabling one to evaluate the Company's performance results for the year.	<p>1. The annual report of the Company contains information about the key aspects of the Company's operational activities and financial results.</p> <p>2. The annual report of the Company contains information about the environmental and social aspects of the Company's</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

		activities.		
6.3.	The Company should provide information and documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility.			
6.3.1	Provision of information and documents by the Company upon the request of the shareholders is carried out in accordance with the principles of equal availability and easiness.	1. Informational policy of the Company defines unburdensome procedure of information provision to shareholders, including information about the entities controlled by the Company, upon their request.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
6.3.2	When providing information to its shareholders, the Company should maintain a reasonable balance between the interests of individual shareholders and its own interests related to the fact that the Company is interested in keeping confidential sensitive business information that might have a material impact on its competitiveness.	1. During the reporting period, the Company did not deny shareholders' requests to provide information or such refusals were justified. 2. In cases specified in the information policy of the Company, the shareholders are warned of the confidential nature of the information and undertake to protect its confidentiality.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
7.1.	Any actions, which will or may materially affect the Company's share capital structure and its financial position and, accordingly, the position of its shareholders (material corporate actions) should be taken on fair terms and conditions ensuring that the rights and interests of the shareholders, as well as other stakeholders, are observed.			
7.1.1	Material corporate actions are deemed to include reorganization of the Company, acquisition of 30 or more percent of its voting shares (takeover), entering by the Company into any material	1. The Company's Charter defines a list of transactions or other actions falling within the category of material corporate actions and criteria for their definition. Making decisions on any such material corporate actions falls within the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	<p>transactions, increase or decrease of its authorized capital, listing and de-listing of its shares, as well as other actions which might result in material changes in the rights of its shareholders or violation of their interests. The Charter of the Company defines the list (criteria) of transactions or other actions falling within the category of material corporate actions, and such actions fall within the competence of the Company's Board of Directors.</p>	<p>competence of the Company's Board of Directors. In cases when the indicated actions are within the purview of the general meeting of shareholders in compliance with the requirements of the law, the Board of Directors issues recommendations to the shareholders.</p> <p>2. The Charter of the Company determines the following actions as material corporate actions: reorganization of the Company, acquisition of 30 or more percent of voting shares (takeover), major transactions made by the Company, increase or decrease of the authorized capital of the Company, as well as listing or de-listing of the Company's shares.</p>		
7.1.2	<p>The Board of Directors plays a key role in passing resolutions or making recommendations relating to material corporate actions, the Board of Directors relies on the position of the Company's independent directors.</p>	<p>1. The Company has a procedure in place whereby independent directors state their position on material corporate actions prior to their approval.</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	
7.1.3	<p>When material corporate actions affecting the rights or legitimate interests of the Company's shareholders are</p>	<p>1. The Company's Charter, taking into account peculiarities of its activities, establishes lower criteria than those specified under the law for the</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	

	performed, equal terms and conditions are ensured for all of the shareholders and if statutory mechanisms designed to protect the shareholder rights prove to be insufficient for that purpose, additional measures are taken with a view to protect the rights and legitimate interests of the Company's shareholders. In such instances, the Company is guided not only by compliance with the formal requirements of law but also by the principles of corporate governance set out in this Code.	categorization of the Company's transactions as material corporate actions. 2. During the reporting period, all material corporate actions were subject to approval prior to their execution.		
7.2.	The Company provides such a procedure for performing any material corporate actions that enables its shareholders to receive full information about such actions in due course and thus be in a position to influence them, and guarantees that the shareholders' rights are observed and duly protected in the event of performing such actions.			
7.2.1	Information about execution of material corporate actions is disclosed with explanations concerning reasons for, conditions and consequences of such actions.	1. Within the reporting period, the Company disclosed information about its material corporate actions in a timely manner and in detail, including foundations and terms of such actions.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Regarding para. 1, the Company shall provide the following explanations: During the reporting period, there were no extraordinary significant corporate actions that required, in the opinion of the Company, additional disclosure.
7.2.2	Rules and procedures in relation to material corporate actions performed by the Company are set out in its	1. The Company's internal documents specify a procedure for the engagement of services of an independent appraiser to determine the value of the	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially -observed <input type="checkbox"/> not observed	Paras. 1 and 2 are fully observed. Para. 3 is partially observed. Regarding para. 3, the Company shall provide the following explanations: Since January 1, 2017, amendments to the legislation regarding

	<p>internal documents.</p>	<p>property being transferred or acquired under a major transaction or an interested-party transaction.</p> <p>2. The Company's internal documents specify a procedure for the engagement of the independent appraiser to determine the purchase or buyback value of the shares of the Company.</p> <p>3. Internal documents of the Company provide an extended list of grounds on which members of the Board of Directors and other parties stipulated by the legislation are considered interested in the transactions of the Company.</p>		<p>interested-party transactions have come into force, that completely revise the approaches to the approval of interested-party transactions. The indicated changes tend to liberalize the regulation of interested-party transactions.</p> <p>Accordingly, it is impossible to include in the Company's Charter an extended list of grounds (different from that prescribed in the Law On Joint-Stock Companies), on which members of the Board of Directors and other individuals provided for by the law, are deemed to be interested in the Company's transactions.</p> <p>To implement this recommendation, at the General Meeting in 2020, shareholders will be proposed not to expand the list of grounds for being deemed an interested party, but rather to add a separate ground to the Charter for approving transactions in which the party or beneficiary is a legal entity where members of the Company's Board of Directors or Management Board hold positions vested with management authority (except for positions in governing bodies).</p>
--	----------------------------	--	--	---

APPENDIX No.2 INFORMATION (REPORT) ON INTERESTED-PARTY TRANSACTIONS CONCLUDED BY PJSC RusHydro IN 2019

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
1.	<ul style="list-style-type: none"> The Addendum dated January 10, 2019 to the Agreement of the Non-State Pension Provision Agreement in favor of employees of PJSC RusHydro's branch - Zagorskaya PSP (parity plan) No. 242 dated January 10, 2006; The Addendum dated January 10, 2019 of the Non-State Pension Provision Agreement in favor of employees of PJSC RusHydro's branch - Zagorskaya PSP (corporate plan) No. 241 dated March 20, 2006. 	<p>In accordance with Clause 1.1 of Article 81 of Federal Law "On Joint-Stock Companies", the members of the Board of Directors and the Management Board of the Company were notified of these transactions.</p> <p>The requirement to obtain consent (approval) for the transaction has not been received.</p>	<p><u>Parties to Addenda:</u> JSC NPF Otkrytie; PJSC RusHydro (The Company).</p> <p><u>Beneficiaries:</u> employees of the Company, in whose favor pension savings are formed, and former employees of the Company - participants of pension programs who receive a non-state pension or are entitled to receive a non-state pension upon reaching the pension qualification under the Non-State Pension Provision Agreements in accordance with the local regulatory documents (acts) of the Company.</p> <p><u>Subject of Addenda:</u> from October 1, 2018, reduction in the cost of services of JSC NPF Otkrytie under Agreements from 2% to 1% of the transferred pension contributions. Exclusion of fixed parity ratios from parity-based Non-State Pension Provision Agreements.</p> <p><u>Price of Addenda:</u> 1% of the total pension contributions to be transferred from October 1, 2018 under Agreements, not exceeding the amounts approved by the Board of Directors of the Company as part of the Company's Business Plan. <i>The total amount of pension contributions transferred by the Company under Agreements for 2019 amounts to RUB 7,047,873 (seven million forty seventeen thousand eight hundred seventy three) 58 kopecks.</i></p> <p><u>Duration of Agreements:</u> until the Fund fully fulfils its obligations to pay pensions to all participants.</p>	<p>Member of the Management Board, First Deputy General Director of the Company A. Kazachenkov, simultaneously occupying a position in the management body of the legal entity, being the Interested Party in the transaction (member of the Board of Directors of JSC NPF Otkrytie).</p>

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
2.	<ul style="list-style-type: none"> • Addenda dated January 29, 2019, dated June 6, 2019 to the Agreement for transportation services and leasing of vehicle dated October 3, 2016 No. 032/2016/TK/Du; • Addenda dated February 15, 2019, dated September 26, 2019, dated September 26, 2019 to the Agreement for transportation services and leasing of vehicle dated October 3, 2016 No. 033/2016/TK/Du; • Addenda dated January 24, 2019, dated May 21, 2019, dated November 1, 2019 to the Agreement for transportation services and leasing of vehicle dated November 7, 2016 No. 044/2016/TK/Du; • Addenda dated January 24, 2019, dated June 3, 2019 to the Agreement for transportation services and leasing of vehicle dated November 8, 2016 No. 045/2016/TK/Du; • Addenda dated January 28, 	<p>In accordance with Clause 1.1 of Article 81 of Federal Law "On Joint-Stock Companies", the members of the Board of Directors and the Management Board of the Company were notified of these transactions.</p> <p>The requirement to obtain consent (approval) for the transaction has not been received.</p>	<p><u>Parties to Addenda:</u> JSC TK RusHydro (Party 1); PJSC RusHydro (Party 2).</p> <p><u>Subject of Addenda:</u></p> <ul style="list-style-type: none"> • change in the list of vehicles and transport facilities for leasing and provision of integrated transport services; • change in the price of transactions, including price components, within the ceiling aggregate price of Agreements; • change in schedules and/or shift timetables for provision of vehicles and machinery within the terms of the validity of Agreements and terms of services, change of the planned mileage and operating time; • change of obligation execution schedules within the terms of validity of Agreements and terms of services. <p><u>The Ceiling Aggregate Price of Addenda:</u> RUB 5,088,759,252.51 including VAT.</p> <p><u>Term of services rendering and leasing under Agreements:</u> up to August 31, 2019.</p> <p>Agreements ceased to be effective. Obligations of the parties under Agreements are completely fulfilled.</p>	<p>Member of the Management Board, First Deputy General Director of PJSC RusHydro S. Kirov whose brother occupies a position in the governing body of the related party to the transaction (A. Kirov, General Director of JSC TK RusHydro).</p>

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
	<p>2019, dated September 26, 2019 to the Agreement for transportation services and leasing of vehicle dated November 8, 2016 No. 046/2016/TK/Du;</p> <ul style="list-style-type: none"> Addenda dated January 29, 2019, dated March 28, 2019, dated November 1, 2019 to the Agreement for transportation services and leasing of vehicle dated November 8, 2016 No. 047/2016/TK/Du; 			
3.	<p>Agreements of Pledges dated April 12, 2019 as security of performance of obligations of JSC DGK on Loan Agreements dated January 29, 2019 No. DHB/RK/006/19, No. DHB/RK/007/19, No. DHB/RK/008/19 and No. DHB/RK/005/19.</p>	<p>In accordance with Clause 1.1 of Article 81 of Federal Law "On Joint-Stock Companies", the members of the Board of Directors and the Management Board of the Company were notified of these transactions.</p> <p>The requirement to obtain consent (approval) for the transaction has not been received.</p>	<p><u>Parties to Agreements:</u> PJSC ROSBANK (Bank, Creditor); PJSC RusHydro (Surety). <u>Beneficiaries under Agreements:</u> JSC DGK being the Borrower under the Loan Agreement (hereinafter the Borrower, Debtor). <u>Subject of Agreements:</u> As security of performance of obligations of the Debtor to the Bank under Loan Agreements the Surety shall be liable jointly and severally with the Debtor to the Bank to the full extent for fulfillment by the Debtor of its obligations arising from or in connection with the fulfillment of the terms of Loan Agreements, including obligations to pay the principal amount, interest, any other payments stipulated by Loan Agreements. <u>Price of Agreements:</u> determined as aggregate amount of obligations of the Borrower, which may arise out of Loan Agreements and</p>	<p>Member of the Management Board, Deputy General Director of the Company V. Khmarin, simultaneously being the Member of the Board of Directors of JSC DGK - beneficiary under suretyship agreements.</p>

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
			<p>consisting without limitation of the following:</p> <p>1. obligations of the Borrower under the Loan Agreement dated January 29, 2019 No. DHB/RK/005/19:</p> <ul style="list-style-type: none"> • repay the debt sum of the Borrower within the aggregate loan limit on revolving credit line: RUB 700,000,000 (seven hundred million); • pay interest, accrued by the rate of 8.98% (eight point ninety eight hundredths of percent) per annum, with the right of the Bank to change the interest rate depending on the change of conditions of the monetary and financial market; • pay the interest in the amount of a key rate of the Bank of Russia, twofold the sum of the outstanding payment. <p>Date of final repayment of the credit line: January 9, 2020.</p> <p>2. obligations of the Borrower under the Loan Agreement dated January 29, 2019 No. DHB/RK/006/19:</p> <ul style="list-style-type: none"> • repay the debt sum of the Borrower within the aggregate loan limit on revolving credit line: RUB 1,000,000,000 (one billion); • pay interest, accrued by the rate of 9.15% (nine point fifteen hundredths of percent) per annum, with the right of the Bank to change the interest rate depending on the change of conditions of the monetary and financial market; • pay the interest in the amount of a key rate of the Bank of Russia, twofold the sum of the outstanding payment. <p>Date of final repayment of the credit line: November 16, 2020.</p> <p>3. obligations of the Borrower under the Loan Agreement dated January 29, 2019 No. DHB/RK/007/19:</p>	

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
			<ul style="list-style-type: none"> • repay the debt sum of the Borrower within the aggregate loan limit on revolving credit line: RUB 1,000,000,000 (one billion); • pay interest, accrued by the rate of 9.15% (nine point fifteen hundredths of percent) per annum, with the right of the Bank to change the interest rate depending on the change of conditions of the monetary and financial market; • pay the interest in the amount of a key rate of the Bank of Russia, twofold the sum of the outstanding payment. <p>Date of final repayment of the credit line: November 16, 2020.</p> <p>4. obligations of the Borrower under the Loan Agreement of January 29, 2019 No. DHB/RK/008/19:</p> <ul style="list-style-type: none"> • repay the debt sum of the Borrower within the aggregate loan limit on revolving credit line: RUB 533,441,000 (five hundred thirty three million four hundred forty one thousand); • pay interest, accrued by the rate of 9.15% (nine point fifteen hundredths of percent) per annum, with the right of the Bank to change the interest rate depending on the change of conditions of the monetary and financial market; • pay the interest in the amount of a key rate of the Bank of Russia, twofold the sum of the outstanding payment. <p>Date of final repayment of the credit line: November 16, 2020.</p> <p><u>Duration of Agreements:</u> Agreements become effective from the date of their signing by the Parties. Agreements are valid:</p>	

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
			<ul style="list-style-type: none"> in relation to Loan Agreements dated January 29, 2019 No. DHB/RK/006/19, No. DHB/RK/007/19 and No. DHB/RK/008/19 up to November 16, 2022; in relation to the Loan Agreement dated January 29, 2019 No. DHB/RK/005/19 up to January 9, 2022. <p>Premature termination of Agreements is allowed in cases stipulated by the relevant agreement.</p> <p><u>Other conditions of Agreements:</u> the Surety, having fulfilled the obligation of the Borrower under the Loan Agreement, receives all the rights of the Creditor under this obligation to the extent that the Surety satisfied the requirement of the Creditor.</p>	
4.	Agreement for transportation services and leasing of vehicle dated October 4, 2016 and Addendum hereto dated December 16, 2019.	<p>In accordance with Clause 1.1 of Article 81 of Federal Law "On Joint-Stock Companies", the members of the Board of Directors and the Management Board of the Company were notified of these transactions.</p> <p>On the demand of the Member of the Board of Directors consent was obtained to transaction carrying out by the Board of Directors of the Company (minutes dated September 25,</p>	<p><u>Parties to Agreements and Addenda</u> Party 1 - PJSC RusHydro; Party 2 - JSC TK RusHydro; <u>Subject of Agreement:</u> provision by the Party 2 to Party 1 of integrated transport services, as well as leasing with a crew and leasing without a crew of vehicles and transport facilities. <u>Subject of the Addendum:</u></p> <ul style="list-style-type: none"> change in the list of vehicles and transport facilities for leasing and provision of integrated transport services of the Headquarters and 18 branches of PJSC RusHydro; change in the price of the Agreement, including price components, within the ceiling aggregate price; change in schedules and/or shift timetables for provision of vehicles and machinery within the terms of the validity of services rendering and leasing under the Agreement; change of obligation execution schedules within the terms of validity of agreements and terms of <u>services</u> 	Member of the Management Board, First Deputy General Director of PJSC RusHydro S. Kirov whose brother occupies a position in the governing body to the transaction (A. Kirov, General Director of JSC TK RusHydro).

Ser. No.	List of Transactions (Groups of Related Transactions)	No. and Date of Minutes of Management Body Approving the Transaction	Material Terms of a Transaction	Interested Party(ies) as of the Moment of Transaction Conclusion
		2019 No. 296).	<u>rendering.</u> <u>Ceiling Aggregate Price of the Agreement including the Addendum:</u> RUB 4,880,824,790 (four billion eight hundred eighty million eight hundred twenty four thousand seven hundred ninety) 04 kopecks excluding VAT. <u>Term of services rendering and leasing under the Agreement:</u> from September 1, 2019 up to August 31, 2022.	

APPENDIX No.3 INFORMATION ON PARTICIPATION IN OTHER ORGANIZATIONS

3.1. INFORMATION CONCERNING ALL FORMS OF THE COMPANY'S SHAREHOLDING IN COMMERCIAL ENTITIES, INCLUDING ITS OBJECTIVES, FORM AND FINANCIAL INVOLVEMENT, BASIC DATA ON THE ENTITIES (MAIN STATUTORY ACTIVITIES, EARNINGS, PROFIT) AND EFFICIENCY INDICATORS, IN PARTICULAR, THE AMOUNT OF DIVIDENDS RECEIVED FOR THE OWNED SHARES IN THE REPORTED PERIOD

Company Name	Objectives of the Involvement	Form of the Involvement	Financial Indicators of the Involvement		Earnings in 2019, thou. RUB	Net Profit in 2019, thou. RUB	Dividends/Profit Received by PJSC RusHydro in 2018 for Owned Shares (reporting period - 2018), thou. RUB	Main Activities
			Book Value of the Contribution, RUB	PJSC RusHydro's stake in the Authorized Capital, %				
Common service center of JSC RusHydro ²	Supporting the Company's core business	Shareholding in the Company's authorized capital	2,291,979,300.00	100	27,115	(17,567)	-	Rendering of accounting, financial audit, tax consulting services
JSC Vedeneyev VNIIG	Supporting the Company's core business	Shareholding in the Company's authorized capital	8,160,200.00	100	1,280 512	64,717	68,672 000.00	Research and development activities in the field of electric power industry
JSC Zaramagskiye	Ensuring the	Shareholding	17,933,142,000.00	99.75	217,227	(24,376)	-	Construction of

² Name before July 23, 2019 - JSC HydroEngineering Siberia.

HPPs	development of the Company's core business	in the Company's authorized capital						Zaramagskiye HPPs, power generation
JSC Hydroinvest	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	9,553,493,704.00	66.81	1,035,692	592,324	-	Securities transactions
JSC Leningradskaya PSHP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	6,663,565 938.00	100	-	(292,851)	-	Redesign of the pilot Northern MPP, construction of the Leningradskaya PSPP, power generation
JSC NIIES	Supporting the Company's core business	Shareholding in the Company's authorized capital	649 ,970,985.00	100	221,722	(63,552)	-	Research and development activities in the field of electric power industry
JSC MC HydroOGK	Supporting the Company's core business	Shareholding in the Company's authorized	150,000.00	100	731,964	23,523	4,782,000.00	Managing organization

		capital						
JSC ESCO UES	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	15,000,000.00	100	-	(68,029)	-	Construction works
CJSC Boguchanskiy Aluminum Smelter Construction Organizer	Development of new type of business	Shareholding in the Company's authorized capital	4,900.00	49	527,454	96	-	Construction of the Boguchanskiy aluminum smelter
JSC Boguchanskiy Aluminum Smelter Construction Customer	Development of new type of business	Shareholding in the Company's authorized capital	5,100.00	51	114,465	162	-	Construction of the Boguchanskiy aluminum smelter
JSC Nizhne-Bureyskaya HPP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	38,392,689,509.00	100	509,803	(997,860)	-	Construction of the Nizhne-Bureyskaya HPP
JSC Zagorskaya PSHPP-2	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	62,681,508 646.00	100	70,338	(485,666)	-	Construction of the Zagorskaya PSHPP-2
JSC TK RusHydro	Supporting the	Shareholding	531,671,380.00	100	2,568 096	(8,256)	-	Provision of

	Company's core business	in the Company's authorized capital						transportation services
JSC Engineering Center for Renewable Energy	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	694,072,210.00	100	-	-	-	Construction of an experimental binary power unit
JSC RusHydro CAC	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	3,255,023,323.00	100	1,054	(4,818)	-	Independent assessment of qualifications in the form of a professional exam for applicants in the field of electric power industry
JSC Sulaksky HydroCascade	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	10,347,673 015.00	100	88,462	61,827	86,738,799.93	Construction of the Sulaksky hydropower cascade
JSC SSHPP SC	Supporting the Company's core business	Shareholding in the Company's authorized capital	482,153,947.00	100	99,764	(15,320)	-	Training and Production Information and Innovation Center

JSC Hydroremont – VCC	Supporting the Company's core business	Shareholding in the Company's authorized capital	535,040.00	100	8,648,675	37,863	52,918,000.00	Repair of electric power facilities
JSC Karachay-Cherkessia Hydrogeneration Company	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	6,582,581.00	100	-	(2,217)	-	Construction
HydroOGK Aluminium Company Limited	Financial investments	Shareholding in the Company's authorized capital	34,200.00 Euro	100	-	(5,100)	-	Holding company
JSC Lenhydroproject	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	174,451.00	100	986,004	24,542	49,364,000.00	Research and development activities in the field of electric power industry
PJSC Kolymaenergo	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	12,063,052,613.00	98.76	3,631,621	(3,928)	-	Power generation
JSC ChirkeiHPPstroy	Supporting the Company's core business	Shareholding in the Company's	249,690,071.50	74.99	4,435,923	37,346	-	Construction works

		authorized capital						
JSC Dyakov Ust-Srednekanskaya HPP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	18,809,586,927.00	67.82	1,360,363	3,702	-	Construction of the Ust-Srednekanskaya HPP
JSC ESC RusHydro	Supporting the Company's core business	Shareholding in the Company's authorized capital	11,981,227,367.00	99.99	5,972,090	970,935	-	Wholesale trade in electric and thermal energy
JSC Malaya Dmitrovka	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	4,819,782,000.00	100	600,248	62,435	73,112,949.96	Property management
JSC Small HHPs of Altai	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	500,000.00	100	-	(5,188)	-	Construction of small HPPs in Altai
RusHydro International B.V.	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	5,800,000.00 Euro	100	-	(8,267) Euro	-	Investment Activities

PJSC Yakutskenergo	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	2,769,811,893.00	29.8	36,466,247	(3,424,667)	-	Power production, transmission and distribution
PJSC Boguchanskaya HPP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	163,578,869.00	2.9	18,467,123	6,595,548	-	Power generation
JSC RHS	Supporting the Company's core business	Shareholding in the Company's authorized capital	3,809,000.00	100	478,907	30,387	61,674,000.00	Provision of consulting services in procurement
JSC RAO ES East	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	19,171,124,235.50	84.39	2,716,706	(2,757,319)	-	Management of holding companies
JSC CEK	Strategic, financial investments	Shareholding in the Company's authorized capital	3,507,568,000.00	26.94	641,764	(5,395)	-	Power generation
JSC Verkhne-Naryn HPPs	Ensuring the development of the Company's	Shareholding in the Company's	2,500,000 som	50	-	(1,517,188) som		Construction of the Verkhne-Naryn cascade of HPPs

	core business	authorized capital						
JSC IEGC	Strategic, financial investments	Shareholding in the Company's authorized capital	8,861,928,328.00	42.75	No data	No data		Power transmission
JSC Blagoveshchenskaya CHPP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	6,301,500,000.00	100	367,351	(42,444)	176,924,323.74	CHPP construction
JSC Sakhalinskaya SDPP-2	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	15,011,980 000.00	100	150,707	46,173	-	SDPP construction
JSC Yakutskaya SDPP-2	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	16,861,500,000.00	100	2,186,953	93,814	-	SDPP construction
JSC CHPP at Sovetskaya Gavan	Ensuring the development of the Company's core business	Shareholding in the Company's authorized	13,843,500,000.00	100	-	589,723	-	CHPP construction

		capital						
JSC BoAZ Holding Company	Strategic, financial investments	Shareholding in the Company's authorized capital	500,000.00	100	-	(797)	-	Investment Activities
JSC BoHPP Holding Company	Strategic, financial investments	Shareholding in the Company's authorized capital	10,114,189,287.00	100	-	(476)	-	Investment Activities
LLC RusHydro IT Service	Supporting the Company's core business	Shareholding in the Company's authorized capital	500,000.00	100	1,298,851	269,554	34,935 000.00	Provision of consulting services in the field of IT
LLC Verkhnebalkarskaya SHPP	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	581,256,768.00	100	3,337	1,760	-	Construction of the Verkhnebalkarskaya SHPP
LLC SHPPs of Stavropol Krai and Karachay-Cherkessia	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	47,694,908.51	100	17,499	9,970	-	Construction of small HPPs in Karachay-Cherkessia
PJSC	Ensuring the	Shareholding	681,451,532.8	13.93	20,514,508	804,139		Power production,

Kamchatskenergo	development of the Company's core business	in the Company's authorized capital							transmission and distribution
JSC Technopark Rummyantsevo	Supporting the Company's core business	Shareholding in the Company's authorized capital	10.00	0.000005	-	(2,474)	8.23		Construction and installation works
PJSC FEGrC	Strategic, financial investments	Shareholding in the Company's authorized capital	178,714,322.00	1.04	97,746,207	(6,935,073)	-		Purchase and sale of electricity (power)
JSC Chukotskenergo	Ensuring the development of the Company's core business	Shareholding in the Company's authorized capital	7,541,815,092	97.9 ³	7,581,808	257,825			Power production, transmission and distribution
Bank of Cyprus Public Company Ltd ⁴	shares were acquired during liquidation of RusSUNHydro	Shareholding in the Company's authorized	-	0.000186					Banking business

³ Taking into account placed new shares No. 1-01-31555-F-002D dated September 13, 2018, report on the results of new shares issue that are not yet registered by the Bank of Russia.

⁴ Information on revenue and net profit is not provided, since Bank of Cyprus Public Company Ltd is not an associate and/or a joint company of the RusHydro Group and is also not a part of it. PJSC RusHydro does not have the accounting statements of the said company.

	Limited	capital						
--	---------	---------	--	--	--	--	--	--

3.2. INFORMATION CONCERNING ALL FORMS OF THE COMPANY'S PARTICIPATION IN NON-COMMERCIAL ENTITIES, INCLUDING THE ENTITY NAME, DATE OF JOINING, SUBSCRIPTION FEE IN RUB/OTHER CURRENCY, AREA OF THE ENTITY'S ACTIVITIES

RusHydro Group is a member of several Russian industry associations and non-commercial partnerships. RusHydro Group considers its participation in few of them as strategic. (102-13)

No.	Name of the Entity	Area of Activities of Non-Commercial Partnership	Year of Entrance and Data of Decision	Amount of Regular Membership Fee	Note
Non-Residents of the Russian Federation, Fees are Paid in the Currency of the Resident Country					
1	International Hydropower Association	Support and dissemination of hydropower industry knowledge under the auspices of UNESCO International Hydrological Program	2006, extract from the minutes of the Board of Directors of OJSC RAO UES No. 47 dated December 21, 2006	13,200 pounds of the United Kingdom	
2	Global Sustainable Energy Partnership, GSEP	Elaboration of joint policy platforms and implementation of relevant initiatives, both on domestic and international markets	2008, extract from the minutes of the Board of Directors of OJSC RusHydro No. 59 dated July 18, 2008	150,000 Canadian dollars	
Residents of the Russian Federation, Fees are Paid in Rubles					
3	Market Council Association	Arrangement of electric power trade in the wholesale market	2008, extract from the minutes of the Board of Directors of OJSC HydroOGK No. 48 dated March 3, 2008	6,400 000	
4	Association of Land and Real Estate Owners and Investors	The partnership serves a discussion panel used by RusHydro to promote its interests and dialogue with the government authorities concerning improvement of the legal environment in the area of land and property ownership.	2012, extract from the minutes of the Board of Directors of OJSC RusHydro No. 168 dated November 30, 2012	300,000	

No.	Name of the Entity	Area of Activities of Non-Commercial Partnership	Year of Entrance and Data of Decision	Amount of Regular Membership Fee	Note
5	Hydropower of Russia Association	Improvement of the performance of hydropower facilities and the use of hydropower resources in Russia	2003, extract from the minutes of the Board of Directors of OJSC Managing Company Volzhsky Hydropower Cascade No. 18 dated December 15, 2003	7,140,000	
6	Russian Union of Industrialists and Entrepreneurs	Protection of economic and social interests and legal rights that are necessary for the sustainable development of companies and the market economy as a whole	2006, extract from the minutes of the Board of Directors of OJSC HydroOGK No. 4 dated February 18, 2008	500,000	
7	Council of Energy Industry Veterans	Promotion of the Partnership members' activities in comprehensive support of the energy industry veterans	2008, extract from the minutes of the Board of Directors of OJSC HydroOGK No. 50 dated April 4, 2008	15,000,000	
8	National Network of the Global Compact Association	Representation and protection of the common interests of the Association's members aimed at observing and consistently introducing into business practice the principles of responsible business conduct based on cooperation with all interested parties in accordance with the provisions of the Global Compact - the largest UN initiative for sustainable development.	2008, extract from the minutes of the General Meeting of Shareholders No. 17 dated June 28, 2018 (issue 14)	250,000	USD 15,000 - fee to the Foundation of the United Nations Global Compact

No.	Name of the Entity	Area of Activities of Non-Commercial Partnership	Year of Entrance and Data of Decision	Amount of Regular Membership Fee	Note
9	Self-Regulatory Corporation of Builders of the Krasnoyarsk Territory Association	Prevention of damage to life or health of natural persons, property of natural persons or legal entities, state or municipal property, environment, life or health of animals and plants, cultural heritage objects (historical and cultural monuments) of nationalities of the Russian Federation resulting from shortcomings of construction works, influencing the safety of capital construction objects and are executed by Self-Employed Entrepreneurs and (or) legal entities - members of the Association.	2017, extract from the minutes of the Management Board of PJSC RusHydro No. 1055pr/6 dated July 28, 2017	320,000	
10	Scientific and Technical Council of the Unified Energy System	Support to the Partnership's members in the efforts to formulate the Research & Technology and Economic Policy of the Unified Energy System of Russia	2008, extract from the minutes of the Board of Directors of OJSC HydroOGK No. 50 dated April 4, 2008	2,000,000	
11	All-Russian Industry Association of Employers of the Power Sector "Energetic Employers Association of Russia" ("Association EEA of Russia")	Assistance in business development in electric power industry by means of representation and protection of employers' interests in social and labor, economic and other spheres, in relationships with labor organizations, government authorities, local government bodies, working out and conduction of coordinated socially responsible policy of organizations - members of the Association.	2006, extract from the minutes of the Board of Directors of OJSC HydroOGK No. 18 dated April 10, 2006	2,450,000	

Charters, Principles, and Initiatives Supported by the Company (102-13):

Name	Year of Joining	Document Scope
Declaration on Reservoirs for Sustainable Development (ICOLD)	2012	International document
Russian Business Social Charter (RSPP)	2013	Russian Federation
Anti-Corruption Charter of Russian Business (RSPP)	2013	Russian Federation
Concept of Long-term Socio-Economic Development of Russia until 2020	2008	Russian Federation
Methodology for Assessing the Compliance of Hydropower Projects with Sustainable Development Criteria (International Hydropower Association (IHA-MAG))	2011	International document
United Nations Global Compact	2017	International document
Sectoral Tariff Agreement in the Electric Power Industry of the Russian Federation for 2019-2021	2019	Russian Federation
Paris Agreement on Climate	2019	International document

3.3. INFORMATION CONCERNING SHARES/STAKES PURCHASE CONTRACTS MADE BY PJSC RUSHYDRO IN 2019, INDICATING THE PARTIES TO THE CONTRACTS, THEIR SUBJECT, PRICE, AND OTHER TERMS

1. Alienation of Shares under Purchase Contract

Date of the contract: February 8, 2019

Parties:

Seller - PJSC RusHydro

Buyer - VHG Auslandsbeteiligungen GmbH

Subject:

The Seller transfers to the Buyer's ownership the share, amounting to 40.00% in the authorized capital of the Limited Liability Company VolgaHydro and the Buyer accepts the share and pays its price

Price:

Price of the transferred share amounted to RUB 450,000,000 (Four hundred and fifty million) 00 kopecks

2. Acquisition of shares under additional issue (budget funds)

Date of the contract: April 11, 2019.

Parties:

Company - JSC Chukotskenergo

Organization - PJSC RusHydro

Subject:

The Organization provides a contribution in 2019 - 2020 to the authorized capital of the Company at the expense of acquired budget investments for implementation of "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines" (construction stage No. 1) with equivalent increase of the Organization share in the authorized capital of the Company.

Price:

The Organization provides the Company budget investments in total amount of RUB 13,000,000,000 (Thirteen billion) 00 kopecks, including:

- in 2019 - RUB 7,000,000,000 (Seven billion) 00 kopecks;
- in 2020 - RUB 6,000,000,000 (Six billion) 00 kopecks.

3. Acquisition of shares under additional issue

Date of the contract: April 11, 2019.

Parties:

Issuer - JSC Chukotskenergo

Acquirer - PJSC RusHydro

Subject:

The Issuer shall transfer to the Acquirer's ownership the following shares, placed by private subscription issued in accordance with the Decision on additional issue of securities, registered by the Bank of Russia on September 13, 2018:

Name of Issuer	Joint Stock Company Chukotskenergo (JSC Chukotskenergo)
Quantity of shares	5,000,000,000 (Five billion) pcs.
Category (type) of shares	Registered ordinary uncertificated share
Nominal value of 1 share	RUB 1 (One)
Share offering price of 1 share	RUB 1 (One)
Issue state registration number	1-01-31555-F-002D dated September 13, 2018
Total price of shares acquired	RUB 5,000,000,000 (Five billion)

4. Acquisition of shares under additional issue (budget funds)

Date of the contract: November 29, 2019.

Parties:

Company- JSC CHPP at Sovetskaya Gavan

Organization - PJSC RusHydro

Subject and price:

The Organization provides in 2019 a contribution to the authorized capital of the Company at the expense of allocated balance of target funds in the amount of RUB 899,304,159 (Eight hundred ninety nine million three hundred four thousand one hundred fifty nine) 70 kopecks for implementation of the project "CHPP construction at Sovetskaya Gavan, Khabarovsk Territory. Correction 2017" and transferred the Company own funds in the amount of 30 kopecks with equivalent increase of the Organization share in the authorized capital of the Company.

5. Acquisition of shares under additional issue

Date of the contract: December 11, 2019

Parties:

Issuer - JSC CHPP at Sovetskaya Gavan

Acquirer - PJSC RusHydro

Subject:

The Issuer shall transfer to the Acquirer's ownership the following shares, placed by private subscription issued in accordance with the Decision on additional issue of securities, registered by the Bank of Russia on November 28, 2019:

Name of Issuer	Joint Stock Company CHPP construction at Sovetskaya Gavan (JSC CHPP construction at Sovetskaya Gavan)
Quantity of shares	17,556,695,840 (Seventeen billion five hundred fifty six million six hundred ninety five thousand eight hundred forty) pcs.
Category (type) of shares	Registered ordinary uncertificated share
Nominal value of 1 share	RUB 1 (One)
Share offering price of 1 share	RUB 1 (One)
Issue state registration number	1-01-58919-N-002D dated November 28, 2019
Total price of shares acquired	RUB 17,556,695,840 (Seventeen billion five hundred fifty six million six hundred ninety five thousand eight hundred forty)

6. Acquisition of shares under additional issue

Date of the contract: December 10, 2019

Parties:

Issuer - JSC Yakutskaya SDPP-2

Acquirer - PJSC RusHydro

Subject:

The Issuer shall transfer to the Acquirer's ownership the following shares, placed by private subscription issued in accordance with the Decision on additional issue of securities, registered by the Bank of Russia on December 5, 2019:

Name of Issuer	Joint Stock Company Sakhalinskaya SDPP-2 (JSC Sakhalinskaya SDPP-2)
Quantity of shares	9,216,605,312 (Nine billion two hundred sixteen million six hundred five thousand three hundred twelve) pcs.
Category (type) of shares	Registered ordinary uncertificated share
Nominal value of 1 share	RUB 1 (One)
Share offering price of 1 share	RUB 1 (One)
Issue state registration number	1-01-58922-N-003D dated December 5, 2019
Total price of shares acquired	RUB 9,216,605,312 (Nine billion two hundred sixteen million six hundred five thousand three hundred twelve)

7. Acquisition of shares under additional issue

Date of the contract: December 19, 2019

Parties:

Issuer - JSC Yakutskaya SDPP-2

Acquirer - PJSC RusHydro

Subject:

The Issuer shall transfer to the Acquirer's ownership the following shares, placed by private subscription issued in accordance with the Decision on additional issue of securities, registered by the Bank of Russia on December 16, 2019:

Name of Issuer	Joint Stock Company Yakutskaya SDPP-2 (JSC Yakutskaya SDPP-2)
Quantity of shares	5,912,000,000 (Five billion nine hundred twelve million) pcs.
Category (type) of shares	Registered ordinary uncertificated share
Nominal value of 1 share	RUB 1 (One)
Share offering price of 1 share	RUB 1 (One)
Issue state registration number	1-01-58921-N-002D dated December 16, 2019
Total price of shares acquired	RUB 5,912,000,000 (Five billion nine hundred twelve million)

The Company in 2019 did not conclude contracts for the sale of shares (equity interests) of economic partnerships and companies.

APPENDIX No.4 INFORMATION ON THE DECISIONS ADOPTED BY RUSHYDRO'S BOARD OF DIRECTORS IN 2019

Date and No. of Minutes	Items on the Agenda	Decisions Taken
Minutes of 21.02.2019 № 283	On approval of the Program of Works of RusHydro's Board of Directors for the 1st half of 2019.	To approve the Program of Works of RusHydro's Board of Directors for the first half of 2019 (Schedule 1 to the Minutes).
	On the approval of the report concerning the implementation of actions aimed at selling the non-core assets of the Company for 2018.	To approve the Report on the implementation of the Program of Works for the sale of non-core assets of RusHydro for 2018 (Schedule 2 to the Minutes).
	On approval of transactions for the gratuitous transfer of the Company's property to third parties.	<p>1. To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions: Parties to the Agreement: The Donor is the Company. The Donee is the Russian Federation represented by the Interregional Territorial Administration of the Federal Agency for State Property Management in the Khabarovsk Territory and the Jewish Autonomous Region. Subject Matter of the Agreement: The Donor shall gratuitously transfer and the Donee shall accept in ownership the immovable and movable property of the hydrometeorological network in accordance with Schedule 3 and Schedule 4 to the Minutes (hereinafter referred to as the Property) for the subsequent assignment of the right of operational management to the Federal State Budgetary Institution Far East Hydrometeorology and Environmental Monitoring Department. Price (book value) of the Property (as of December 31, 2018): 20,674,861 (twenty million six hundred seventy-four thousand eight hundred sixty-one) rubles and 28 kopecks.</p> <p>2. To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions: Parties to the Agreement: The Donor is the Company. The Donee is the rural settlement Gimry Village of the Untsukul'sky District of the Republic of Dagestan</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>represented by the Administration of the Municipal Formation Gimry Village of the Untsukul'sky District of the Republic of Dagestan.</p> <p>Subject Matter of the Agreement:</p> <p>The Donor shall gratuitously transfer and the Donee shall accept in ownership the real estate object – the road transport structure "Bridge" with cadastral number 05:35:000022:113, 113 m long, located at: the Republic of Dagestan, Untsukul'sky District, Gimry Village, Irganayskaya HPP in accordance with Schedule 5 to the Minutes (hereinafter, the Property).</p> <p>Price (book value) of the Property (as of December 31, 2018): 98,977,438 (ninety-eight million nine hundred seventy-seven thousand four hundred thirty-eight) rubles and 26 kopecks.</p> <p>3. To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions:</p> <p>Parties to the Agreement:</p> <p>The Donor is the Company.</p> <p>The Donee is the Russian Federation represented by the Territorial Administration of the Federal Agency for State Property Management in the Stavropol Territory.</p> <p>Subject Matter of the Agreement:</p> <p>The Donor shall gratuitously transfers and the Donee shall accept in ownership the immovable property – hydraulic structure "Differential No. 1 With a Dam" with the cadastral number 26:15:000000:3586, 1,860 m long, located at: Stavropol Territory, Kochubeyevsky District, 7,850 m in a south-westerly direction from the central part of the Dvortsovskoye Village according to Schedule 6 to the Minutes (hereinafter, the Property) for subsequent assignment of the right of operational management to the Federal State Budgetary Institution Department of Land Reclamation and Agricultural Water Supply in the Stavropol Territory.</p> <p>Price (book value) of the Property (as of December 31, 2018): 3,469,704 (three million four hundred sixty-nine thousand seven hundred four) rubles and 54 kopecks.</p>
	<p>On approval of a transaction for the gratuitous transfer of the Company's property.</p>	<p>To approve the conclusion of an agreement on making a contribution to the property of Small HPPs of Altai JSC (hereinafter, the Agreement) as a transaction related to the gratuitous transfer of the Company's property on the following material terms:</p> <p>Parties to the Agreement:</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>RusHydro Small HPPs of Altai JSC Subject of the Agreement: Making a contribution (in cash) to the property of Small HPPs of Altai JSC. The contribution amount is 4,071,399 (four million seventy-one thousand three hundred ninety-nine) rubles and 00 kopecks. Other terms of the Agreement: The period for the contribution is until February 25, 2019.</p>
	<p>On approval of the Company's internal documents: On approval of the Regulation on the evaluation of the activities of the Board of Directors and committees of the Board of Directors of RusHydro.</p>	<p>To approve the Regulations on the evaluation of the activities of the Board of Directors and committees of the Board of Directors of RusHydro (Schedule 7 to the Minutes).</p>
	Confidential.	
	Confidential.	
	Confidential.	
	Confidential.	
	Confidential.	
	<p>On the approval of reports concerning the results of activity of the Committees of the Board of Directors of RusHydro.</p>	<ol style="list-style-type: none"> 1. To approve the report concerning the results of the activity of the Audit Committee of the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 12 to the Minutes). 2. To approve the report concerning the results of the activity of the HR and Remunerations (Nominations) Committee of the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 13 to the Minutes). 3. To approve the report concerning the results of the activity of the Strategy Committee of the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 14 to the Minutes). 4. To approve the report concerning the results of the activity of the Investment Committee of the Board

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 15 to the Minutes).</p> <p>5. To approve the report concerning the results of the activity of the Far East Power Industry Development Committee of the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 16 to the Minutes).</p> <p>6. To approve the report concerning the results of the activity of the Reliability, Energy Efficiency and Innovations Committee of the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule 17 to the Minutes).</p>
	<p>On the effectiveness of the forward contract and on the implementation of the Plan to increase the value of the RusHydro Group for the period up to 2021.</p>	<p>1. To take into consideration the information on the effectiveness of the forward contract and on the implementation of the Plan to increase the value of the RusHydro Group for the period up to 2021 in accordance with Schedules 18 and 19 to the Minutes.</p> <p>2. To instruct the Company's Management Board:</p> <p>2.1. To continue work aimed at increasing the market value of the Company, including creating conditions for ensuring the cost recovery of the pumped storage hydropower plant; inclusion of the Company's projects in the Far Eastern Federal District (hereinafter referred to as the FEFD) in the asset modernization program, taking into account the guaranteed return of the investments; establishing long-term tariff regulation in the FEFD which takes into account the real cost increases of energy companies; and the implementation of measures for the capitalization of the intragroup debt level of DGK JSC in order to preserve the financial stability of the latter.</p> <p>2.2. To submit proposals for consideration by the Board of Directors of the Company aimed at increasing the transparency and predictability of dividend payments of the Company, taking into account the need to ensure that the financial condition of RusHydro Group does not deteriorate, as well as the implementation of investment projects in the Far Eastern Federal District.</p>
	<p>On forming RusHydro's management bodies.</p>	<p>1. To terminate the powers of member of the Management Board V. I. Markin on February 24, 2019.</p> <p>2. To define the number of members of the Company's Management Board as 6 persons.</p> <p>3. Confidential.</p>
	<p>Confidential.</p>	<p>-</p>
	<p>Confidential.</p>	<p>-</p>
	<p>Confidential.</p>	<p>-</p>
	<p>Confidential.</p>	<p>-</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
Minutes of 29.03.2019 № 284	On implementation of the Business Plan of the Company for 2018 (including the report on implementation of the Investment Program, including the Program for the Integrated Upgrading of Generating Facilities, for 2018).	To approve the report on the implementation of the Business Plan of the Company for the year 2018 (including the report on the implementation of the Investment Program, including the Complex Modernization Program for Generating Facilities for the year 2018) (Appendix No. 1 to the Minutes).
	On approval of the report on the implementation of the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2018.	To approve the report on the implementation of the consolidated Business Plan (including the consolidated Investment Program and the action plan for the optimization of costs based on the results of an external independent cost audit at RusHydro, including its subsidiaries) of RusHydro Group for 2018 (Appendix No. 2 to the Minutes).
	On approval of the report on the achievement of the Company's (the Management Board members') key performance indicators.	<ol style="list-style-type: none"> 1. To approve the report on achievement of annual key performance indicators of members of the Company's Management Board for 2018 for the following indicators: "Return on Equity (ROE)," "Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)," "Share of Purchases from Small and Medium Enterprises, %, Including based on Results of Purchases Only from Small and Medium Enterprises," "Productivity of Labor," "Prevention of More Than the Limit Number of Breakdowns, Pcs," "Observation of Facility Commissioning Schedules and the Financing and Development Plan, %" as per Appendix No. 3 to the Minutes. 2. To postpone the hearing of the issue of fulfillment of the annual key performance indicator "Reduction of Operating Expenses (Costs), %" for 2018 to another scheduled meeting of the Board of Directors.
	Confidential.	<p>-</p> <p>Furthermore, during the discussion of the agenda items, the Chairman of the Board of Directors Yu. P. Trutnev ordered the Company's Management Board:</p> <ol style="list-style-type: none"> 1.1. To submit the matter of the analysis of factors affecting stock quotations and additional measures designed to ensure the growth of stock prices for consideration of the Board of Directors by August 31, 2019. 1.2. To ensure the consideration of information about the reasons for the growth of the debt burden of RAO

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>ES of East Holding at the appropriate committee of the Board of Directors. To provide the results to the Chairman of the Company's Board of Directors.</p> <p>1.3. To provide the Chairman of the Board of Directors with suggestions for a set of measures designed to lift restrictions on recovery of receivables from non-paying offtakers.</p> <p>1.4. To submit a legal opinion on the legality of the adoption of a resolution by the Company's Board of Directors on deeming the indicator "Decrease of Operational Costs (Expenses), %" for 2018 fulfilled.</p> <p>The minority opinion of member of the Company's Board of Directors V. M. Kravchenko on the agenda items is enclosed.</p>
Minutes of 29.03.2019 № 285	On consideration of the Draft Consolidated Investment Program of RusHydro Group for 2020–2024 and for 2019 (Adjustment) and the Draft Investment Program of RusHydro for 2020–2029 and for 2019 (adjustment).	<p>1. To take the Draft Consolidated Investment Program of RusHydro for 2020–2024 and for 2019 (adjustment) (Appendices No. 1a, 1b and 1c to the Minutes) and the sources of their financing (Appendix No. 1d to the Minutes) under advisement.</p> <p>2. To pre-approve the Draft Consolidated Investment Program of RusHydro for 2020–2024 and draft amendments to the Draft Investment Program of RusHydro for 2019–2028 approved by Order of the Ministry of Energy of Russia (Minenergo) No. 6@ of October 22, 2018 (Appendices No. 2a, 2b and 2c to the Minutes) in order to ensure that information disclosure is compliant with Decree of the Government of the Russian Federation No. 24 of January 21, 2004 "On Approval of Standards for Information Disclosure by Wholesale and Retail Electricity Market Participants".</p> <p>3. To instruct Chairman of the Management Board and General Director N. G. Shulginov to send the approved Draft Investment Program of RusHydro for 2020–2029 and the draft amendments to the Investment Program of RusHydro for 2019–2028 approved by order of the Ministry of Energy (Minenergo) of Russia No. 6@ of October 22, 2018, in accordance with the procedure established by Decree of the Government of the Russian Federation No. 977 of December 1, 2009 "On Investment Programs of Electrical Energy Industry Participants" (hereinafter referred to as "Decree No. 977").</p>
	On approval of a report on the public technological and price audit of investment projects for 2018, which contains the results of a consolidated analysis of the audits and conclusions based on	To approve the report on the public technology and pricing audit of RusHydro's 2018 investment projects, with the results of a consolidated analysis of the audits and with the findings of public and expert discussions (Appendix No. 3 to the Minutes).

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	the results of public and expert discussion.	
	On approval of the list of RusHydro investment projects for the public technological and price audit in 2019–2020.	To approve the list of RusHydro's investment projects which are implemented or scheduled for implementation under the investment program of RusHydro for the conduct of a public technology and pricing audit in 2019–2020 (Appendix No. 4 to the Minutes).
	On approval of the Report on the Organization of Insurance Coverage of RusHydro in 2017.	To approve the report on the insurance coverage of RusHydro in 2018 (Appendix No. 5 to the Minutes).
	Confidential.	
	Confidential.	
	On determining cases when the Company may execute transactions related to release from liabilities to itself or to a third party without the prior approval of the Company's Board of Directors: waiver by the Company of the rights under a bank guarantee and/or signing by the Company of an agreement to terminate a guarantor's liabilities under a bank guarantee.	<p>To decide that the sole executive body of the Company may enter into transactions (including several related transactions), without the prior consent of the Company's Board of Directors, under which the Company waives its rights under a bank guarantee and/or under which the Company consents to release a guarantor under a bank guarantee from its liabilities in the following cases:</p> <ul style="list-style-type: none"> - The Company receives a new bank guarantee (issued by the same or by a new guarantor) or another valid bank guarantee (issued by the same or by a new guarantor) is amended to ensure the fulfilment of the principal liability that was previously guaranteed by the terminated bank guarantee; - In connection with a change in the principal liability, the Company receives a new bank guarantee (issued by the same or by a new guarantor) or another valid bank guarantee (issued by the same or by a new guarantor) is amended to ensure the fulfillment of the changed principal liability; - The principal liability guaranteed by the terminated bank guarantee is fulfilled.
	On financing of the project "Construction of two single-chain 110 kV overhead power lines 'Pevok — Bilibino'" (construction	To instruct Chairman of the Management Board and General Director of the Company N. G. Shulginov to grant an intra-group loan to JSC Chukotenergo (with the possibility of subsequent capitalization) to ensure the financing of the design documentation for the priority project "Construction of two single-chain 110 kV overhead power lines 'Pevok — Bilibino'" (construction stage 2) (hereinafter referred to as the "Project") under

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	stage 2).	<p>the following material terms and conditions:</p> <p>Parties to the Agreement: The Borrower: JSC Chukotenergo The Lender: RusHydro</p> <p>Subject of the Agreement: The Lender shall issue funds (loan amount, loan) to the Borrower, and the Borrower undertakes to repay the loan to the Lender.</p> <p>Maximum loan amount: Two hundred eleven million seven hundred forty thousand rubles and 00 kopecks (RUB 211,740,000.00).</p> <p>Loan repayment period: The parties shall determine the loan repayment schedule by March 1, 2020, by way of signing a supplementary agreement to the Agreement.</p> <p>Until the loan repayment scheduled is determined, the loan shall be repaid at call within five (5) business days from the moment of delivery to the Borrower of the Lender's notice of loan repayment, but in any case no later than on December 28, 2027.</p> <p>The interest rate for the Loan is 0% per annum.</p> <p>The Loan's intended use: Financing of working capital to cover the expenses for the preparation of design documentation for the Project.</p> <p>Loan terms and conditions: Nonrevolving tranches based on the request of the Borrower.</p> <p>Terms and conditions for early repayment of the Loan: The Lender shall have the right to demand early repayment of the Loan from the Borrower. The Borrower shall have the right to repay the loan early in part or in full.</p>
	On approval of the 2018—2021 Action Plan for the Company's transition to the preferred use of Russian software.	<ol style="list-style-type: none"> 1. To approve the 2018—2021 Action Plan for the Company's transition to the preferred use of Russian software in accordance with Appendix No. 8 to the Minutes. 2. To approve performance indicators for taking actions to transition to the preferred use by the Company of Russian software in accordance with Appendix No. 9 to the Minutes.
	On development of programs to improve procurement quality.	To instruct Chairman of the Management Board and General Director of the Company N. G. Shulginov to arrange for the following:

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<ol style="list-style-type: none"> 1. development and approval of the Program for Improvement of the Company's Procurement Quality (hereinafter referred to as the "Program"), which shall include the following: <ul style="list-style-type: none"> - an assessment procedure and performance indicators of the Program that take into account the level of competition in procurements, as specified in Appendix No. 10 to the Minutes; - actions to assess and improve the qualification of personnel, both those directly involved in procurement and those responsible for identifying the client's specific need, and performance of agreements and payments under agreements, by April 1, 2019. 2. Dissemination of the Program to the organizations controlled by the Company (Appendix No. 11 to the Minutes). 3. Publication of information about the execution of Directives of the Government of the Russian Federation No. 1519p-P13, together with electronic copies of support documents, on the Interdepartmental State Property Management Portal by April 3, 2019.
	<p>On the update of the long-term development program of RusHydro and submission of an audit report on the long-term development program to the Ministry of Economic Development of Russia, the Federal Agency for State Property Management and the Ministry of Energy of the Russian Federation.</p>	<ol style="list-style-type: none"> 1. The Company's Management Board shall ensure the following: <ol style="list-style-type: none"> 1.1. Analysis and amendment of the long-term development program for its subsequent update in view of the Action Plan and for the improvement of return on investments in capital assets in line with the goals defined by Decree of the President of the Russian Federation No. 204 of May 7, 2018 "On National Goals and Strategic Development Objectives of the Russian Federation up to 2024" (hereinafter referred to as "Decree No. 204"), within three months as of the date of approval of the Action Plan for the accelerated pace of growth of investments in capital assets and for the increase of their share in the Gross Domestic Product to 25%, including the performance targets by types of economic activity (hereinafter referred to as the "Plan"). 1.2. Submission of audit reports concerning the long-term development program to the Ministry of Economic Development of the Russian Federation, the Federal Agency for State Property Management and the Ministry of Energy of the Russian Federation, including by way of publishing the audit reports on the Interdepartmental State Property Management Portal by June 1 of each year. 2. To deem the order specified in Directives of the Government of the Russian Federation No. 276p-P13 of January 17, 2019, and in Paragraph 1.1 hereof with regard to bringing the long-term development program into line with the objectives specified in Decree No. 204 to have been executed in connection with the adoption by the Company's Board of Directors of a decision on Item 3.4 "On amendments to the long-term development program of RusHydro Group" (Minutes No. 279 of October 26, 2018).

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	On revision of the corporate import substitution plans with regard to means of protection against radiation, chemical and biological factors.	<ol style="list-style-type: none"> 1. To take note of the following: <ul style="list-style-type: none"> - and Paragraph 5.17 of the Unified Regulation on Product Procurement for the Needs of RusHydro Group, approved by the Company's Board of Directors (Minutes No. 277 of October 4, 2018, hereinafter referred to as the "URPP"), priority shall be placed on procured products (goods, work, services) of Russian origin over procured products of foreign origin⁵; - The above provision of the URPP applies, among other things, to the purchase of Russian means of protection against radiation, chemical and biological factors; - The requirements of the URPP have been applied to the organizations controlled by the Company starting November 1, 2018. 2. To establish that no additional amendments to the URPP or other bylaws of the Company related to procurement are required to establish the priority of the purchase of modern Russian means of protection against radiation, chemical and biological factors. 3. To instruct the Chairman of the Management Board and General Director of the Company to revise the production process procedures and/or bylaws of the Company governing occupational health and safety in view of the latest technologies, including Russian ones, related to protection against radiation, chemical and biological factors.
	On forming the Reliability, Energy Efficiency, and Innovations Committee under the Board of Directors of the Company.	To prematurely terminate the powers of Dmitry Borisovich Gvozdev, a member of the Reliability, Energy Efficiency, and Innovations Committee under the Company's Board of Directors. To elect Andrey Vladimirovich Mayorov, Deputy General Director and Chief Engineer of PJSC Rosseti, as a member of the Reliability, Energy Efficiency, and Innovations Committee under the Company's Board of Directors.
	On the progress of the priority construction projects in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of December 31, 2018.	To take note of the information on the progress of the priority construction projects in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of December 31, 2018 (Appendix No. 12 to the Minutes).

⁵ In accordance with Decree of the Government of the Russian Federation No. 925 of September 16, 2016 "On the Priority of Goods of Russian Origin and Work Performed and Services Provided by Russian Persons as Compared to Goods of Foreign Origin or Work Performed and Services Provided by Foreign Persons".

Date and No. of Minutes	Items on the Agenda	Decisions Taken																
	Confidential.	- The minority opinions of the Members of the Company's Board of Directors P. S. Grachev and M. A. Rasstrigin (on item 1) and V. M. Kravchenko (on items 1, 5.2., 6.2., 6.3., 6.6. and 6.8.) are attached to the Minutes.																
Minutes of 05.04.2019 № 286	Review of the Company shareholders' proposals on the nomination of candidates for election to the management and supervisory bodies of RusHydro.	<p>1. On the basis of proposals received from Company shareholders, include the following candidates in the list of candidates for election to the Company's Board of Directors at the annual General Meeting of Company Shareholders on the results of 2018:</p> <table border="1" data-bbox="808 596 2047 1187"> <thead> <tr> <th data-bbox="808 596 864 740">№</th> <th data-bbox="864 596 1155 740">Candidate nominated by the shareholder(s) for election to the Board of Directors of the Company</th> <th data-bbox="1155 596 1469 740">Position and place of employment of the candidate⁶, nominated by the shareholder(s) for election to the Board of Directors of the Company</th> <th data-bbox="1469 596 1800 740">Name of the shareholder(s) nominating the candidate for election to the Board of Directors of the Company</th> <th data-bbox="1800 596 2047 740">Quantity of the Company's voting shares held by the shareholder(s)⁷ (as a percentage of the authorized capital)</th> </tr> </thead> <tbody> <tr> <td data-bbox="808 740 864 831">1.</td> <td data-bbox="864 740 1155 831">Mikhail Viktorovich Voyevodin</td> <td data-bbox="1155 740 1469 831">General Director, Public Joint-Stock Company Corporation VSMPO-AVISMA.</td> <td data-bbox="1469 740 1800 831" rowspan="3">Limited Liability Company Avitrans</td> <td data-bbox="1800 740 2047 831" rowspan="3">6.05</td> </tr> <tr> <td data-bbox="808 831 864 922">2.</td> <td data-bbox="864 831 1155 922">Artem Valeryevich Kislichenko</td> <td data-bbox="1155 831 1469 922">Director for Legal Affairs, Public Joint-Stock Company Corporation VSMPO-AVISMA.</td> </tr> <tr> <td data-bbox="808 922 864 1187">3.</td> <td data-bbox="864 922 1155 1187">Andrey Nikolayevich Shishkin</td> <td data-bbox="1155 922 1469 1187">Vice President for Power Engineering, Localization, and Innovations, Rosneft Oil Company President and Chairman of the Management Board, Public Joint Stock Oil Company Bashneft.</td> </tr> </tbody> </table> <p>2. For the purpose of including the candidates nominated by the Board of Directors in the list of candidates for election to the Board of Directors and the Internal Audit Commission of the Company, hold a meeting of the Company's Board of Directors on or before May 24, 2019.</p>	№	Candidate nominated by the shareholder(s) for election to the Board of Directors of the Company	Position and place of employment of the candidate ⁶ , nominated by the shareholder(s) for election to the Board of Directors of the Company	Name of the shareholder(s) nominating the candidate for election to the Board of Directors of the Company	Quantity of the Company's voting shares held by the shareholder(s) ⁷ (as a percentage of the authorized capital)	1.	Mikhail Viktorovich Voyevodin	General Director, Public Joint-Stock Company Corporation VSMPO-AVISMA.	Limited Liability Company Avitrans	6.05	2.	Artem Valeryevich Kislichenko	Director for Legal Affairs, Public Joint-Stock Company Corporation VSMPO-AVISMA.	3.	Andrey Nikolayevich Shishkin	Vice President for Power Engineering, Localization, and Innovations, Rosneft Oil Company President and Chairman of the Management Board, Public Joint Stock Oil Company Bashneft.
№	Candidate nominated by the shareholder(s) for election to the Board of Directors of the Company	Position and place of employment of the candidate ⁶ , nominated by the shareholder(s) for election to the Board of Directors of the Company	Name of the shareholder(s) nominating the candidate for election to the Board of Directors of the Company	Quantity of the Company's voting shares held by the shareholder(s) ⁷ (as a percentage of the authorized capital)														
1.	Mikhail Viktorovich Voyevodin	General Director, Public Joint-Stock Company Corporation VSMPO-AVISMA.	Limited Liability Company Avitrans	6.05														
2.	Artem Valeryevich Kislichenko	Director for Legal Affairs, Public Joint-Stock Company Corporation VSMPO-AVISMA.																
3.	Andrey Nikolayevich Shishkin	Vice President for Power Engineering, Localization, and Innovations, Rosneft Oil Company President and Chairman of the Management Board, Public Joint Stock Oil Company Bashneft.																

⁶ Position and place of employment of the candidate as of the nomination date according to the shareholder's application.

⁷ Quantity of the Company's voting shares held by the shareholder as of the nomination date.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	Review of the Company shareholders' proposals on matters to be placed on the agenda of the Annual General Meeting of Shareholders of RusHydro.	<ol style="list-style-type: none"> 1. Consider information on the absence of proposals of the Company's shareholders on items to be placed on the agenda of the Annual General Meeting of Shareholders of RusHydro, the period for submitting which is established in Clause 11.1 of the Company's Articles of Association. 2. For the purpose of placing items on the agenda of the Annual General Meeting of Shareholders of the Company on the results of 2018 upon the proposal of the Board of Directors, hold a meeting of the Company's Board of Directors on or before May 24, 2019.
	Participation of the Company in other organizations.	<ol style="list-style-type: none"> 1. Approve participation of the Company in Chukotenergo JSC through the acquisition of additional ordinary registered uncertified shares of Chukotenergo JSC for a total amount not exceeding RUB 18,000,000,000 at a price determined by the Board of Directors of Chukotenergo JSC in accordance with the legislation of the Russian Federation, of which: <ul style="list-style-type: none"> - RUB 10,000,000,000 will be contributed to the authorized capital of the said joint-stock company at the cost of funds from the federal budget according to Federal Law No. 459-FZ dated November 29, 2018 "On the Federal Budget for 2019 and for the Planning Period of 2020 and 2021"; - RUB 3,000,000,000 at the cost of funds from the Reserve Fund of the Government of the Russian Federation according to Resolution of the Government of the Russian Federation No. 231 dated March 2, 2019 "On the Allocation of Budgetary Investments to RusHydro at the Cost of Funds from the Federal Budget"; - RUB 5,000,000,000 at the cost of the Company's own funds, inter alia, by way of set-off under loans issued, for the purposes of making capital investments in the construction of the overhead power line Pevek – Bilibino 110 kV. <p>The aggregate shareholding of the Company in the authorized capital of Chukotenergo JSC following its increase will be not less than 97.74%.</p> 2. Determine that the price of acquisition of the ordinary shares of Chukotenergo JSC by the Company equals the price of their offering, as determined by the Board of Directors of Chukotenergo JSC (Minutes No. 12-18 dated July 6, 2018) and amounts to one (1) ruble per one additionally offered ordinary share.
	Approval of a report on the achievement of the annual KPI "Reduction of operating expenses (costs), %" of the Company (Management Board members).	<ol style="list-style-type: none"> 1. To deem the KPI "Reduction of operating expenses (costs), %" for 2018, calculated with due regard for factors that are beyond the control of the Company's management, to have been achieved. 2. To approve a report on the achievement of the annual KPI "Reduction of operating expenses (costs), %" of the Company's Management Board members for 2018 (Appendix No. 1 to the Minutes).

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>Considering the minority opinion of Member of the Board of Directors M. S. Bystrov regarding item 3.2 of the Agenda, the Company's Management Board was instructed:</p> <ol style="list-style-type: none"> 1. To apply to the federal executive authorities with an initiative to revoke, adjust or recognize as implemented Directive of the Government of the Russian Federation No. 2303p-P13 dated April 16, 2015, in order to subsequently amend the Methodology for Calculating and Evaluating the Key Performance Indicators of the Members of the Company's Management Board (the "Methodology"); 2. Within three (3) months, and also following the receipt of the opinion of the federal executive authority regarding item 1 of the instruction, ensure that the proposals to change the Methodology are brought up at the meeting of the Company's Board of Directors, with preliminary consideration of the matter at the meeting of the HR and Remuneration (Nomination) Committee under the Company's Board of Directors. <p>The minority opinion of Member of the Board of Directors M. S. Bystrov is attached to the Minutes.</p>
Minutes of 22.04.2019 № 287	Approval of the Regulation on the RusHydro Dividend Policy.	<ol style="list-style-type: none"> 1. To approve the new version of the Regulation on the RusHydro Dividend Policy (Appendix 1 to the Minutes). 2. To take under advisement the information related to the factors affecting the pricing of RusHydro PJSC stock, which was analyzed in accordance with the instruction of the Board of Directors (Minutes No. 284 dated March 26, 2019), as well as the implemented measures aimed at stock price growth.
	Extension of the grace period on a loan to DGK JSC provided as part of the implementation of a forward transaction with VTB Bank (PJSC).	For the purpose of stabilizing the financial and economic position of DGK JSC, to approve extension until March 27, 2021 (inclusive) of the grace period for the payment of accrued interest by DGK JSC determined under Clause 1.2 of the resolution of the Board of Directors dated December 26, 2016 (Minutes No. 246 dated December 27, 2016).
	Review of the results of the assessment of corporate governance practice and the report on the results of the self-assessment of the Company's Board of Directors.	<ol style="list-style-type: none"> 1. To take under advisement the results of the assessment of the corporate governance practice of the Company performed by the Internal Audit Service of the Company and the recommendations for improving corporate governance (Appendix 2 to the Minutes). 2. To take under advisement the results of the external assessment of corporate governance and note the positive dynamics of the assessment of independent experts. 3. To take under advisement the Report on the results of the self-assessment of the activities of RusHydro's Board of Directors and proposals to improve the work of the Board of Directors (Appendix 3 to the Minutes).
Minutes of	Approval of the report on the	To approve the report on the fulfillment of the Annual Complex Procurement Program of RusHydro for 2018

Date and No. of Minutes	Items on the Agenda	Decisions Taken
22.04.2019 № 288	fulfillment of the Annual Complex Procurement Program of the Company for 2018.	(Appendix 1 to the Minutes).
	Approval of a transaction related to the alienation of the Company's property consisting of fixed assets used for the purpose of generating electrical power (conclusion of an agreement for the sale of the immovable and movable property of Khorobrovskaya SHPP).	<p>To approve the conclusion of the agreement for the sale of the immovable and movable property of Khorobrovskaya HPP (hereinafter, the Agreement) on the following material terms and conditions:</p> <p>Parties to the Agreement: The Seller is RusHydro PJSC; The Buyer is the winner of the Auction.</p> <p>Subject of the Agreement: The Seller shall transfer ownership of and the Buyer shall pay for and accept the immovable and movable property of Khorobrovskaya HPP (hereinafter, the Property) in accordance with the Agreement. The list of Property is specified in Appendices 2 and 3 to the Minutes.</p> <p>Property sale method: Selling via open auction on an electronic trading platform (hereinafter, the Auction).</p> <p>Auction starting price: 4,587,199 (four million five hundred eighty-seven thousand one hundred ninety-nine) rubles 20 kopecks, including VAT, in accordance with the valuation report of the independent valuer on the market value of the Property.</p> <p>Price of the Agreement: To be determined based on the Auction results.</p> <p>Payment procedure (period) for the Property: The Buyer is provided an interest-free installment plan to pay for the Property in equal annual installments for 5 years.</p>
	Approval of a transaction related to the alienation of the Company's property consisting of fixed assets used for generating electrical power (conclusion of an Agreement on gratuitous transfer	<p>1. To approve the conclusion of the Agreement on gratuitous transfer of the property of Bekanskaya HPP (donation), which is to be used for generating electrical power (hereinafter, the Agreement), on the following material terms and conditions:</p> <p>Parties to the Agreement: The Donor is RusHydro PJSC; The Donee is the municipal entity Ardonsky District of the Republic of North Ossetia-Alania, as represented by</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	of the property of Bekanskaya HPP).	<p>the Administration of the local government of the municipal entity Ardonsky District of the Republic of North Ossetia-Alania.</p> <p>Subject of the Agreement: The Donor shall gratuitously transfer and the Donee shall take into possession the immovable and movable property of Bekanskaya HPP (Appendices 4 and 5 to the Minutes).</p> <p>Price (book [residual] value) of the Property: 28,510,749 (twenty-eight million five hundred ten thousand seven hundred forty-nine) rubles 32 kopecks.</p> <p>2. To establish that the decision specified in Clause 1 of this resolution is also a decision to complete a transaction in accordance with Subclause 26 of Clause 12.1 of the Company's Articles of Association.</p>
	Confidential.	
	On the review of the results of field audits by Minenergo of Russia, conducted in 2018, and on the course of corrective measures as of December 31, 2018.	<p>To take under advisement the results of the field inspections by Minenergo of Russia conducted in 2018, and information on the course of the corrective measures as of December 31, 2018 (Appendix 7 to the Minutes).</p> <p>The special opinion of Board of Directors member M.A. Rasstrigin regarding items Nos. 2.1 and 2.2 is attached.</p>
Minutes of 20.05.2019 № 289	On convening the annual General Meeting of Shareholders.	<p>1. To convene the Annual General Meeting of Shareholders of PJSC RusHydro as a meeting (joint presence) (the "Meeting").</p> <p>To determine the date of the annual General Meeting of Shareholders of PJSC RusHydro: June 28, 2019.</p> <p>To determine the time of the Meeting: the beginning of the Meeting shall be at 10:30 a.m. (Moscow time).</p> <p>To determine the start time of registration of persons participating in the Meeting: 9:00 a.m. (Moscow time).</p> <p>To determine the venue of the Meeting: 12 Krasnopresnenskaya Naberezhnaya, Congress Hall, Floor 2, Congress Center, Entrance No. 4, World Trade Center (WTC), Moscow, Russian Federation.</p> <p>2. To approve the date on which the persons entitled to participate in the Meeting shall be determined (fixed): June 3, 2019.</p>
	Electing a Deputy Chairman of the Board of Directors of the Company.	<p>1. To terminate the powers of the Deputy Chairman of the Board of Directors of the Company Sergey Nikolayevich Ivanov.</p> <p>2. To elect Nikolay Dmitriyevich Rogalev as Deputy Chairman of the Board of Directors of the Company.</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	On approval of the Report on the implementation of the Action Plan for the sale of non-core assets of the Company for Q1 2019.	<p>1. To approve the Report on the implementation of the Action Plan for the sale of non-core assets of PJSC RusHydro for Q1 2019 (Schedule No. 1 to the Minutes).</p> <p>2. To make the following amendments to the Register of Non-core Assets of the Company approved by the decision of the Company Board of Directors dated December 24, 2018 (Minutes No. 281):</p> <ul style="list-style-type: none"> - To exclude the facility JSC HydroEngineering Siberia; - To change the planned method of disposition of the facilities "Concrete plant building: construction laboratory building" and "Concrete plant structure: gallery" from "gratuitous transfer" to "direct sale in favor of JSC Zagorskaya Pumped Storage Hydropower Plant-2".
	On approval of transactions for the gratuitous transfer of the Company's property to third parties.	<p>To approve the conclusion by the controlled organization of the Company – JSC Dyakov Ust-Srednekanskaya HPP of the contract of donation associated with the gratuitous transfer of property to the state ownership of the Magadan region, on the following material terms:</p> <p>Parties to the Agreement: The Donor is JSC Dyakov Ust-Srednekanskaya HPP; The Donee is the Magadan region, represented by the Department of Property and Land Relations of the Magadan Region.</p> <p>Subject Matter of the Agreement: The Donor shall gratuitously transfer to the state ownership of the Magadan Region, and the Donee undertakes to accept and formalize — in accordance with the procedure established by the legislation of the Russian Federation — the state registration of the transfer of ownership of the 10-bed Facility of the Infectious Diseases Department of the Municipal Budgetary Health-Care Institution Srednekanskaya Central Regional Hospital in Seymchan (purpose: nonresidential, area: 1,548.6 m², number of floors: 2, including 1 underground, address (location): 13A Yuzhnaya St., the settlement of Seymchan, Srednekanskiy District, Magadan Region, cadastral number: 49:04:010103:2661) (the "Facility"), held by the Donor in ownership, as evidenced by entry in the Unified State Register of Real Estate No. 49:04:010103:2661-49/009/2019-1 dated March 26, 2019. The Facility shall be transferred with equipment (laboratory, intensive care, and X-ray), furniture, and inventory (Schedule 2 to the Minutes).</p>
	Confidential.	-
	Consideration of the results of	To postpone the execution of clause 2 of the Decision on Item 4.3 of the meeting of the Board of Directors of

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	<p>comparing the level of technological development and the values of key performance indicators of innovative activities of RusHydro Group with the level of development and indicators of similar leading companies.</p> <p>On approval of the report on the implementation of the RusHydro Group Innovative Development Program for 2016–2020 with an outlook for 2025 in 2018.</p>	<p>the Company dated May 31, 2018 (Minutes No. 271 dated June 1, 2018), regarding consideration by the Board of Directors of the results of comparing the level of technological development and the values of key performance indicators of innovative activities of RusHydro Group with the level of development and indicators of similar leading companies (the "Comparison") and to set the deadline for consideration of the results of the Comparison by the Board of Directors of the Company within 30 days after their approval by the Ministry of Energy of Russia and the Ministry of Economic Development of Russia and the approval of the results of the Comparison by the Interdepartmental Commission on Technological Development under the Government Commission on Modernization of the Economy and the Innovative Development of Russia.</p> <p>To approve the report on the implementation of the RusHydro Group Innovative Development Program for 2016–2020 with an outlook for 2025 in 2018 (Schedule 3 to the Minutes).</p>
Minutes of 28.05.2019 № 290	<p>On the inclusion of candidates in the list for election to the Company's management and control bodies.</p> <p>On Approval of the agenda of the Company's Annual General Meeting of Shareholders.</p>	<p>1. To add to the list of candidates for election to the Board of Directors of the Company at the annual General Meeting of Shareholders of the Company for 2018, approved by resolution of the Board of Directors of the Company on April 4, 2019 (Minutes No. 286 dated April 5, 2019), the candidates specified in Schedule 1 to the Minutes.</p> <p>2. To include in the list of candidates for election to the Internal Audit Commission of the Company at the annual General Meeting of Shareholders of the Company for 2018 the candidates specified in Schedule 2 to the Minutes.</p> <p>To approve the agenda of the Annual General Meeting of Shareholders to be held based on the results of 2018:</p> <ol style="list-style-type: none"> 1. Approval of the Annual Report of the company for 2018. 2. Approval of the annual accounting (financial) statements of the company based on the results of 2018. 3. Approval of distribution of the Company's profits based on the results of 2018. 4. On payment of dividends, the time and form of payment of dividends based on the results of operations in 2018, and establishment of the date as of which the persons entitled to dividends are determined. 5. On remuneration for work performed on the Board of Directors to members of the company's Board of Directors, who are not public officials, in the amount specified by the internal documents of the company.

Date and No. of Minutes	Items on the Agenda	Decisions Taken										
		<p>6. On payment of compensation for work as part of the Internal Audit Commission to the members of the Internal Audit Commission of the Company, who are not public officials, in the amount specified by the internal documents of the Company.</p> <p>7. Election of members of the company's Board of Directors.</p> <p>8. Election of members of the company's Internal Audit Commission.</p> <p>9. Approval of the company's Auditor.</p> <p>10. Approval of the new version of RusHydro's Articles of Association.</p> <p>11. Approval of the new version of RusHydro's Regulation on the Internal Audit Commission.</p> <p>12. Approval of the new version of the Regulation on the Procedure for Convening and Holding RusHydro's General Meeting of Shareholders.</p> <p>13. Approval of the new version of the Regulation on the Procedure for Convening and Holding Meetings of RusHydro's Board of Directors.</p> <p>14. Approval of the new version of the Regulation on RusHydro's Management Board.</p> <p>15. Approval of the new version of the Regulation on the Procedure for Paying Remuneration and Compensation to Members of RusHydro's Board of Directors.</p>										
	On preapproval of the Company's annual report for 2018.	To preliminarily approve the Company's Annual Report for 2018 according to the draft annual report included in the scope of materials for the Meeting* and to submit it for approval to the annual General Meeting of Shareholders of the Company.										
	On preliminary approval of the annual accounting (financial) statements of the Company based on the results of 2018.	<p>To recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution:</p> <p>To approve the Annual Accounting (Financial) Statements of the Company based on the results of 2018 included in the materials prepared for the Meeting*.</p>										
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of distribution of the Company's profits based on the results of	<p>Preliminarily approve and recommend to the annual General Meeting of Shareholders of the Company to approve the following allocation of profits of the Company based on the results of 2018:</p> <table border="1" data-bbox="786 1270 2085 1422"> <thead> <tr> <th></th> <th>(million rubles)</th> </tr> </thead> <tbody> <tr> <td>Retained earnings (losses) for the reporting period</td> <td>36,725.6</td> </tr> <tr> <td>Distribute to: the reserve fund</td> <td>1,836.3</td> </tr> <tr> <td>Development of the Company</td> <td>18,970.8</td> </tr> <tr> <td>Dividends</td> <td>15,918.5</td> </tr> </tbody> </table>		(million rubles)	Retained earnings (losses) for the reporting period	36,725.6	Distribute to: the reserve fund	1,836.3	Development of the Company	18,970.8	Dividends	15,918.5
	(million rubles)											
Retained earnings (losses) for the reporting period	36,725.6											
Distribute to: the reserve fund	1,836.3											
Development of the Company	18,970.8											
Dividends	15,918.5											

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	2018.	
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: On payment of dividends, the time and form of payment of dividends based on the results of operations in 2018, and establishment of the date as of which the persons entitled to dividends are determined.	To recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: Pay dividends on ordinary shares of the Company according to the results of 2018 in the amount of RUB 0.0367388 per one share. Form of payment of dividends: monetary. Establish July 9, 2019 (the 11th day from the date of the resolution to pay dividends), as the date on which the persons entitled to receive dividends shall be determined. The dividend payment period for a nominee holder or beneficial owner who is a securities market professional registered in the Company's shareholder register shall not exceed 10 business days, and for other persons registered in the Company's shareholder register it shall not exceed 25 business days from the date when the persons entitled to dividends are determined.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: On payment of compensation for work as part of the Board of Directors to the members of the Board of Directors of the Company, who are not public officials, in the amount specified by the internal documents of the Company.	To recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To pay remuneration to the members of the Board of Directors based on their work in the Board of Directors during the period from June 27, 2018, to June 28, 2019, in the amount, as per the procedure, and within the term specified by the Resolution on the Payment of Remunerations and Compensations to the Members of the Board of Directors of RusHydro approved by the decision of the Annual General Meeting of Shareholders of the Company dated June 26, 2017 (Minutes No. 16 dated June 27, 2017).
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: On payment of compensation for work as part of the Internal Audit Commission to	To recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To pay remuneration to the members of the Internal Audit Commission based on their work in the Internal Audit Commission during the period from June 27, 2018, to June 28, 2019, in the amount, as per the procedure, and within the term specified by the Resolution on Remunerations and Compensations to the Members of the Internal Audit Commission of RusHydro approved by the decision of the Annual General Meeting of

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	the members of the Internal Audit Commission of the Company, who are not public officials, in the amount specified by the internal documents of the Company.	Shareholders of the Company dated June 26, 2017 (Minutes No. 16 dated June 27, 2017).
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the company's Auditor.	To recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve Joint-Stock Company PricewaterhouseCoopers Audit (OGRN 1027700148431) as the Auditor of RusHydro.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of RusHydro's Articles of Association.	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Articles of Association of RusHydro in accordance with the Draft Articles of Association of RusHydro included in the materials prepared for the Meeting*.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of RusHydro's Regulation on the Internal Audit Commission.	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Regulation on the Internal Audit Commission of RusHydro in accordance with the Draft Regulation on the Internal Audit Commission included in the materials prepared for the Meeting*.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of the Regulation on the Procedure for Convening and Holding RusHydro's General	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Regulation on the Procedure for Convening and Holding a General Meeting of Shareholders of RusHydro in accordance with the Draft Regulation on the Procedure for Convening and Holding a General Meeting of Shareholders of RusHydro included in the materials prepared for the Meeting*.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	Meeting of Shareholders.	
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of the Regulation on the Procedure for Convening and Holding Meetings of RusHydro's Board of Directors.	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Regulation on the Procedure for Convening and Holding Meetings of the Board of Directors of RusHydro in accordance with the Draft Regulation on the Procedure for Convening and Holding Meetings of the Board of Directors of RusHydro included in the materials prepared for the Meeting*.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of the Regulation on RusHydro's Management Board.	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Regulation on the Management Board of RusHydro in accordance with the Draft Regulation on the Management Board of RusHydro included in the materials prepared for the Meeting*.
	On recommendations for the annual General Meeting of Shareholders of the Company concerning: Approval of the new version of the Regulation on the Procedure for Paying Remuneration and Compensation to Members of RusHydro's Board of Directors.	Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: To approve the new version of the Regulation on Payment of Remunerations and Compensations to Members of the Board of Directors of RusHydro in accordance with the Draft Regulation on Payment of Remunerations and Compensations to Members of the Board of Directors of RusHydro included in the materials prepared for the Meeting*.
	On approval of the report on interested-party transactions made by the Company in 2018.	To approve the report on interested-party transactions made by the Company in 2018 (Schedule 3 to the Minutes).
	On recognition of the candidates	In accordance with the recommendations of the HR and Remuneration (Nominations) Committee under the

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	for the Board of Directors of the Company as independent ones.	<p>Company's Board of Directors:</p> <p>1. To take note of the information on the results of evaluation of the compliance of member of the Board of Directors (candidate for election to the Company Board of Directors at the annual General Meeting of Shareholders in 2019) Maksim Bystrov with the independence criteria provided for in Schedule 4 to the Listing Rules of the Moscow Exchange.</p> <p>There is no connection between M. S. Bystrov and the Company, a substantial shareholder, competitors, the state, or a municipal entity.</p> <p>S. Bystrov meets the formal criteria of connection with the Company's significant counterparties — JSC ATS, JSC SO UES, JSC FSC, and Autonomous Noncommercial Organization Training Center Market Council⁸ — as the amount of liabilities under the agreements between the Company and each of the said counterparties exceeds 2% of the book value of assets and 2% of the revenue of each counterparty.</p> <p>To note that the connection between M. S. Bystrov and significant counterparties of the Company—JSC ATS, JSC SO UES, JSC FSC*, and Autonomous Noncommercial Organization Training Center Market Council—is formal in nature and does not affect M. S. Bystrov's ability to act, as a member of the Board of Directors, in the interests of the Company and its shareholders for the following reasons:</p> <ul style="list-style-type: none"> - SC ATS9 (Joint-Stock Company Administrator of the Trade System of the Wholesale Electricity Market) renders the services of a commercial operator of the wholesale electricity and capacity market (the "wholesale market") to the Company in the manner provided for in clause 7 of article 33 of Federal Law No. 35-FZ dated March 26, 2003, "On the Electric Power Industry" (the "Federal Law on the Electric Power Industry") under an Agreement for Integration into the Trade System of the Wholesale Market. The conditions of the agreement are binding for the parties. Commercial relations between the Company and JSC ATS are based on the principle of nondiscriminatory access to the services of commercial infrastructure organizations of the wholesale market

⁸ M. S. Bystrov is a member of the Board of Directors of JSC SO UES, the Chairman of the Management Board and a member of the Board of Directors of JSC ATS, the Chairman of the Management Board and a member of the Supervisory Board of the Association Nonprofit Partnership Market Council. JSC FSC (through JSC ATS) and Autonomous Noncommercial Organization Training Center Market Council are controlled by the organizations of the Association Nonprofit Partnership Market Council.

⁹ By decision of the Supervisory Board of the Association Nonprofit Partnership Market Council (formerly known as Nonprofit Partnership ATS) dated November 30, 2007, since April 1, 2008, JSC ATS has been entrusted with the performance of the functions of a commercial operator of the wholesale market, classified by clause 1 of article 33 of the Federal Law on the Electric Power Industry as commercial infrastructure organizations of the wholesale market.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>(article 20 of the Federal Law on the Electric Power Industry) and on the principle of state regulation of tariffs for the services of a commercial operator of the wholesale market (article 23.1 of the Federal Law on the Electric Power Industry);</p> <ul style="list-style-type: none"> - JSC SO UES (Joint-Stock Company System Operator of the Unified Energy System) provides the Company with operational dispatch management services in the electric power industry due to its status as a system operator envisioned by clause 1 of article 12 of the Federal Law on the Electric Power Industry and under the Agreement for Integration into the Trade System of the Wholesale Market. Commercial relations between the Company and JSC SO UES are based on the principle of nondiscriminatory access to operational dispatch management services in the electric power industry (clause 6 of article 20 of the Federal Law on the Electric Power Industry) and on the principle of state regulation of tariffs for operational dispatch management services (article 23.1 of the Federal Law on the Electric Power Industry); - JSC FSC (Joint-Stock Company Financial Settlement Center) is classified among the commercial infrastructure organizations of the wholesale electricity and capacity market of the Russian Federation; it ensures the functioning of the contractual structure of the wholesale market and the system of financial settlements between its participants and renders services to the Company for calculation of claims and liabilities under the Agreement for Integration into the Trade System of the Wholesale Market. The Agreement was concluded in accordance with clause 1 of article 32 of the Federal Law on the Electric Power Industry and clause 40 of the Rules for the Wholesale Electricity and Capacity Market approved by Regulation of the Government of the RF No. 1172 dated December 27, 2010. Commercial relations between the Company and JSC FSC are based on the principle of nondiscriminatory access to the services of commercial infrastructure organizations of the wholesale market (article 20 of the Federal Law on the Electric Power Industry). The uniform charge for the service package provided by JSC FSC (for all counterparties) is approved by the Supervisory Board of the Association Nonprofit Partnership Market Council; - Autonomous Noncommercial Organization Training Center Market Council (Autonomous Noncommercial Organization of Continuing Professional Education Training Center of Nonprofit Partnership Market Council), established under the Association of Nonprofit Partnership Market Council, is an infrastructure organization of wholesale and retail trade in electricity and capacity; it renders services to the Company in the field of education and training of specialists in organizing an effective system of wholesale and retail trade in electricity

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>and capacity.</p> <p>Considering that the wholesale market regulations adopted by the Supervisory Board of the Association Nonprofit Partnership Market Council are constantly amended, to maintain a high level of knowledge in the field of wholesale market procedures and to obtain information on current and planned changes in the wholesale market, the employees of the Company need to undergo training at the primary source—that is, at Autonomous Noncommercial Organization Training Center Market Council. The training contracts between the Company and Autonomous Noncommercial Organization Training Center Market Council are concluded on market conditions. S. Bystrov's track record in the Company Board of Directors proves his ability to make independent, unbiased, and conscientious judgments as M. S. Bystrov's stance 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 M. S. 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 Autonomous Noncommercial Organization Training Center Market Council—does not influence his decision making as M. S. Bystrov acts in the interests of the Company and all its shareholders.</p> <p>Based on clause 2 of section 2.18 of Schedule 2 and on Schedule 4 to the Listing Rules of the Moscow Exchange, to recognize Maksim Bystrov as an independent director.</p>
	On the confirmation of the terms and conditions of the agreement with the Company's registrar.	To approve the material terms and conditions of Supplementary Agreement to the Agreement for provision services for the keeping of shareholder register No. 1010-238-31-2017 dated April 10, 2017 (Schedule 4 to the Minutes).
	On matters related to the convening, preparation, and conduct of the annual General Meeting of Shareholders of the Company.	<p>1. To determine that the information (materials) to be provided to the persons entitled to participate in the Meeting shall be as follows:</p> <p>The Annual Report of the Company for 2018 (including the information on sustainable development) and the opinion of the Internal Audit Commission based on its review findings</p> <p>The annual accounting (financial) statements on the results of 2018, including the auditor's report and the report of the Company's Internal Audit Commission based on its audit findings</p> <p>A justification of the proposed distribution of net earnings and an assessment of its compliance with the dividend policy adopted in the Company, including for the payment of dividends and the Company's own needs, with explanations and economic justification for the need to allocate a certain part of the net earnings for the Company's own needs</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>Information on shareholder's agreements concluded during the year before June 28, 2019</p> <p>Report on the entry into related-party transactions by the Company in 2018 and conclusion of the Company's Internal Audit Commission on the reliability of the data contained in the report</p> <p>Recommendations of the Board of Directors of the Company on agenda items of the annual General Meeting of Shareholders of the Company as well as minority reports of members of the Board of Directors on each agenda item</p> <p>Information on proposals to include items in the agenda of the annual General Meeting of Shareholders, including the information on who proposed each of the items included in the agenda of the Meeting</p> <p>Extracts from the Minutes of the Audit Committee under the Company's Board of Directors, the Investments Committee under the Company's Board of Directors, and the HR and Remuneration (Nominations) Committee under the Company's Board of Directors on the respective items to be considered by the Meeting</p> <p>Details of candidates for election to the Board of Directors of the Company, including the information on who nominated them, and the information on their compliance with independence criteria</p> <p>Details of candidates for election to the Internal Audit Commission of the Company, including the information on who nominated them</p> <p>Information regarding the presence or absence of the written consent of the candidates nominated for election to the Board of Directors and the Internal Audit Commission to be elected to the respective body of the Company</p> <p>Details of the candidacy of the Company's Auditor</p> <p>Articles of Association of the Company</p> <p>The draft of a new version of the Company's Articles of Association</p> <p>A comparative table of changes to the Company's Articles of Association with the justification for the need to adopt the respective resolutions</p> <p>The current version and the draft of a new version of the Regulation on Convening and Holding the General Meeting of Shareholders of the Company</p> <p>A comparative table of changes to the Regulation on the Procedure for Convening and Holding the General Meeting of Shareholders of the Company with the justification for the need to adopt the respective resolutions</p> <p>The current version and the draft of a new version of the Regulation on Convening and Holding the Meetings of the Company's Board of Directors</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>A comparative table of changes to the Regulation on the Procedure for Convening and Holding the Meetings of the Board of Directors of the Company with the justification for the need to adopt the respective resolutions The current version and the draft of a new version of the Regulation on the Management Board of the Company</p> <p>A comparative table of changes to the Regulation on the Management Board of the Company with the justification for the need to adopt the respective resolutions The current version and the draft of a new version of the Regulation on the Internal Audit Commission of the Company</p> <p>A comparative table of changes to the Regulation on the Internal Audit Commission of the Company with the justification for the need to adopt the respective resolutions The current version and the draft of a new version of the Regulation on Payment of Remunerations and Compensations to Members of the Company's Board of Directors</p> <p>A comparative table of changes to the Regulation on Payment of Remunerations and Compensations to Members of the Company's Board of Directors with the justification for the need to adopt the respective resolutions</p> <p>An explanation of the consequences that may occur for the Company and its shareholders in the case of the adoption of amendments to the Company's Articles of Association and internal documents</p> <p>Information on corporate actions that resulted in a deterioration of shareholders' dividend rights and/or dilution of their shares and information on court decisions that established facts of the use by shareholders of other methods besides dividends and liquidation value for obtaining income at the expense of the Company</p> <p>Internal audit report</p> <p>Draft resolutions of the Meeting on the agenda items.</p> <p>2. To determine that persons entitled to participate in the Meeting may familiarize themselves with information (materials) for the Meeting at the Meeting venue (on the date of the Meeting) and during 30 days prior to the date of the Meeting at the following addresses:</p> <ul style="list-style-type: none"> - 7 Malaya Dmitrovka St., Moscow (on business days from 10:00 a.m. to 5:00 p.m. local time), tel.: 8-800-333-80-00 ext. 1969; 2204; - 23/10 Pravdy St., Moscow, JSC VTB Registrar (on business days from 10.00 a.m. to 5.00 p.m. local time), tel.: 8 (800) 200-61-12 (toll-free number in Russia);

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>- 43/1 Dubrovinskogo, Krasnoyarsk (on business days from 10:00 a.m. to 5:00 p.m. local time), tel.: 8-913-031-71-04;</p> <p>- And on the Company's website: www.rushydro.ru, in the personal account of the shareholder on the Registrar's website at: http://www.vtbreg.ru, in the Quorum mobile application (for iOS and Android) developed by the Registrar, and in the shareholder's personal account in the E-voting electronic voting service on the internet at: https://www.e-vote.ru/ru.</p> <p>3. To approve the form and text of the notice on the holding of the Meeting (Schedule 5 to the Minutes).</p> <p>4. To publish the notice on the holding of the Meeting on the Company's website on the internet: www.rushydro.ru, at least 30 days prior to the date of the Meeting.</p> <p>5. To determine that the notice on the holding of the Meeting and the information (material) for the Meeting shall be sent in electronic form (as electronic documents) to the Company's registrar for their further submission to the persons entitled to participate in the Meeting, in accordance with the laws of the Russian Federation on securities.</p> <p>6. To approve the form and text of the ballots for voting at the annual General Meeting of Shareholders of the Company (Schedule 6 to the Minutes).</p> <p>7. To determine that ballots for voting on the Meeting's agenda items shall be sent by registered mail or be delivered against signature to each person registered in the Company's shareholder registers and entitled to participate in the Meeting no later than June 7, 2019 (inclusive).</p> <p>8. To approve the wording of resolutions on the agenda items of the Meeting, which should be sent electronically (in the form of electronic documents) to nominal holders of shares registered in the Company's shareholder register (Schedule 7 to the Minutes).</p> <p>9. To determine that the wording of resolutions on the agenda items of the Meeting and the voting ballots shall be provided by sending them to the Company's registrar for their further submission in electronic form (as electronic documents) to the nominal holders of shares registered in the Company's shareholder register no later than June 7, 2019 (inclusive).</p> <p>10. To determine that completed voting ballots may be sent to the following postal address: - JSC VTB Registrar, PO Box 54, Moscow 127137.</p> <p>11. To determine the following addresses of websites for electronic registration and completion of the electronic voting ballots: http://www.vtbreg.ru; https://www.e-vote.ru/ru, and in the Quorum app developed by the</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		registrar (for iOS and Android). 12. To elect Natalia Kovaleva as the Secretary of the Meeting. 13. To conduct a video broadcast of the Meeting on the corporate website of the Company.
Minutes of 21.06.2019 № 291	Considering matters of significance to the Company. Progress of the construction of the Ust-Srednekanskaya HPP. Matters of the organization of internal control and risk management: 2.1. On approval of the report on the functioning and the results of internal assessment of the corporate system of internal control and risk management. 2.2. On approval of the Internal Control and Risk Management Policy of RusHydro Group. 2.3. On approval of the Risk-Appetite Methodology of RusHydro Group.	To take into consideration information on the progress of the construction of the Ust-Srednekanskaya HPP (Schedule No. 1 to the Minutes). 1. To approve the report on the functioning and the results of internal assessment of the corporate system of internal control and risk management (Schedule 2 to the Minutes). 2. To instruct the Company to develop an action plan based on internal assessment of the internal control and risk management system conducted as of 2018 year-end. 3. To approve the Internal Control and Risk Management Policy of RusHydro Group (Schedule No. 3 to the Minutes). 4. To declare null and void the Internal Control and Risk Management Policy of RusHydro approved by decision of the Company's Board of Directors (Minutes No. 227 dated November 16, 2015). 5. To approve the Risk-Appetite Methodology of RusHydro Group (Schedule No. 4 to the Minutes).
Minutes of 24.06.2019 № 292	Approval of amendments to the Decision on the additional issue of the Company's securities. Approval of amendments to the Company's Securities Prospectus. Approval of the report on the interim results of execution of the	To introduce (approve) amendments to the Decision on the additional issue of RusHydro securities (ordinary shares) (Schedule No. 1 hereto). To introduce (approve) amendments to the RusHydro Securities Prospectus (for ordinary shares) (Schedule No. 2 hereto). To approve the report on the interim results of execution of the Business Plan for 2019 considering the actual results for Q1 2019 (including the report on execution of the Investment Program, including the Complex

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	Company's Business Plan for 2019 considering the actual results for Q1 2019 (including the report on execution of the Investment Program, including the Complex Modernization Program for Generating Facilities, for Q1 2019).	Modernization Program for Generating Facilities, for Q1 2019) (Schedule No. 3 hereto).
	Approval of the report on execution of the Annual Complex Procurement Program of the Company for Q1 2019.	To approve the report on execution of RusHydro's Annual Complex Procurement Program for Q1 2019 (Schedule No. 4 hereto).
	Election of members to the HR and Remuneration (Nominations) Committee under the Company's Board of Directors.	<ol style="list-style-type: none"> 1. To terminate ahead of time the powers of Sergey Nikolayevich Ivanov, a member of the HR and Remuneration (Nominations) Committee under the Company's Board of Directors. 2. To elect Pavel Sergeyevich Grachev, a member of the Board of Directors, to the HR and Remuneration (Nominations) Committee under the Company's Board of Directors.
	Election of members to the Audit Committee under the Company's Board of Directors.	<ol style="list-style-type: none"> 1. To terminate ahead of time the powers of Sergey Nikolayevich Ivanov, a member of the Audit Committee under the Company's Board of Directors. 2. To elect Pavel Sergeyevich Grachev, a member of the Board of Directors, to the Audit Committee under the Company's Board of Directors. 3. To elect Pavel Sergeyevich Grachev as the Chairman of the Audit Committee under the Company's Board of Directors.
	Approval of the reports on the performance results of the Committees under the RusHydro Board of Directors for the 2018–2019 corporate year.	To defer consideration of the item to a later date.
	Consideration of the Report on	To take into consideration the Report on the Company Management Board's Activities for 2018 (Schedule No. 5

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	the Company Management Board's Activities for 2018.	hereto).
	Amending the Unified Regulation on Procurement of Products for the Needs of RusHydro Group: extending the practice of using factoring when carrying out contracts for the supply of goods (performance of work, provision of services).	<p>1. To amend Clause 5.3.9 of the Unified Regulation on Procurement of Products for the Needs of RusHydro Group approved by Decision of the RusHydro Board of Directors (Minutes No. 277 dated October 4, 2018) to read as follows: "5.3.9. A procurement notice and/or procurement documentation may provide for the use of assignment of claim (factoring) when carrying out product delivery contracts concluded by the Customer with small and medium business entities based on the results of procurements held in the form of a competitive tender in accordance with the provisions of the civil laws of the Russian Federation."</p> <p>2. To instruct the Chairman of the Management Board and General Director of the Company N. G. Shulginov:</p> <p>2.1. To notify controlled organizations that have acceded to the Unified Regulation on Procurement of Products for the Needs of RusHydro Group about the amendments introduced thereto within 10 business days after this resolution is adopted.</p> <p>2.2. To publish information about the execution of Directives of the Government of the Russian Federation No. 4111p-p13 dated May 8, 2019, along with electronic copies of the supporting documents on the Interdepartmental State Property Management Portal by July 10, 2019.</p>
	Creation of a General Service Center performing accounting and tax accounting functions and generation of reports in RusHydro Group.	To approve the creation of a General Service Center performing accounting and tax accounting functions and generation of reports in RusHydro Group based at HydroEngineering Siberia JSC.
	Consideration of the progress report on the Action Plan (list of measures) for the introduction of professional standards in the Company's operations.	To approve the progress report on the Action Plan (list of measures) for the introduction of professional standards in the Company's operations in Q4 2018 and Q1 2019 (Schedule No. 6 hereto).
	Progress of priority projects for the construction of two facilities	To take note of information on the progress of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalinskaya GRES-2 (stage 1)) as of March 31, 2019 (Schedule No. 7

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	in the Far East (CHPP in Sovetskaya Gavan, Sakhalinskaya GRES-2 (stage 1)) as of March 31, 2019.	hereto).
	Recognizing candidates to the Company's Board of Directors (Member of the Company's Board of Directors) as independent.	<p>In accordance with the recommendations of the HR and Remuneration (Nominations) Committee under the Company's Board of Directors:</p> <p>1. To take into consideration information on the results of the evaluation of conformity of A.O. Chekunkov, a candidate nominated for election to the Company's Board of Directors at the annual General Meeting of Shareholders in 2019, to the independence criteria stipulated in Schedule No. 4 to the MOEX Listing Rules. A.O. Chekunkov is not affiliated with the Company, a substantial shareholder of the Company, or the Company's competitors.</p> <p>Mr. Chekunkov has formal criteria for affiliation with:</p> <ul style="list-style-type: none"> - The state, as Mr. Chekunkov is General Director of the Far East and Baikal Region Development Fund JSC, an organization controlled by the Russian Federation; - The Company's substantial counterparty, the Far East and Baikal Region Development Fund JSC (FEDF), as the amount of liabilities between the Company and the FEDF under a loan agreement exceeds 2% of the book value of assets and 2% of revenue of the FEDF. <p>To note that the affiliation between A.O. Chekunkov and the state and the substantial counterparty is formal in nature and does not affect Mr. Chekunkov's ability to act on the Board of Directors for the benefit of the Company and all its shareholders for the following reasons:</p> <ul style="list-style-type: none"> - In accordance with Order of the Government of the Russian Federation No. 607-r dated March 30, 2019, A.O. Chekunkov has been nominated by the Russian Federation as an independent director; therefore, Mr. Chekunkov has no obligation to vote according to the directives of the Government of the Russian Federation (Clause 16 of Regulation of the Government of the Russian Federation No. 738 dated December 3, 2004); - A.O. Chekunkov's affiliation with the state is formal in nature because his labor relations with the Far East and Baikal Region Development Fund JSC do not influence the objective and independent decisions made by Mr. Chekunkov because the Russian Federation's control over the Far East and Baikal Region Development Fund JSC is indirect and is exercised via the State Development Corporation VEB.RF, which is managed by management bodies typical for a commercial institution;

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>- A.O. Chekunkov's affiliation with RusHydro's substantial counterparty is formal in nature due to the following: On April 4, 2018, RusHydro (the Borrower) and the FEDF (the Lender) concluded a financing (target loan) agreement for the construction of offsite infrastructure facilities at Sakhalinskaya GRES-2 (the Project). The borrowed funds were allocated to RusHydro on a repayable and paid basis; the loan agreement was concluded for a period until June 25, 2026, for a total amount of up to RUB 5 billion at 5% per annum. Provision of funds to the FEDF to finance RAO Energy Systems of the East JSC for implementation of the Project in accordance with Regulation of the Government of the Russian Federation No. 1055 dated October 16, 2014, has been preliminarily approved by the Government Subcommission for the Implementation of Investment Projects in the Far East and the Baikal Region (Minutes No. 3 dated December 25, 2017), by the FEDF Board of Directors (Minutes No. 57 dated December 29, 2017), and by the RusHydro Board of Directors as an interested party transaction (Minutes No. 265 dated February 6, 2018; A.O. Chekunkov did not vote on this item). As of December 31, 2018, the loan had been disbursed in full (RUB 5 billion) and the loan funds had been allocated to finance the Project by way of their transfer in the form of a loan to an organization controlled by the Company, RAO Energy Systems of the East JSC.</p> <p>- The track record of A.O. Chekunkov in the Company's Board of Directors and the Company's Committees in 2016–2018 has proved his ability to make independent, unbiased, and conscientious judgments because Mr. Chekunkov's opinion on the agenda items of meetings of the Board of Directors and committees under the Board of Directors was based on his expertise and experience and was autonomous and independent, and the decisions made by Mr. Chekunkov previously allow one to draw the conclusion that his formal connection with the state did not influence his decisions, as Mr. Chekunkov acted for the benefit of the Company and all its shareholders;</p> <p>2. For the purpose of increasing the transparency of RusHydro, building its positive business reputation, strengthening the positive current expert evaluation of the corporate governance system, increasing the share of independent directors in the Board of Directors[1], and ensuring the conformity of RusHydro to the recommendations of the Code of Corporate Governance and the Company's internal documents, it is suggested that the candidate to the RusHydro Board of Directors Alexey Olegovich Chekunkov be recognized as an independent director.</p> <p>Mr. Chekunkov has an excellent business and personal reputation, the knowledge, skills, and experience necessary to make decisions that fall within the competence of the Board of Directors and required for the</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>effective performance of his functions, thus allowing him, among other things, to participate in the work of various committees under the RusHydro Board of Directors. Since 2015, Mr. Chekunkov has been a member of the Committee for Far East Energy Development under the Board of Directors of the Company. In 2016–2018, he was a member of the Company's Board of Directors and of the Reliability, Energy Efficiency, and Innovations Committee and the Investment Committee under the Company's Board of Directors. Mr. Chekunkov's long service on the Company's Board of Directors and the Committee for Far East Energy Development is his strength, as Mr. Chekunkov has the necessary longstanding experience in the field of electrical power and investments and extensive knowledge of the Company's business, which can contribute to the effective work of the Board of Directors and the Committees of the Company.</p> <p>During the meetings of the Committees and the Board of Directors, Mr. Chekunkov was always active in discussing the agenda items and always expressed an objective and well-considered opinion in voting that was independent from the opinion of the Company's management. He is responsible and proactive. When participating in the work of the Board of Directors and its Committees, Mr. Chekunkov made a significant contribution to the Company's implementation of the most important matters related to various areas of the Company's business, including priority projects for the construction of facilities in the Far East, investment projects, and the RusHydro innovation development program.</p> <p>Furthermore, Mr. Chekunkov chaired the Far East and Baikal Region Development Fund for a long time. He has 18 years of experience working in the direct investments sector. He has held senior positions in the Russian Direct Investment Fund (RDIF), A-1 (Alfa-Group consortium), Delta Private Equity (US-Russian investment fund), and Alrosa Investment Group OJSC. He is also a member of the Supervisory Board of Alrosa JSC (PJSC). Mr. Chekunkov took part in building the main mechanisms and approaches that served as the basis for the state system of management of Far East development and was one of the visionaries and creators of the Voskhod investment system for attracting capital to investment projects in the Far East.</p> <p>The work experience described above, deep knowledge of the specifics of the Company's work, an understanding of business processes, possession of the necessary professional skills in the financial, administrative, and economic spheres, and use of the best corporate governance practices in his work make Mr. Chekunkov's experience significant for the Company.</p> <p>3. Based on Clause 2 of Section 2.18 of Schedule No. 2 and based on Schedule No. 4 to the MOEX Listing Rules, to recognize Alexey Olegovich Chekunkov as an independent director.</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken									
	Consideration of the Electrical Power Development Program to ensure advanced economic growth in the Far Eastern Federal District.	To take into consideration the Electrical Power Development Program to ensure advanced economic growth in the Far Eastern Federal District (Schedule No. 8 hereto).									
	Confidential.	- The special opinions of members of RusHydro Board of Directors V.M. Kravchenko and M.A. Rasstrigin are attached to the Minutes.									
Minutes of 29.07.2019 № 293	Electing the Chairman of the Board of Directors of the Company.	To elect Yuriy Petrovich Trutnev as Chairman of the Board of Directors of RusHydro.									
	Electing the Deputy Chairman of the Board of Directors of the Company.	To elect Nikolay Dmitriyevich Rogalev as Deputy Chairman of the Board of Directors of RusHydro.									
	Forming the Audit Committee under the Company's Board of Directors.	<p>1. To elect the following persons to the Audit Committee under the Board of Directors of RusHydro:</p> <table border="1" data-bbox="801 911 2085 1150"> <tbody> <tr> <td data-bbox="801 911 846 979">1</td> <td data-bbox="846 911 1111 979">Maksim Sergeevich Bystrov</td> <td data-bbox="1111 911 2085 979">Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.</td> </tr> <tr> <td data-bbox="801 979 846 1048">2</td> <td data-bbox="846 979 1111 1048">Pavel Sergeevich Grachev</td> <td data-bbox="1111 979 2085 1048">Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.</td> </tr> <tr> <td data-bbox="801 1048 846 1150">3</td> <td data-bbox="846 1048 1111 1150">Vyacheslav Viktorovich Pivovarov</td> <td data-bbox="1111 1048 2085 1150">Member of the Board of Directors of RusHydro, President of Altera Capital LLC.</td> </tr> </tbody> </table> <p>2. To take into consideration information regarding whether all members of the Audit Committee under the Board of Directors of RusHydro have experience and knowledge in the field of preparation, analysis, assessment, and audit of accounting (financial) statements.</p> <p>3. To elect Maksim Sergeevich Bystrov as the Chairman of the Audit Committee under the Board of Directors of RusHydro.</p>	1	Maksim Sergeevich Bystrov	Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.	2	Pavel Sergeevich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.	3	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.
	1	Maksim Sergeevich Bystrov	Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.								
2	Pavel Sergeevich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.									
3	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.									
Forming the HR and Remuneration (Nominations)	1. To elect the following persons to the HR and Remuneration (Nominations) Committee under the Board of Directors of RusHydro:										

Date and No. of Minutes	Items on the Agenda	Decisions Taken																																	
	Committee under the Company's Board of Directors.	<table border="1" data-bbox="801 379 2087 619"> <tr> <td data-bbox="801 379 853 483">1.</td> <td data-bbox="853 379 1111 483">Vyacheslav Viktorovich Pivovarov</td> <td data-bbox="1111 379 2087 483">Member of the Board of Directors of RusHydro, President of Altera Capital LLC.</td> </tr> <tr> <td data-bbox="801 483 853 552">2.</td> <td data-bbox="853 483 1111 552">Pavel Sergeyeich Grachev</td> <td data-bbox="1111 483 2087 552">Member of the Board of Directors of RusHydro, General Director of Polyus PJSC</td> </tr> <tr> <td data-bbox="801 552 853 619">3.</td> <td data-bbox="853 552 1111 619">Aleksey Olegovich Chekunkov</td> <td data-bbox="1111 552 2087 619">Member of the Board of Directors of RusHydro, General Director of Far East and Baikal Region Development Fund JSC.</td> </tr> </table> <p data-bbox="770 624 1966 687">2. To elect Vyacheslav Viktorovich Pivovarov as Chairman of the HR and Remuneration (Nominations) Committee under the Board of Directors of RusHydro.</p>	1.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.	2.	Pavel Sergeyeich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC	3.	Aleksey Olegovich Chekunkov	Member of the Board of Directors of RusHydro, General Director of Far East and Baikal Region Development Fund JSC.																								
1.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.																																	
2.	Pavel Sergeyeich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC																																	
3.	Aleksey Olegovich Chekunkov	Member of the Board of Directors of RusHydro, General Director of Far East and Baikal Region Development Fund JSC.																																	
	Forming the Strategy Committee under the Board of Directors of the Company.	<p data-bbox="770 700 1877 730">1. To determine the size of the Strategy Committee under the Board of Directors: 12 persons.</p> <p data-bbox="770 735 2022 766">2. To elect the following persons to the Strategy Committee under the Board of Directors of the Company:</p> <table border="1" data-bbox="801 770 2087 1409"> <tr> <td data-bbox="801 770 853 826">1.</td> <td data-bbox="853 770 1111 826">Pavel Sergeyeich Grachev</td> <td data-bbox="1111 770 2087 826">Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.</td> </tr> <tr> <td data-bbox="801 826 853 882">2.</td> <td data-bbox="853 826 1111 882">Lev Vladimirovich Kuznetsov</td> <td data-bbox="1111 826 2087 882">Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.</td> </tr> <tr> <td data-bbox="801 882 853 962">3.</td> <td data-bbox="853 882 1111 962">Vyacheslav Viktorovich Pivovarov</td> <td data-bbox="1111 882 2087 962">Member of the Board of Directors of RusHydro, President of Altera Capital LLC.</td> </tr> <tr> <td data-bbox="801 962 853 1018">4.</td> <td data-bbox="853 962 1111 1018">Nikolay Dmitriyevich Rogalev</td> <td data-bbox="1111 962 2087 1018">Member of the Board of Directors of RusHydro, Chancellor of National Research University Moscow Power Engineering Institute.</td> </tr> <tr> <td data-bbox="801 1018 853 1074">5.</td> <td data-bbox="853 1018 1111 1074">Dmitriy Gennadyevich Denisov</td> <td data-bbox="1111 1018 2087 1074">Director of the Department for Competition, Energy Efficiency and Environment of the Ministry of Economic Development of Russia.</td> </tr> <tr> <td data-bbox="801 1074 853 1129">6.</td> <td data-bbox="853 1074 1111 1129">Igor Anatolyevich Zadornov</td> <td data-bbox="1111 1074 2087 1129">Head of the Secretariat of the Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District Yu. P. Trutnev.</td> </tr> <tr> <td data-bbox="801 1129 853 1185">7.</td> <td data-bbox="853 1129 1111 1185">Andrey Valentinovich Kazachenkov</td> <td data-bbox="1111 1129 2087 1185">Member of the Management Board, First Deputy General Director of RusHydro.</td> </tr> <tr> <td data-bbox="801 1185 853 1241">8.</td> <td data-bbox="853 1185 1111 1241">Boris Arkadyevich Livshits</td> <td data-bbox="1111 1185 2087 1241">Deputy Head of the Competitive Pricing Department at NP Market Council Association.</td> </tr> <tr> <td data-bbox="801 1241 853 1297">9.</td> <td data-bbox="853 1241 1111 1297">Vasiliy Vladislavovich Nikonov</td> <td data-bbox="1111 1241 2087 1297">Director of the Energy Department of Rosneft.</td> </tr> <tr> <td data-bbox="801 1297 853 1361">10.</td> <td data-bbox="853 1297 1111 1361">Yevgeniy Aleksandrovich Olkhovich</td> <td data-bbox="1111 1297 2087 1361">Deputy General Director for Strategic Development of Rosseti PJSC.</td> </tr> <tr> <td data-bbox="801 1361 853 1409">11.</td> <td data-bbox="853 1361 1111 1409">George Ilyich Rizhinashvili</td> <td data-bbox="1111 1361 2087 1409">Member of the Management Board, First Deputy General Director of RusHydro.</td> </tr> </table>	1.	Pavel Sergeyeich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.	2.	Lev Vladimirovich Kuznetsov	Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.	3.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.	4.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of National Research University Moscow Power Engineering Institute.	5.	Dmitriy Gennadyevich Denisov	Director of the Department for Competition, Energy Efficiency and Environment of the Ministry of Economic Development of Russia.	6.	Igor Anatolyevich Zadornov	Head of the Secretariat of the Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District Yu. P. Trutnev.	7.	Andrey Valentinovich Kazachenkov	Member of the Management Board, First Deputy General Director of RusHydro.	8.	Boris Arkadyevich Livshits	Deputy Head of the Competitive Pricing Department at NP Market Council Association.	9.	Vasiliy Vladislavovich Nikonov	Director of the Energy Department of Rosneft.	10.	Yevgeniy Aleksandrovich Olkhovich	Deputy General Director for Strategic Development of Rosseti PJSC.	11.	George Ilyich Rizhinashvili	Member of the Management Board, First Deputy General Director of RusHydro.
1.	Pavel Sergeyeich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.																																	
2.	Lev Vladimirovich Kuznetsov	Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.																																	
3.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.																																	
4.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of National Research University Moscow Power Engineering Institute.																																	
5.	Dmitriy Gennadyevich Denisov	Director of the Department for Competition, Energy Efficiency and Environment of the Ministry of Economic Development of Russia.																																	
6.	Igor Anatolyevich Zadornov	Head of the Secretariat of the Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District Yu. P. Trutnev.																																	
7.	Andrey Valentinovich Kazachenkov	Member of the Management Board, First Deputy General Director of RusHydro.																																	
8.	Boris Arkadyevich Livshits	Deputy Head of the Competitive Pricing Department at NP Market Council Association.																																	
9.	Vasiliy Vladislavovich Nikonov	Director of the Energy Department of Rosneft.																																	
10.	Yevgeniy Aleksandrovich Olkhovich	Deputy General Director for Strategic Development of Rosseti PJSC.																																	
11.	George Ilyich Rizhinashvili	Member of the Management Board, First Deputy General Director of RusHydro.																																	

Date and No. of Minutes	Items on the Agenda	Decisions Taken																										
		12.	Pavel Nikolayevich Snikkars	Director of the Department of Electric Power Development of the Ministry of Energy of Russia.																								
	Forming the Investment Committee under the Board of Directors of the Company.	<p>3. To elect Igor Anatolyevich Zadvornov as Chairman of the Strategy Committee under the Board of Directors of RusHydro.</p> <p>4. To ensure that the Company concludes confidentiality agreements with the members of the Strategy Committee under the Board of Directors who are not classified as Company insiders under the legislation of the Russian Federation, as per the form established in the Company's internal documents.</p> <p>1. To determine the size of the Investment Committee under the Board of Directors: 13 persons.</p> <p>2. To elect the following persons to the Investment Committee under the Board of Directors of RusHydro:</p> <table border="1" data-bbox="808 663 2074 1407"> <tbody> <tr> <td data-bbox="808 663 898 762">1.</td> <td data-bbox="898 663 1133 762">Maksim Sergeyeovich Bystrov</td> <td data-bbox="1133 663 2074 762">Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.</td> </tr> <tr> <td data-bbox="808 762 898 831">2.</td> <td data-bbox="898 762 1133 831">Lev Vladimirovich Kuznetsov</td> <td data-bbox="1133 762 2074 831">Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.</td> </tr> <tr> <td data-bbox="808 831 898 935">3.</td> <td data-bbox="898 831 1133 935">Vyacheslav Viktorovich Pivovarov</td> <td data-bbox="1133 831 2074 935">Member of the Board of Directors of RusHydro, President of Altera Capital LLC.</td> </tr> <tr> <td data-bbox="808 935 898 1034">4.</td> <td data-bbox="898 935 1133 1034">Nikolay Dmitriyevich Rogalev</td> <td data-bbox="1133 935 2074 1034">Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.</td> </tr> <tr> <td data-bbox="808 1034 898 1137">5.</td> <td data-bbox="898 1034 1133 1137">Mikhail Aleksandrovich Bychko</td> <td data-bbox="1133 1034 2074 1137">Acting Deputy General Director for Capital Construction at Rosseti PJSC.</td> </tr> <tr> <td data-bbox="808 1137 898 1206">6.</td> <td data-bbox="898 1137 1133 1206">Sergey Igorevich Zhuravlyov</td> <td data-bbox="1133 1137 2074 1206">Vice President for Governmental Affairs at Management Company Polyus LLC.</td> </tr> <tr> <td data-bbox="808 1206 898 1305">7.</td> <td data-bbox="898 1206 1133 1305">Aleksandr Vladimirovich Ilyenko</td> <td data-bbox="1133 1206 2074 1305">Member of the Management Board, Director for Unified Energy System Management at SO UES JSC.</td> </tr> <tr> <td data-bbox="808 1305 898 1407">8.</td> <td data-bbox="898 1305 1133 1407">Andrey Valentinovich Kazachenkov</td> <td data-bbox="1133 1305 2074 1407">Member of the Management Board, First Deputy General Director of RusHydro.</td> </tr> </tbody> </table>			1.	Maksim Sergeyeovich Bystrov	Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.	2.	Lev Vladimirovich Kuznetsov	Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.	3.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.	4.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.	5.	Mikhail Aleksandrovich Bychko	Acting Deputy General Director for Capital Construction at Rosseti PJSC.	6.	Sergey Igorevich Zhuravlyov	Vice President for Governmental Affairs at Management Company Polyus LLC.	7.	Aleksandr Vladimirovich Ilyenko	Member of the Management Board, Director for Unified Energy System Management at SO UES JSC.	8.	Andrey Valentinovich Kazachenkov	Member of the Management Board, First Deputy General Director of RusHydro.
1.	Maksim Sergeyeovich Bystrov	Member of the Board of Directors of RusHydro, Chairman of the Management Board of NP Market Council Association.																										
2.	Lev Vladimirovich Kuznetsov	Member of the Board of Directors of RusHydro, First Deputy Chairman of the Board of Directors of Management Company Intergeo LLC.																										
3.	Vyacheslav Viktorovich Pivovarov	Member of the Board of Directors of RusHydro, President of Altera Capital LLC.																										
4.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.																										
5.	Mikhail Aleksandrovich Bychko	Acting Deputy General Director for Capital Construction at Rosseti PJSC.																										
6.	Sergey Igorevich Zhuravlyov	Vice President for Governmental Affairs at Management Company Polyus LLC.																										
7.	Aleksandr Vladimirovich Ilyenko	Member of the Management Board, Director for Unified Energy System Management at SO UES JSC.																										
8.	Andrey Valentinovich Kazachenkov	Member of the Management Board, First Deputy General Director of RusHydro.																										

Date and No. of Minutes	Items on the Agenda	Decisions Taken														
		9.	Sergey Anatolyevich Kirov	Member of the Management Board, First Deputy General Director of RusHydro.												
		10.	Aleksey Vladimirovich Kulagin	Deputy Head of the Directorate "Expert & Analytical Center of the Fuel and Energy Complex," Russian Energy Agency under the Ministry of Energy of Russia.												
		11.	Mikhail Sergeyeovich Sonin	Head of the Office for Competition in the Goods and Services Markets of the Ministry of Economic Development of Russia												
		12.	Denis Vladimirovich Milyutin	Head of the Fuel and Power Resources Cost Control Office of the Energy Department of Rosneft.												
		13.	Viktor Viktorovich Khmarin	Member of the Board, Deputy General Director for Resource Provision and Future Development, RusHydro.												
		<p>3. To elect Lev Vladimirovich Kuznetsov as the Chairman of the Investment Committee under the Board of Directors of RusHydro.</p> <p>4. To ensure that the Company concludes confidentiality agreements with the members of the Investment Committee under the Board of Directors who are not classified as Company insiders under the legislation of the Russian Federation, as per the form established in the Company's internal documents.</p>														
	Forming the Committee for Far East Energy Development under the Board of Directors of the Company.	<p>1. To elect the following persons to the Committee for Far East Energy Development under the Board of Directors of the Company:</p> <table border="1" data-bbox="786 1082 2072 1369"> <tbody> <tr> <td data-bbox="786 1082 860 1157">1.</td> <td data-bbox="860 1082 1131 1157">Yuriy Petrovich Trutnev</td> <td data-bbox="1131 1082 2072 1157">Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District, Member of the Board of Directors of RusHydro.</td> </tr> <tr> <td data-bbox="786 1157 860 1232">2.</td> <td data-bbox="860 1157 1131 1232">Pavel Sergeyeovich Grachev</td> <td data-bbox="1131 1157 2072 1232">Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.</td> </tr> <tr> <td data-bbox="786 1232 860 1307">3.</td> <td data-bbox="860 1232 1131 1307">Aleksey Olegovich Chekunkov</td> <td data-bbox="1131 1232 2072 1307">Member of the Board of Directors of RusHydro, General Director of JSC "Far East Development Fund".</td> </tr> <tr> <td data-bbox="786 1307 860 1369">4.</td> <td data-bbox="860 1307 1131 1369">Dmitry Stanislavovich Bulgakov</td> <td data-bbox="1131 1307 2072 1369">Deputy Head of the Directorate "Expert & Analytical Center of the Fuel and Energy Complex," Russian Energy Agency under the Ministry of Energy of Russia.</td> </tr> </tbody> </table>			1.	Yuriy Petrovich Trutnev	Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District, Member of the Board of Directors of RusHydro.	2.	Pavel Sergeyeovich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.	3.	Aleksey Olegovich Chekunkov	Member of the Board of Directors of RusHydro, General Director of JSC "Far East Development Fund".	4.	Dmitry Stanislavovich Bulgakov	Deputy Head of the Directorate "Expert & Analytical Center of the Fuel and Energy Complex," Russian Energy Agency under the Ministry of Energy of Russia.
1.	Yuriy Petrovich Trutnev	Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District, Member of the Board of Directors of RusHydro.														
2.	Pavel Sergeyeovich Grachev	Member of the Board of Directors of RusHydro, General Director of Polyus PJSC.														
3.	Aleksey Olegovich Chekunkov	Member of the Board of Directors of RusHydro, General Director of JSC "Far East Development Fund".														
4.	Dmitry Stanislavovich Bulgakov	Deputy Head of the Directorate "Expert & Analytical Center of the Fuel and Energy Complex," Russian Energy Agency under the Ministry of Energy of Russia.														

Date and No. of Minutes	Items on the Agenda	Decisions Taken	
		5. Sergey Vyacheslavovich Vasilyev	Deputy General Director – Director of the Far East Division of RusHydro.
		6. Andrey Vladimirovich Gabov	Head of the Electrical Energy Industry Development Office of the Department for the State Regulation of Tariffs and Infrastructure Reforms of the Ministry of Economic Development of Russia.
		7. Igor Anatolyevich Zadvornov	Head of the Secretariat of the Deputy Prime Minister of the Russian Federation – Presidential Envoy to the Far Eastern Federal District Yu. P. Trutnev.
		8. Andrey Valentinovich Kazachenkov	Member of the Management Board, First Deputy General Director of RusHydro.
		9. Sergey Yuryevich Lebedev	Deputy Chairman of the Management Board of NP Market Council Association.
		10. Leonid Gennadyevich Petukhov	General Director of ANO Far East Investment and Export Agency.
		11. Denis Viktorovich Pileniyeks	Deputy Director for Unified Energy System Development at SO UES JSC.
		12. Aleksandr Mikhaylovich Pyatigor	Member of the Management Board, Deputy General Director of Rosseti PJSC for Service Development and Implementation.
		13. Aleksey Valeryevich Molskiy	Deputy Chairman of the Management Board of FGC UES PJSC.
		14. Sergey Aleksandrovich Tyrtsev	First Deputy Minister of Russian Far East Development.
		<p>2. To elect Yuriy Petrovich Trutnev as Chairman of the Committee for Far East Energy Development under the Board of Directors of RusHydro.</p> <p>3. To ensure that the Company concludes confidentiality agreements with the members of the Committee for Far East Energy Development under the Board of Directors who are not classified as Company insiders under the legislation of the Russian Federation, as per the form established in the Company's internal documents.</p>	
	Forming the Reliability, Energy	1. To determine the size of the Reliability, Energy Efficiency, and Innovations Committee under the	

Date and No. of Minutes	Items on the Agenda	Decisions Taken																											
	Efficiency, and Innovations Committee under the Board of Directors of the Company.	<p>Board of Directors: 9 persons.</p> <p>2. To elect the following persons to the Reliability, Energy Efficiency, and Innovations Committee under the Board of Directors of the Company:</p> <table border="1" data-bbox="786 443 2085 1054"> <tbody> <tr> <td>1.</td> <td>Nikolay Dmitriyevich Rogalev</td> <td>Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.</td> </tr> <tr> <td>2.</td> <td>Igor Anatolyevich Baykov</td> <td>Deputy Director of the Department for Operational Control and Management of the Electrical Power Industry under the Ministry of Energy of Russia.</td> </tr> <tr> <td>3.</td> <td>Oleg Gennadyevich Barkin</td> <td>Member of the Management Board – Deputy Chairman of the Management Board of NP Market Council Association.</td> </tr> <tr> <td>4.</td> <td>Boris Borisovich Bogush</td> <td>Member of the Management Board, First Deputy General Director – Chief Engineer of RusHydro.</td> </tr> <tr> <td>5.</td> <td>Yuriy Mikhaylovich Vishnevskiy</td> <td>Deputy Director for Unified Energy System Regime Management at SO UES JSC.</td> </tr> <tr> <td>6.</td> <td>Sergey Igorevich Zhuravlyov</td> <td>Vice President for Governmental Affairs at Management Company Polyus LLC.</td> </tr> <tr> <td>7.</td> <td>Andrey Vladimirovich Mayorov</td> <td>Deputy General Director, Chief Engineer of Rosseti PJSC.</td> </tr> <tr> <td>8.</td> <td>George Ilyich Rizhinashvili</td> <td>Member of the Management Board, First Deputy General Director of RusHydro.</td> </tr> <tr> <td>9.</td> <td>Mikhail Petrovich Fedorov</td> <td>President of Peter the Great Saint Petersburg Polytechnic University, Chairman of the Bureau of the Scientific and Technical Council of RusHydro.</td> </tr> </tbody> </table> <p>3. To elect Nikolay Dmitriyevich Rogalev as Chairman of the Reliability, Energy Efficiency, and Innovations Committee under the Board of Directors of RusHydro.</p> <p>4. To ensure that the Company concludes confidentiality agreements with the members of the Reliability, Energy Efficiency and Innovations Committee under the Board of Directors who are not classified as Company insiders under the legislation of the Russian Federation, as per the form established in the Company's internal documents.</p> <p>5. To recognize the appropriateness of the composition of the committees to the objectives of the Board of Directors and the goals of Company activities and the absence of the need to set up new committees.</p>	1.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.	2.	Igor Anatolyevich Baykov	Deputy Director of the Department for Operational Control and Management of the Electrical Power Industry under the Ministry of Energy of Russia.	3.	Oleg Gennadyevich Barkin	Member of the Management Board – Deputy Chairman of the Management Board of NP Market Council Association.	4.	Boris Borisovich Bogush	Member of the Management Board, First Deputy General Director – Chief Engineer of RusHydro.	5.	Yuriy Mikhaylovich Vishnevskiy	Deputy Director for Unified Energy System Regime Management at SO UES JSC.	6.	Sergey Igorevich Zhuravlyov	Vice President for Governmental Affairs at Management Company Polyus LLC.	7.	Andrey Vladimirovich Mayorov	Deputy General Director, Chief Engineer of Rosseti PJSC.	8.	George Ilyich Rizhinashvili	Member of the Management Board, First Deputy General Director of RusHydro.	9.	Mikhail Petrovich Fedorov	President of Peter the Great Saint Petersburg Polytechnic University, Chairman of the Bureau of the Scientific and Technical Council of RusHydro.
1.	Nikolay Dmitriyevich Rogalev	Member of the Board of Directors of RusHydro, Chancellor of the National Research University Moscow Power Engineering Institute.																											
2.	Igor Anatolyevich Baykov	Deputy Director of the Department for Operational Control and Management of the Electrical Power Industry under the Ministry of Energy of Russia.																											
3.	Oleg Gennadyevich Barkin	Member of the Management Board – Deputy Chairman of the Management Board of NP Market Council Association.																											
4.	Boris Borisovich Bogush	Member of the Management Board, First Deputy General Director – Chief Engineer of RusHydro.																											
5.	Yuriy Mikhaylovich Vishnevskiy	Deputy Director for Unified Energy System Regime Management at SO UES JSC.																											
6.	Sergey Igorevich Zhuravlyov	Vice President for Governmental Affairs at Management Company Polyus LLC.																											
7.	Andrey Vladimirovich Mayorov	Deputy General Director, Chief Engineer of Rosseti PJSC.																											
8.	George Ilyich Rizhinashvili	Member of the Management Board, First Deputy General Director of RusHydro.																											
9.	Mikhail Petrovich Fedorov	President of Peter the Great Saint Petersburg Polytechnic University, Chairman of the Bureau of the Scientific and Technical Council of RusHydro.																											
	Approving the Program of Works of the Board of Directors of	To approve the Program of Works of the Board of Directors of RusHydro for H2 2019 (Schedule No. 1 hereto).																											

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	RusHydro for H2 2019.	
	On determining the position of RusHydro (RusHydro's representatives) in the management bodies of its subsidiaries.	Commercial secret.
	Recognizing a member of the Board of Directors of the Company as independent.	<p>In accordance with the recommendations of the HR and Remuneration (Nominations) Committee under the Company's Board of Directors:</p> <p>To take into account information on the results of evaluation of the conformance of Maksim Sergeyevich Bystrov, member of the Board of Directors, to the independence criteria established in Appendix 4 to the Listing Rules of Moscow Exchange.</p> <p>There is no affiliation between M. S. Bystrov and the Company, competitors or the state.</p> <p>M. S. Bystrov has formal criteria of affiliation with:</p> <ul style="list-style-type: none"> - the Company's significant counterparties — ATS JSC, SO UES JSC, FSC JSC, ANO Market Council Training Center ¹⁰, Karachayevo-Cherkesskenergo JSC, and Kabbalkenergo JSC ¹¹, — as the amount of liabilities under agreements between the Company and each of the said counterparties exceeds 2% of the book value of assets and 2% of the revenue of each counterparty; - the Company's major shareholder, the Russian Federation ¹², as M. S. Bystrov is a member of the Board of Directors in more than two organizations controlled by the Russian Federation, i.e. Rosseti PJSC, SO UES JSC, and RusHydro. <p>To note that the connection between Maksim Bystrov and the significant counterparties of the Company — ATS</p>

¹⁰ M. S. Bystrov is a member of the Board of Directors of SO UES JSC, the Chairman of the Management Board and a member of the Board of Directors of ATS JSC, and the Chairman of the Management Board and a member of the Supervisory Board of NP Market Council Association. JSC FSC (through JSC ATS) and Autonomous Noncommercial Organization Training Center Market Council are controlled by the organizations of the Association Nonprofit Partnership Market Council.

¹¹ Karachayevo-Cherkesskenergo JSC and Kabbalkenergo JSC are entities controlled by Rosseti PJSC, of whose Board of Directors M. S. Bystrov is a member.

¹² 60.6% of RusHydro's ordinary shares belong to the Russian Federation, represented by the Federal Agency for State Property Management; 13.3% of RusHydro's ordinary shares belong to VTB Bank (PJSC), which is also controlled by the Russian Federation.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>JSC, SO UES JSC, FSC JSC, ANO Market Council Training Center, Karachayevo-Cherkesskenergo JSC, and Kabbalkenergo JSC — is formal in nature and does not affect Mr. Bystrov’s ability to act, as a member of the Board of Directors, in the interests of the Company and its shareholders for the following reasons:</p> <ul style="list-style-type: none"> - In accordance with Order of the Government of the Russian Federation (hereinafter, "RF Government") No. 607-r dated March 30, 2019, M. S. Bystrov has been nominated by the Russian Federation as an independent director; therefore, M. S. Bystrov has no obligation to vote according to the directives of the Government of the Russian Federation (Clause 16 of Regulation of the RF Government No. 738 dated December 3, 2004); - ATS JSC¹³ (Joint-Stock Company Administrator of the Trade System of the Wholesale Electricity Market) is a commercial operator of the wholesale electricity and capacity market (the "wholesale market") and renders services to the Company for organizing electricity and capacity trading in the wholesale market in the manner provided for in Clause 7 of Article 33 of Federal Law No. 35-FZ dated March 26, 2003, "On the Electric Power Industry" (the "Federal Law on the Electric Power Industry") under an Agreement for Integration into the Trade System of the Wholesale Market. The conditions of the agreement are binding for the parties. Commercial relations between the Company and ATS JSC are based on the principle of nondiscriminatory access to the services of commercial infrastructure organizations of the wholesale market (Article 20 of the Federal Law "On the Electric Power Industry") and on the principle of state regulation of tariffs for the services of a commercial operator of the wholesale market (Article 23.1 of the Federal Law "On the Electric Power Industry"); - SO UES JSC (Joint-Stock Company System Operator of the Unified Energy System) provides the Company with operational dispatch management services in the electric power industry due to its status as a system operator envisioned by Clause 1 of Article 12 of the Federal Law on the Electric Power Industry and under the Agreement for Integration into the Trade System of the Wholesale Market. Commercial relations between the Company and SO UES JSC are based on the principle of nondiscriminatory access to operational dispatch management services in the electric power industry (Clause 6 of Article 20 of the Federal Law "On the

¹³ By decision of the Supervisory Board of the NP Market Council Association (formerly known as NP ATS) dated November 30, 2007, since April 1, 2008, JSC ATS has been entrusted with the performance of the functions of a commercial operator of the wholesale market, classified by Clause 1 of Article 33 of the Federal Law "On the Electric Power Industry" as a commercial infrastructure organization of the wholesale market.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>Electric Power Industry") and on the principle of state regulation of tariffs for operational dispatch management services (Article 23.1 of the Federal Law "On the Electric Power Industry");</p> <ul style="list-style-type: none"> - FSC JSC (Joint-Stock Company Financial Settlement Center) is classified among the commercial infrastructure organizations of the wholesale electricity and capacity market of the Russian Federation; it ensures the functioning of the contractual structure of the wholesale market and the system of financial settlements between its participants and renders services to the Company for calculation of claims and liabilities under the Agreement for Integration into the Trade System of the Wholesale Market. The Agreement was concluded in accordance with Clause 1 of Article 32 of the Federal Law on the Electric Power Industry and Clause 40 of the Rules for the Wholesale Electricity and Capacity Market approved by Regulation of the RF Government No. 1172 dated December 27, 2010. <p>Commercial relations between the Company and FSC JSC are based on the principle of nondiscriminatory access to the services of commercial infrastructure organizations of the wholesale market (Article 20 of the Federal Law on the Electric Power Industry). The uniform charge for the service package provided by FSC JSC (for all counterparties) is approved by the Supervisory Board of NP Market Council Association;</p> <ul style="list-style-type: none"> - ANO Market Council Training Center, a company organized under NP Market Council Association, an infrastructure company for trading at wholesale and retail electricity and capacity market, renders services to the Company for the education and training of specialists in organizing an efficient system of wholesale and retail electricity and capacity trading. <p>Considering that the wholesale market regulations adopted by the Supervisory Board of NP Market Council Association are constantly amended, to maintain a high level of knowledge in the field of wholesale market procedures and to obtain information on current and planned changes in the wholesale market, the employees of the Company need to undergo training at the primary source, that is, at ANO Market Council Training Center. The training contracts between the Company and ANO Market Council Training Center are concluded on market conditions;</p> <ul style="list-style-type: none"> - Karachayev-Cherkesskenergo JSC and Kabbalkenergo JSC are the only last-resort electricity providers in their territory, which purchase energy resources in the wholesale market and sell them to any consumer that approaches them by entering into public agreements with them. Karachayev-Cherkesskenergo JSC and Kabbalkenergo JSC sell electricity to the Company under contracts for administrative and business needs. Payment for goods is effected at a price and/or in accordance with the procedure for determining the price

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>established in accordance with the provisions of federal laws and other statutory acts in force at the moment of payment, as well as acts of the competent agencies in the field of state regulation of tariffs.</p> <p>Mr. Bystrov's track record in the Company's 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 and is autonomous and independent, and the decisions made by Mr. Bystrov allow one to draw the conclusion that his formal affiliation with significant counterparties, a major shareholder of the Company and the state 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 Schedule No. 2 and on Schedule No. 4 to the Listing Rules of Moscow Exchange, to recognize Maksim Sergeevich Bystrov as an independent director.</p>
Minutes of 29.08.2019 № 294	On approval of the Company's internal documents: On approval of the amended Regulation on Insider Information of RusHydro.	To approve the new version of the Regulation on Insider Information of RusHydro (Schedule 1 to the Minutes).
	On approval of the Report on the implementation of the Action Plan for the sale of non-core assets of the Company for Q2 2019.	<ol style="list-style-type: none"> 1. To approve the Report on the implementation of the Action Plan for the sale of non-core assets of RusHydro for Q2 2019 in accordance with Schedule 2 to the Minutes. 2. To amend the Register of non-core assets of the Company and the Action Plan for the sale of non-core assets of RusHydro for Q4 2018 and 2019 approved by a resolution of the Board of Directors of the Company dated December 24, 2018 (Minutes No. 281 dated December 27, 2018), in accordance with Schedule 3 to the Minutes.
	On approval of transactions for the gratuitous transfer of the Company's property to third parties: pedestrian and bicycle lanes created as part of the construction of Nizhegorodskaya HPP for provision of urban amenities.	<p>To approve the conclusion of the Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter, the "Agreement") under the following material terms and conditions:</p> <p>Parties to the Agreement:</p> <p>The Donor is the Company;</p> <p>The Donee is the urban settlement city of Zavolzhye, Gorodetsky municipal district, Nizhny Novgorod Region</p> <p>Subject of the Agreement:</p> <p>The Donor shall gratuitously transfer and the Donee shall accept in ownership for use as an object of provision of urban amenities the installation "Pedestrian and Bicycle Lanes," cadastral number: 52:15:0000000:1448, length: 545 m, address: 14 Privokzalnaya Street, city of Zavolzhye, Gorodetsky District, Nizhny Novgorod</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		Region, Russian Federation (ownership recorded in the Unified State Register of Real Estate on February 15, 2019 under No. 52:15:0000000:1448-52/110/2019-1).
	On approval of transactions for the gratuitous transfer of the Company's property to third parties: shares in construction facilities in progress of the Kalmytskaya WPP.	To approve the conclusion of the Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter, the "Agreement") under the following material terms and conditions: Parties to the Agreement: The Donor is the Company; The Donee is the Administration of the Priyutnensky District Municipality of the Republic of Kalmykia. Subject of the Agreement: The Donor shall transfer free of charge and the Donee shall take into possession a share in the construction facilities in progress of the Kalmytskaya WPP in accordance with Schedule 4 to the Minutes.
	On termination of the Company's participation in Technopark Rumyantsevo.	To terminate the Company's participation in the authorized capital of Technopark Rumyantsevo in accordance with the Program for the Alienation of Non-Core Assets of RusHydro.
	On termination of the Company's participation in Geotherm.	To approve the termination of participation of RusHydro in Geotherm as a result of the reorganization of Geotherm in the form of merger into Kamchatskenergo.
	On termination of the Company's participation in KamGEK.	To approve the termination of participation of RusHydro in KamGEK as a result of the reorganization of KamGEK in the form of merger into Kamchatskenergo.
	On participation of the Company in the authorized capital of Kamchatskenergo.	To approve the participation of RusHydro in the authorized capital of Kamchatskenergo as a result of reorganization of Kamchatskenergo in the form of the merger of Geotherm and KamGEK into it. The share of RusHydro in the authorized capital of Kamchatskenergo before reorganization is 0%. The share of RusHydro Group in the authorized capital of Kamchatskenergo before reorganization is 98.7%. The share of RusHydro in the authorized capital of Kamchatskenergo after reorganization is not less than 13.89%. The share of RusHydro Group in the authorized capital of Kamchatskenergo after reorganization is not less than 98.53%.
	Confidential.	
	Confidential.	

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	Confidential.	
	On amendments to the Long-Term Development Program of RusHydro Group for the period of 2018 to 2022 (implementation of the directives of the Government of the Russian Federation No. 10068p-P13 dated December 6, 2018, in terms of supplementation of the section "Implementation of Intelligent Systems and Digital Technologies").	Pursuant to the directives of the Government of the Russian Federation No. 10068p-P13 dated December 6, 2018, and in accordance with the resolution of the Board of Directors of the Company on the item "On the transition of the Company to the predominant use of domestic software,"1 to approve amendments to the Long-Term Development Program of RusHydro Group for the period of 2018 to 2022 in terms of the section "Implementation of Intelligent Systems and Digital Technologies" according to Schedule 5 to the Minutes.
	On the consideration of matters of significance to the Company: On updating the Innovation Development Program of RusHydro Group.	<ol style="list-style-type: none"> 1. To take into account the report on comparison of the level of technological development and the values of key performance indicators of the RusHydro Group's innovation activity with the level of development and indicators of the leading peer companies (hereinafter referred to as the Comparison), revised with due regard to the conclusions on the report submitted by the Ministry for Economic Development of the Russian Federation and the Ministry of Energy of the Russian Federation (Schedule -6 to the Minutes). 2. To approve the proposals for improving the quality of preparation and implementation of the RusHydro Group Innovation Development Program (Schedule 7 to the Minutes) prepared based on the results of the Comparison, when updated. 3. To entrust the Chairman of the Management Board and General Director of the Company, N. G. Shulginov, with ensuring the development of an updated Innovation Development Program of RusHydro Group for 2020 to 2024 in accordance with the proposals pursuant to Schedule 7 to the Minutes and forwarding it for approval to the relevant federal executive bodies (Russian Ministry for Economic Development, Russian Ministry of Energy, Russian Ministry of Education and Science, and Russian Ministry for Development of Russian Far East) by December 31, 2019.
	On termination of the Company's participation in the authorized	To terminate the Company's participation in the authorized capital of Bank of Cyprus Holdings Public Limited Company in accordance with the Program for the Alienation of Non-Core Assets of RusHydro.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	<p>capital of Bank of Cyprus Holdings Public Limited Company.</p> <p>On preliminary approval of transactions with the shares of organizations in which the Company participates: transactions for the sale of sixteen thousand six hundred forty-one (16,641) ordinary shares of Bank of Cyprus Holdings Public Limited Company at exchange trading.</p>	<p>1. To approve transactions for the sale of sixteen thousand six hundred forty-one (16,641) ordinary shares of Bank of Cyprus Holdings Public Limited Company at exchange trading. The share of participation of the Company in Bank of Cyprus Holdings Public Limited Company before alienation is 0.003729494%. The share of participation of the Company in Bank of Cyprus Holdings Public Limited Company after alienation is up to 0%.</p> <p>2. To determine the price of the alienation of 16,641 ordinary shares of Bank of Cyprus Holdings Public Limited Company based on the current market price of the shares of Bank of Cyprus Holdings Public Limited Company formed on the day of sale on the London Stock Exchange. The minority opinion of the member of RusHydro Board of Directors M. A. Rasstrigin is attached.</p>
Minutes of 23.09.2019 № 295	On the interim results of the fulfillment of the Company's Business Plan for 2019 with regard to the actual results for H1 2019 (considering the report on the fulfillment of the Investment Program, including the Complex Modernization Program for Generating Facilities, for H1 2019).	To confirm the interim results of the fulfillment of the Business Plan for 2019 with regard to the actual results of H1 2019 (considering the report on the fulfillment of the Investment Program, including the Complex Modernization Program for Generating Facilities, for H1 2019) (Appendix 1 to the Minutes).
	On the adjustment of the Company's business plan for 2019–2023 insofar as it relates to the Investment Program of RusHydro for 2019.	To approve the adjustment of the Company's business plan for 2019 insofar as it relates to amending the parameters of the Investment Program of RusHydro for 2019, considering their influence on the KPI "Compliance with the capacity commissioning schedules and financing and utilization plan, %" for 2019 (Appendices 2 and 2a to the Minutes). The minority opinion of member of the Company's Board of Directors P. A. Livinskiy on agenda item 2 is attached.
	On the adjustment of the	To approve the adjusted consolidated Business Plan (including the consolidated Investment Program) of

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2019.	RusHydro Group for 2019 (Appendix 3 to the Minutes). The minority opinion of member of the Company's Board of Directors P. A. Livinskiy on agenda item 3 is attached.
	On the approval of the adjusted targets for annual KPIs of the Company's Management Board members for 2019.	to approve the adjusted targets for KPIs of the Company's Management Board members for 2019 as follows: "ROE, %," "EBITDA, million rubles," "Workforce Productivity, thousand rubles/man-hours" (Appendix 4 to the Minutes).
	On the approval of the reports on the performance results of the Committees under the RusHydro Board of Directors for the corporate year 2018–2019.	To consider the item at the next scheduled in-person meeting of the Board of Directors with the participation of the Chairmen of the Committees under the Board of Directors of the Company.
Minutes of 25.09.2019 № 296	On the participation of the Company in JSC Sakhalin SDPP-2.	<p>1. To approve the participation of the Company in the authorized capital of JSC Sakhalin SDPP-2 by concluding an agreement(s) for the sale of shares (the "Transaction") on the following material conditions:</p> <p>Parties to the Transaction: Issuer: Sakhalin SDPP-2 JSC. Acquirer: RusHydro. Subject of the Transaction: The Issuer shall transfer to the Acquirer no more than 16,345,000,000 ordinary shares to be placed through private subscription (the "Shares"). The Acquirer undertakes to accept and pay for the Shares. Price of the Transaction: RUB 1 per one share for a total amount of no more than RUB 16,345,000,000. Other terms and conditions of the Transaction: The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p> <p>2. To determine that based on the results of the issue the Company's participation share in the authorized capital of JSC Sakhalin SDPP-2 will not change and will remain 100%, while the debt of Sakhalin SDPP-2 owed</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>to the Company in the amount of no less than RUB 9,216,605,312 shall be repaid following the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of additional ordinary shares of JSC Sakhalin SDPP-2 corresponds to the nominal value and amounts to RUB 1 per one additional ordinary share for the total maximum amount of RUB 16,345,000,000.</p> <p>4. To consider this decision to be approval of the transaction in accordance with letter c) of subclause 24 of clause 12.1 of the Articles of Association of the Company.</p>
	<p>On the participation of the Company in JSC CHPP in Sovetskaya Gavan.</p>	<p>1. To approve the participation of the Company in the authorized capital of JSC CHPP in Sovetskaya Gavan by concluding an agreement(s) for the sale of shares (the "Transaction) on the following material conditions: Parties to the Transaction: Issuer: JSC CHPP in Sovetskaya Gavan. Acquirer: RusHydro. Subject of the Transaction: The Issuer shall transfer to the Acquirer no more than 18,456,000,000 ordinary shares placed through private subscription (the "Shares"). The Acquirer undertakes to accept and pay for the Shares. Price of the Transaction: RUB 1 per one share for a total amount of no more than RUB 18,456,000,000. Other terms and conditions of the Transaction: The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p> <p>2. To determine that based on the results of the issue the Company's participation share in the authorized capital of JSC CHPP in Sovetskaya Gavan will not change and will remain 100%, while the debt of JSC CHPP in Sovetskaya Gavan to the Company in the amount of no less than RUB 2,644,947,674 shall be repaid following the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of the additional ordinary shares of JSC CHPP in Sovetskaya Gavan shall correspond to the nominal value and shall amount to RUB 1 per one additional ordinary share for the total maximum amount of RUB 18,456,000,000.</p> <p>4. To consider this decision to be approval of the transaction in accordance with letter c) of subclause 24 of</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	<p>On the participation of the Company in JSC Yakutsk SDPP-2.</p>	<p>clause 12.1 of the Articles of Association of the Company.</p> <p>1. To approve the participation of the Company in the authorized capital of Yakutsk SDPP-2 JSC by concluding an agreement(s) for the sale of shares (the "Transaction") on the following material conditions: Parties to the Transaction: Issuer: Yakutsk SDPP-2 JSC. Acquirer: RusHydro. Subject of the Transaction: The Issuer shall transfer to the Acquirer no more than 5,912,000,000 ordinary shares placed through private subscription (the "Shares"). The Acquirer undertakes to accept and pay for the Shares. Price of the Transaction: RUB 1 per one share for a total amount of not more than RUB 5,912,000,000. Other terms and conditions of the Transaction: The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p> <p>2. To determine that based on the results of the issue the Company's participation share in the authorized capital of JSC Yakutsk SDPP-2 will not change and will remain 100%, while the debt of JSC Yakutsk SDPP-2 owed to the Company in the amount of no less than RUB 5,911,757,990 shall be repaid to the Company after the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of additional ordinary shares of Yakutsk SDPP-2 JSC corresponds to the nominal value and amounts to RUB 1 per one additional ordinary share for the total maximum amount of RUB 5,912,000,000.</p> <p>4. To consider this decision to be approval of the transaction in accordance with letter c) of subclause 24 of clause 12.1 of the Articles of Association of the Company.</p>
	<p>On approval of the report on the fulfillment of the Annual Comprehensive Procurement Program of RusHydro for six months of 2019.</p>	<p>To approve the report on the fulfillment of RusHydro's Annual Comprehensive Procurement Program for six months of 2019 (Schedule 1 hereto).</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	<p>On consent to conclude an agreement on the provision of comprehensive transport services as well as on the leasing with crew and leasing of vehicles without crew and additional agreements thereto between RusHydro and JSC RusHydro TC as related-party transactions.</p>	<p>1. To determine the maximum price of the contract for the provision of comprehensive transport services as well as the provision of leasing with crew and leasing of vehicles without crew between the Company and JSC RusHydro TC (the "Agreement") and its additional agreements, which are related-party transactions: RUB 4,880,824,790.04, excluding VAT.</p> <p>2. To give consent to the conclusion by the Company of the Agreement and the subsequent conclusion of additional agreements thereto as interested-party transactions on the following material conditions:</p> <p>Parties to the Agreement and additional agreements: Party 1: RusHydro (the Company). Party 2: JSC TC RusHydro. Subject of the Agreement: The provision by Party 2 to Party 1 of a comprehensive transport service as well as the provision of leasing with crew and leasing without crew of vehicles and equipment (including, among other things, ships and floating objects of inland water transport, and/or hovercraft, and/or special equipment, and/or firefighting equipment, and/or railway transport and equipment, and/or automobile freight vehicles, and/or automobile passenger vehicles, and/or buses, and/or minibuses, and/or trams, and/or lifting facilities.</p> <p>Subject of Additional Agreements:</p> <ul style="list-style-type: none"> - Change in the list of transport vehicles and equipment (including, among other things, ships and floating objects of inland water transport, and/or hovercraft, and/or special equipment, and/or firefighting equipment, and/or railway transport and equipment, and/or automobile freight vehicles, and/or automobile passenger vehicles, and/or buses, and/or minibuses, and/or trams, and/or lifting facilities for leasing and rendering comprehensive transportation services to the executive office and 18 branches of RusHydro); - Change in the price of the Agreement, including price components, within the limit price; - Change of schedules and/or interchangeability of the provision of vehicles and equipment within the term for the provision of services and leases under the Agreement <p>The maximum price of the Agreement (including Additional Agreements): RUB 4,880,824,790.04, excluding VAT.</p> <p>The period for the provision of services and leases under the Agreement:</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>September 1, 2019, to August 31, 2022.</p> <p>Period of validity of the Agreement: The Agreement shall enter into force upon its signing by the Parties and remain in effect until the Parties perform their obligations in full. In accordance with clause 2 of article 425 of the Civil Code of the Russian Federation, the terms of the Agreement apply to relations between the Parties that arose on or after September 1, 2019.</p> <p>Other material terms of the Agreement or the procedure for their determination: The provision of services under the Agreement shall be carried out within the borders of the Russian Federation.</p> <p>Specific routes (points of departure and destination), cargo parameters (mass, quantity, volume, dimensions, nature (type, names), etc.), moto-watches, periods, service schedules, transportation schedules, shift work of vehicles, schedules of means of transport, the place of supply of vehicles, the procedure for the supply and use of vehicles, the nature of the vehicle, the consignor, the consignee may be determined (subject to the limits specified in this decision) in the Agreement and/or applications of Party 1 to Party 2 for the provision of transport or transportation services.</p> <p>Persons with an interest in the execution of the transaction by the Company: member of the Management Board of the Company S. A. Kirov, who is the brother of A. A. Kirov, who holds a position in the management bodies (general director, member of the Board of Directors) of a party to the Agreement, JSC TC RusHydro.</p> <p>3. To determine that the present decision is valid until August 31, 2022.</p>
	<p>On the status of the implementation of priority projects for the construction of 2 facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalin SDPP-2 (stage 1)).</p>	<p>To take note of information on the progress of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (stage 1)) as of June 30, 2019 (Schedule 2 hereto).</p>
	<p>On approval of amendments to the Methodology for the Calculation and Evaluation of the</p>	<p>To approve amendments to the Methodology for the Calculation and Evaluation of the Annual KPIs of RusHydro Management Board Members (Schedule 3 to the Minutes).</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	Annual KPIs of RusHydro Management Board Members.	
	On participation of the Company in the authorized capital of JSC DGK.	<p>To approve participation of the Company in the authorized capital of JSC DGK for the purpose of capitalization of the latter's debt to RusHydro under loans issued (including payment of interest) by way of concluding an agreement to purchase additional shares of JSC DGK (the "Agreement"), as part of a procedure for increasing the authorized capital of JSC DGK by private subscription in favor of the sole entity, RusHydro, on the following material terms and conditions:</p> <p>Parties to the Agreement: Issuer: JSC DGK. Acquirer: RusHydro. Subject of the Agreement: The Issuer shall transfer to the Acquirer ownership of ordinary registered shares of JSC DGK for a maximum amount of RUB 40,500,000,000, and the Acquirer shall accept and pay for them at the price determined by the Board of Directors of JSC DGK on the basis of an independent appraiser's report, which shall not be less than the par value of one ordinary share, with the possibility of paying for them by way of offset of the Company's monetary claims under the extended loans (including payment of interest). The shareholding of the Company and its controlled entities in the authorized capital of JSC DGK after the acquisition of the additional shares of JSC DGK will not change and will remain 100%. The minority opinions of members of RusHydro Board of Directors P. A. Livinskiy and M. A. Rasstrigin are attached to the Minutes.</p>
	Confidential.	-
	Confidential.	-
Minutes of 21.10.2019 № 297	On approval of the Report on the implementation of the Action Plan for the sale of non-core assets of the Company for 9 months of 2019.	To approve the Report on the implementation of the Action Plan for the sale of non-core assets of RusHydro for 9 months of 2019 (Schedule No. 1 to the Minutes).
	On progress in the	To take into account the information on the progress in the implementation of RusHydro Group's Long-Term

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	implementation of RusHydro Group's Long-term Development Program in H1 2019.	Development Program in H1 2019 (Schedule 2 to the Minutes).
	Amendments to RusHydro Group's Long-Term Development Program.	To approve amendments to the list, target values, and methods of calculating and evaluating key performance indicators of RusHydro Group's Long-Term Development Program ¹⁴ in accordance with the adjustment by the Board of Directors of the Company of the list, target values, and methods of calculating and evaluating key performance indicators of members of the Management Board and the Long-term Motivation Program of the Company (Minutes of the Board of Directors of the Company No. 283 dated February 21, 2019, No. 295 dated September 23, 2019, No. 296 dated September 24, 2019) (Schedule No. 3 to the Minutes). The minority opinion of member of the Company's Board of Directors M. A. Rasstrigin on the agenda item 2.2 is attached.
	Confidential.	-
Minutes of 22.10.2019 № 298	On the accomplishment of the action plan for works at Zagorskaya PSHP-2.	To take into consideration the interim report on the accomplishment of the follow-up action plan for works at Zagorskaya PSHP-2 (Schedule No. 1 hereto).
	On measures for refinancing the debt of RAO Energy Systems of the East Holding companies.	<ol style="list-style-type: none"> 1. In order to streamline the terms of the non-deliverable forward contract (hereinafter referred to as the Forward) concluded between the Company and VTB Bank (PJSC) in respect of 55,000,000,000 (Fifty-five billion) ordinary shares of PJSC RusHydro and formalized in the Confirmation of a Non-Deliverable Forward Transaction for Shares dated March 3, 2017 (hereinafter referred to as the Confirmation) in accordance with the Master Agreement on Derivatives Transactions in the Financial Markets dated March 3, 2017, to approve the conclusion of a supplementary agreement to the Confirmation providing for the following amendments to the essential terms of the Forward: <ol style="list-style-type: none"> 1.1. Reduction of the forward rate by 0.5 (five-tenths) percentage points. 1.2. Prolongation of the period during which the Company cannot demand early performance of the obligations under the Forward in full by twelve (12) months.

¹⁴ The Long-term Development Program for the period 2018–2022, approved by Minutes of the Board of Directors of the Company No. 271 dated June 1, 2018, as amended by Minutes of the Board of Directors of the Company No. 279 dated October 26, 2018, and No. 294 dated August 29, 2019.

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>1.3. Entitlement of VTB Bank (PJSC) to unilaterally extend the Forward term no more than three (3) times and in aggregate no more than up to March 3, 2025, inclusive, by sending a written notice to the Company.</p> <p>2. To consider this resolution to be also the approval of a derivative transaction in accordance with Subclause 25, Clause 12.1 of the Company's Articles of Association and the Borrowing Policy Regulation of the Company approved by the decision of the Company's Board of Directors dated July 29, 2010 (Minutes No. 104 dated August 2, 2010).</p> <p>3. For the purpose of collaboration aimed at increasing the selling price of shares of RusHydro as part of the Forward, to approve the conclusion of an agreement on the provision of financial and consulting services (hereinafter, the Agreement) on the following essential terms:</p> <p>Parties to the Agreement: Customer: PJSC RusHydro; Contractor: VTB Capital JSC.</p> <p>Subject of the Agreement: To provide services and assistance to the Customer as part of analysis and measures for the implementation of strategic initiatives aimed at increasing the market value of the Customer's shares, including as part of the implementation of the RusHydro Group Value Increase Plan for the period up to 2021, as well as for the implementation of the transaction for the sale of Customer's shares in the total amount of 55,000,000,000 (Fifty-five billion) ordinary shares owned by VTB Bank (PJSC) for the purposes of final settlement of the Forward (hereinafter, the "Transaction").</p> <p>Price of the Agreement: Five percent (5%) of the amount of the excess of the price for the sale of one (1) share as a result of the Transaction over one ruble and thirty-five thousandths (1.035), multiplied by the number of shares that are the subject of this Transaction, but not more than seven hundred million (700,000,000) rubles.</p> <p>Term of the Agreement: The Agreement shall be valid from the moment of its execution until the earlier of the following dates: a) the date of completion of the Transaction; b) the date falling 36 months from the date of execution of the Agreement; or (c) the date of early termination of the Agreement by any Party upon prior written notice to the other Party.</p> <p>Additional terms:</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>The Customer undertakes to compensate the Contractor for property losses actually incurred and documented by VTB Capital JSC in connection with the Transaction which arose out of any claims, actions, demands, requests or investigations from any third parties with regard to the Contractor or its affiliates, as well as any proceedings relating to such claims. However, property losses that occurred mainly through the fault of the Contractor, as established by a final court judgment, will be excluded from the amount of compensation. The amount of losses compensable by the Customer may not exceed the Price of the Agreement.</p>
	<p>On the approval of the reports on the performance results of the Committees under the RusHydro Board of Directors for the corporate year 2018–2019.</p>	<ol style="list-style-type: none"> 1. To approve the report on the performance results of the Audit Committee of the Company's Board of Directors for the 2018-2019 corporate year (Schedule No. 2 hereto). 2. To approve the report on the performance results of the HR and Remuneration (Nominations) Committee under the Board of Directors for the 2018-2019 corporate year (Schedule No. 3 hereto). 3. To approve the report on the performance results of the Strategy Committee under the Company's Board of Directors for the 2018—2019 corporate year (Schedule No. 4 hereto). 4 To approve the report on the performance results of the Reliability, Energy Efficiency and Innovations Committee under the Company's Board of Directors for the 2018—2019 corporate year (Schedule No. 5 hereto). 5. To approve the report on the performance results of the Far East Power Industry Development Committee under the Company's Board of Directors for the 2018—2019 corporate year (Schedule No. 6 hereto).
<p>Minutes of 04.12.2019 № 299</p>	<p>On setting up branches of RusHydro.</p>	<ol style="list-style-type: none"> 1. To take information on the status of projects for the construction, retrofitting and upgrading of generating facilities (thermal plants) in the non-price zone of the wholesale electricity and capacity market in accordance with Order of the Government of the Russian Federation No. 1544-r dated July 15, 2019 (hereinafter, "Projects") under advisement. 2. To set up, for the purposes of implementing the Projects: <ul style="list-style-type: none"> - the Yakutsky Branch of Public Joint-Stock Company Federal Hydrogeneration Company – RusHydro in Yakutsk; - the Khabarovsk Branch of Public Joint-Stock Company Federal Hydrogeneration Company – RusHydro in Khabarovsk; - the Primorsky Branch of Public Joint-Stock Company Federal Hydrogeneration Company – RusHydro in Vladivostok.
	<p>On the progress of</p>	<p>To take information on the progress of implementation of the investment project "Construction of two single-</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	<p>implementation of the investment project "Construction of two single-circuit 110 kV overhead lines Pevek – Bilibino (construction phase No. 1)."</p>	<p>circuit 110 kV overhead lines Pevek – Bilibino (construction phase No. 1)" (Schedule No. 1 to the Minutes) under advisement.</p> <p>Furthermore, during the discussion of this matter, Yu. P. Trutnev, Chairman of the Board of Directors, ordered the Management Board of the Company to elaborate, within one week, the possibility of implementing the project "Construction of two single-circuit 110 kV overhead lines Pevek – Bilibino (construction phase No. 1)" by means of allocating several startup complexes.</p>
	<p>On determining the position of the Company (delegates of the Company) regarding the agenda of the management bodies of JSC Hydroinvest: "On the execution by JSC Hydroinvest of a transaction on the alienation of shares in its subsidiary, CJSC MEK, which produces electricity."</p>	<p>To instruct the representatives of the Company in the management bodies of JSC Hydroinvest on the issue "On the execution by JSC Hydroinvest of a transaction on the alienation of shares in its subsidiary, CJSC MEK, which produces electricity," to vote "FOR" the adoption of the following resolution:</p> <ol style="list-style-type: none"> 1. To approve the termination of participation of JSC Hydroinvest (the company controlled by RusHydro) in CJSC MEK by selling 527,085 ordinary registered uncertified shares in CJSC MEK at the price determined by the Board of Directors of JSC Hydroinvest based on the valuation report, but not lower than the carrying value, with cash payment. <p>The compulsory condition for the alienation of shares in CJSC MEK is the termination of the surety agreement dated January 30, 2013, concluded between RusHydro and the European Bank for Reconstruction and Development, and the surety agreement dated May 15, 2013, concluded between RusHydro and the Asian Development Bank.</p> <ol style="list-style-type: none"> 2. To implement the decision in Clause 1, to approve the conclusion of a sale and purchase agreement (the "Agreement") on the following conditions and terms (method for their determination): <p>Parties to the Agreement: Seller: Joint-Stock Company Hydroinvest Buyer: the persons who have the preemptive right to acquire shares in CJSC MEK in accordance with the legislation of the Republic of Armenia or, if they refuse to acquire shares or do not exercise their preemptive right, Open Joint-Stock Company Hrazdan Energy Company (RazTES) (Republic of Armenia).</p> <p>Subject Matter of the Agreement: The Seller shall transfer to the Buyer the ownership of 527,085 ordinary uncertified shares in CJSC MEK with a par value of 1,000 Armenian drams each (the "Shares"), and the Buyer shall accept them and pay for them.</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>Price of the Agreement:</p> <p>The value of the alienated shares is determined by the Board of Directors of JSC Hydroinvest based on the valuation report, but not lower than the carrying value, which is one hundred seventy-two million nine hundred sixty-one thousand nine hundred seventy-two rubles 00 kopecks (RUB 172,961,972.00) for 527,085 shares (the "Stock Value") as of September 30, 2019. The payment for the Shares shall be made in cash.</p> <p>Other conditions for the alienation of the Shares:</p> <p>a. Ownership of the Shares is transferred to the Buyer after all the following conditions are met:</p> <ul style="list-style-type: none"> - signing a loan agreement between CJSC MEK and the new lending bank (on material terms in accordance with Schedule No. 2 to the Minutes) in order to fully refinance the debt to the European Bank for Reconstruction and Development (hereinafter, EBRD) and the Asian Development Bank (hereinafter, ADB) (hereinafter, EBRD and ADB are jointly referred to as the Lending Banks) under the loan agreement dated December 21, 2012 and under the loan agreement dated May 13, 2013 (hereinafter jointly referred to as the Loan Agreements), on the conditions agreed upon by the Buyer and CJSC Ardashinbank; - obtaining by CJSC MEK of the consent of the Public Services Regulatory Commission of the Republic of Armenia to signing a share pledge agreement and an immovable property pledge agreement in favor of the new lending bank; - termination of the suretyships of RusHydro for the obligations of CJSC MEK under the Loan Agreements stipulated by the surety agreement dated January 30, 2013, concluded between RusHydro and the European Bank for Reconstruction and Development, and the surety agreement dated May 15, 2013, concluded between RusHydro and the Asian Development Bank pursuant to the full debt repayment by CJSC MEK under the Loan Agreements; - failure to use the pre-emptive right to acquire the Shares within the established time period, or refusal to use the pre-emptive right to acquire the Shares by the minority shareholder of CJSC MEK and by CJSC MEK itself (in case of the sale of the Shares to the Open Joint-Stock Company Hrazdan Energy Company (RazTES)). <p>b. The Seller provides to the Buyer representations for the most significant potential risks listed in Schedule No. 3 to the Minutes.</p> <p>3. To establish that the stake of JSC Hydroinvest in CJSC MEK: before the alienation of the Shares is 90.00%, and after the alienation of the Shares, 0.00%."</p>
	On approving the report on the	To approve the report on the performance results of the Investment Committee of the Company's Board of

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	performance results of the Investment Committee of the Board of Directors of RusHydro for the corporate year 2018–2019.	Directors for the corporate year 2018–2019 (Schedule No. 4 to the Minutes).
Minutes of 04.12.2019 № 300	On Consideration of the Report on Compliance with the Company's Information Policy.	To take into consideration the Report on Compliance with RusHydro's Information Policy (Schedule No. 1 to the Minutes).
	On approval of the report on the execution of the Annual Complex Procurement Program of the Company for 9 months of 2019.	To approve the report on the execution of the RusHydro Annual Complex Procurement Program for 9 months of 2019 (Schedule No. 2 to the Minutes).
	On annual notification of industry-related federal executive bodies and the Government of the Russian Federation on the volumes of contracts concluded with defense industry enterprises for the procurement of civil products for the fuel and energy industry (performance of work, provision of services) which are not related to a state defense order.	<p>1. To note the publication by the Company:</p> <ul style="list-style-type: none"> - of all procurement information of RusHydro Group on the official website of the Unified Procurement Information System, including the goods, works and services procurement plan and up-to-date official publications on procurements, containing, inter alia, notices of procurement, procurement documentation, draft contracts, and information on all contracts concluded by RusHydro Group with all counterparties (this information is publicly available at http://zakupki.gov.ru); - on the official website of the State Industrial Information System of information on the current and prospective needs of RusHydro Group for the implementation of production programs, which is available for the manufacturers of the defense industry for submission of their commercial proposals and further participation in tender procedures (this information is publicly available at https://gisp.gov.ru). <p>2. The Company shall ensure timely annual notification of industry-related federal executive bodies (the Ministry of Industry and Trade of Russia, the Ministry of Energy of Russia, and the Ministry of Economic Development of Russia) and the Government of the Russian Federation on the volumes of contracts concluded by the Company and its subsidiaries with defense industry enterprises for the procurement of civil products for the fuel and energy industry (performance of works, provision of services) which are not related to a state defense order not later than 30 days before the date of the annual General Meeting of Shareholders of the</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		Company, after the industry-related federal executive bodies (the Ministry of Industry and Trade of Russia and/or the Federal Agency for State Property Management) submit information to the Company about the organizations included in the register of defense industry organizations in accordance with Decree of the Government of the Russian Federation No. 96 dated February 20, 2004 "On the Consolidated Register of Defense Industry Organizations."
	On approval of a new revision of the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group.	<ol style="list-style-type: none"> 1. To approve a new revision of the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group (Schedule No. 3 to the Minutes). 2. As soon as the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group comes into force, to deem the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group approved by Decision of the Board of Directors of RusHydro (Minutes No. 277 dated October 4, 2018, with amendments approved by Minutes of the meeting of the Board of Directors of RusHydro No. 292 dated June 24, 2019) to have lost force.
	On consideration of the report on the progress of the Action Plan (the list of measures) for the implementation of occupational standards in the Company's operations.	To approve the report on the progress of the Action Plan (the list of measures) for the implementation of professional standards in the Company's operations in Q2 and Q3 2019 (Schedule No. 4 to the Minutes).
	On consideration of the audit findings of the Ministry of Energy of Russia and the progress on the elimination of violations discovered.	To take under advisement the results of the field audits conducted by the Ministry of Energy of Russia in 2019 and information on the progress on the elimination of violations as of September 30, 2019 (Schedule No. 5 to the Minutes).
	Procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure.	<ol style="list-style-type: none"> 1. To take note of the following: <ul style="list-style-type: none"> - Clause 5.17 of the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group, approved by the Company's Board of Directors (Minutes No. 277 dated October 4, 2018, with amendments approved by Minutes No. 292 dated June 24, 2019, hereinafter referred to as the "URPP"), provides for the priority of procured products (goods, work, services) of Russian origin over procured products

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		<p>of foreign origin¹⁵;</p> <ul style="list-style-type: none"> - this clause of the URPP covers, inter alia, the procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure. <p>2. To establish that no additional amendments need be introduced to the URPP and other local regulations (acts) of the Company in the field of procurement activities to establish the priority of the procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure.</p>
	<p>Approval of the report on the interim results of accomplishment of the Company's Business Plan for 2019 considering the actual results for 9 months of 2019 (including the report on execution of the Investment Program, including the Complex Modernization Program for Generating Facilities, for 9 months of 2019).</p>	<p>To approve the report on the interim results of accomplishment of the Company's Business Plan for 2019 considering the actual results for 9 months of 2019 (including the report on execution of the Investment Program, including the Complex Modernization Program for Generating Facilities, for 9 months of 2019) (Schedule No. 6 to the Minutes).</p>
<p>Minutes of 26.12.2019 № 301</p>	<p>On approval of the Company's Business Plan (including the Investment Program) for 2020–2024.</p>	<ol style="list-style-type: none"> 1. To approve the RusHydro Business Plan for 2020 (Schedule 1 to the Minutes). 2. To approve the RusHydro Investment Program for 2020 (Schedule 2 to the RusHydro Business Plan for 2020–2024). 3. To approve the planning data for RusHydro's investment projects and for new construction facilities of controlled companies that are taken into account in calculating the performance indicator of RusHydro Management Board members "Compliance with the Capacity Commissioning Schedule and the Financing and Utilization Plan, %" for 2020 (Schedule 2a to the RusHydro Business Plan for 2020–2024).

¹⁵ In accordance with Decree of the Government of the Russian Federation No. 925 dated September 16, 2016 "On the Priority of Goods of Russian Origin and Work Performed and Services Provided by Russian Persons as Compared to Goods of Foreign Origin or Work Performed and Services Provided by Foreign Persons."

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	On approval of the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2020–2024.	<p>4. To take into consideration the RusHydro Business Plan for 2021–2024 (Schedule 1 to the Minutes), including the RusHydro Investment Program for 2021–2024 (Schedule 2 to the RusHydro Business Plan for 2020–2024).</p> <p>To approve the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2020–2024 (Schedule 2 to the Minutes).</p>
	On approval of the list and the target values of annual key performance indicators of RusHydro Management Board members for 2020.	<p>1. To approve and put into effect from January 1, 2020:</p> <p>1.1. A new revision of the Regulation on the System of Key Performance Indicators of RusHydro (the "Regulation") as per Schedule 3 to the Minutes.</p> <p>1.2. The list of annual key performance indicators of RusHydro Management Board members for 2020 as per Schedule 4 to the Minutes.</p> <p>1.3. The target values of the annual key performance indicators of RusHydro Management Board members for 2020 as per Schedule 5 to the Minutes.</p> <p>1.4. The new revision of the methodology for calculating and evaluating the annual key performance indicators of RusHydro Management Board members as per Schedule 6 to the Minutes.</p> <p>2. To approve:</p> <p>2.1. The target values of KPIs under RusHydro's Cycle 4 Long-Term Motivation Program for 2020–2022 as per Schedule 7 to the Minutes.</p> <p>2.2. Changes to the target values of KPIs under RusHydro's Cycle 2 Long-Term Motivation Program for 2018–2020 as per Schedule 8 to the Minutes.</p> <p>2.3. Changes to the target values of KPIs under RusHydro's Cycle 3 Long-Term Motivation Program for 2019–2021 as per Schedule 9 to the Minutes.</p> <p>2.4. Changes to the Methodology for Calculating and Evaluating KPIs under the RusHydro Long-Term Motivation Program approved by decision of the Company's Board of Directors on December 26, 2017 (Minutes No. 264 dated December 28, 2017), as amended on February 19, 2019 (Minutes No. 283 dated February 21, 2019), with respect to calculation of the KPI "Total shareholder return (TSR), %" as per Schedule 10 to the Minutes.</p> <p>3. To calculate the KPIs under the Cycle 2 Long-Term Motivation Program for 2018–2020 and the Cycle 3 Long-</p>

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		Term Motivation Program for 2019–2021 in accordance with the Methodology for Calculating and Evaluating Key Performance Indicators under the RusHydro Long-Term Motivation Program approved by decision of the Company's Board of Directors dated December 26, 2017 (Minutes No. 264 dated December 28, 2017), including amendments thereto, including those stipulated by clause 2.4 hereof.
Minutes of 26.12.2019 № 302	On the Company's non-core assets.	To approve: - A new version of the Register of RusHydro's Non-Core Assets (Schedule No. 1 to the Minutes); - The Action Plan for the Sale of RusHydro's Non-Core Assets for 2019 (Q4) – 2020 (Schedule No. 2 to the Minutes).
	Conclusion of an Agreement on the gratuitous transfer of pedestrian and bicycle paths to the municipal entity City of Sayanogorsk.	To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions: Parties to the Agreement: The Donor is the Company; The Donee is the municipal entity City of Sayanogorsk of the Republic of Khakassia, represented by the Administration of the municipal entity City of Sayanogorsk. Subject of the Agreement: The Donor transfers free of charge, and the Donee takes ownership of the immovable property "Pedestrian path and bicycle path" (cadastral number 19:03:080103:7009, length 3,904 m, purpose: other construction (improvement)), located at: Naberezhnaya Street, Building 2, Cheryomushki Working Village, Sayanogorsk, Republic of Khakassia, Russian Federation (hereinafter, the Property).
	Conclusion of an Agreement on the gratuitous transfer of hydrometeorological network facilities for assignment to the Siberian Department for the Russian Federal Service for Hydrometeorology and Environmental Monitoring.	To approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (hereinafter referred to as the Agreement) under the following material terms and conditions: Parties to the Agreement: The Donor is the Company; The Donee is the Russian Federation represented by the Interregional Territorial Administration of the Federal Agency for State Property Management in the Krasnoyarsk Territory, the Republic of Khakassia and the Republic of Tyva. Subject of the Agreement: The Donor transfers free of charge, and the Donee takes ownership of the movable property of the hydrometeorological network facilities (Schedule No. 3 to the Minutes) (hereinafter, the Property) for

Date and No. of Minutes	Items on the Agenda	Decisions Taken
		subsequent assignment to the Siberian Department for the Russian Federal Service for Hydrometeorology and Environmental Monitoring on the basis of operational management.
	Conclusion of an Agreement for the gratuitous transfer of property of the Kora-Ursdonskaya HPP to the Administration of the Dur-Dur rural settlement of the Digorsky district of the Republic of North Ossetia – Alania.	To approve the conclusion of an Agreement for the gratuitous transfer (donation) of the property of the Kora-Ursdonskaya HPP (hereinafter, the Agreement) on the following significant terms and conditions: Parties to the Agreement: The Donor is the Company; The Donee is Dur-Dur rural settlement of Digorsky district of the Republic of North Ossetia – Alania. Subject of the Agreement: The donor transfers free of charge, and the Donee takes into ownership the immovable and movable property of the Kora-Ursdonskaya HPP according to the list in accordance with Schedules No. 4 and 5 to the Minutes (hereinafter, the Property).
	On approval of an agreement for the purchase and sale of the upper concrete spillway dam in the ownership of Zagorskaya PSPP-2 JSC for its subsequent dismantling.	As part of the implementation of the construction project of the Zagorskaya PSPP-2 on the Kunya River, to approve the conclusion of a Real Estate Purchase and Sale Agreement (hereinafter, the Agreement) on the following significant terms and conditions: Parties to the Agreement: The Seller is RusHydro; The Buyer is Zagorskaya PSPP-2 JSC. Subject of the Agreement: The Seller undertakes to transfer to the Buyer, and the Buyer undertakes to accept and pay for the immovable property owned by the Seller, according to Schedule No. 6 to the Minutes.
	On approval of the annual comprehensive procurement program of RusHydro for 2020.	To approve the annual comprehensive procurement program of RusHydro for 2020 (Schedule No. 7 to the Minutes).
	On approval of the Insurance Protection Program of RusHydro for 2020.	To approve the Insurance Protection Program of RusHydro for 2020 (Schedule No. 8 to the Minutes).
	On the progress of priority projects for the construction of	To take note of information on the progress of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalinskaya GRES-2 (stage 1)) as of September 30, 2019 (Schedule No. 9

Date and No. of Minutes	Items on the Agenda	Decisions Taken
	two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of September 30, 2019.	hereto).
	On termination of the Company's participation in the authorized capital of RusHydro International B.V. through its voluntary liquidation.	To exit from RusHydro International B.V. through its voluntary liquidation in accordance with the Program for the Alienation of Non-Core Assets of RusHydro.
	On determining the membership of RusHydro's Management Board.	<ol style="list-style-type: none"> 1. To terminate the powers of member of the Management Board D. I. Rizhinashvili. 2. To define the number of members of the Company's Management Board as 5 persons. 3. Confidential.

APPENDIX No.5 INFORMATION ON THE MEETINGS OF THE COMMITTEES UNDER THE BOARD OF DIRECTORS

AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 04.02.2019 № 127	Review of the Report on Compliance of the Company with the requirements of the legislation of the Russian Federation on countering the unlawful use of insider information and market manipulation and of the Regulation of RusHydro on Insider Information for Q4 2018.	To approve the Report on Compliance of the Company with the requirements of the legislation of the Russian Federation on countering the unlawful use of insider information and market manipulation and of the Regulation of RusHydro on Insider Information for Q4 2018 (Appendix 1).
	Preliminary approval of the report on the results of the activity of the Audit Committee under the Board of Directors of the Company for H1 of the 2018–2019 corporate year.	To preliminarily approve the report on the results of the activity of the Audit Committee of the Board of Directors of the Company for H1 of the 2018–2019 corporate year.
Minutes of 18.02.2019 № 128	On recommendations for the Company's Board of Directors concerning approval of the Report on the Organization of Insurance Coverage of RusHydro in 2018.	To recommend the Company's Board of Directors to adopt the following resolution: To approve the Report on the Organization of Insurance Coverage of RusHydro in 2018 as per Appendix 2 to this resolution.
	On recommendations for the Company's Board of Directors concerning approval of transactions for the transfer of the Company's property to third parties free of charge.	To recommend the Company's Board of Directors to adopt the following resolutions: «1. To approve the conclusion of the Agreement on the Free Transfer (Donation) of Property (hereinafter, the "Agreement") under the following material terms and conditions: Parties to the Agreement: The Donor is the Company; The Donee is the Russian Federation, represented by the Interregional Territorial Directorate of the Federal Agency for State Property Management in Khabarovsk Krai and the Jewish Autonomous Region. Subject of the Agreement: The Donor shall transfer free of charge and the Donee shall accept in ownership the immovable and movable property of the

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>hydrometeorological network in accordance with Appendix 1 and Appendix 2 to this draft resolution (hereinafter, the "Property") for the subsequent assignment of the operational management right to the Federal State Budgetary Institution Far East Hydrometeorology and Environmental Monitoring Department. Price (book value) of the Property (as of December 31, 2018): 20,674,861 (twenty million six hundred seventy-four thousand eight hundred and sixty-one) rubles and 28 kopeks.</p> <p>2. To approve the conclusion of the Agreement on the Free Transfer (Donation) of Property (hereinafter, the "Agreement") under the following material terms and conditions:</p> <p style="padding-left: 40px;">Parties to the Agreement: The Donor is the Company; The Donee is the village of Gimry in the Untsukul'sky District of the Republic of Dagestan, represented by the Administration of the Gimry Municipality of the Untsukul'sky District of the Republic of Dagestan.</p> <p style="padding-left: 40px;">Subject of the Agreement: The Donor shall transfer to the Donee free of charge and the Donee shall assume ownership over the real estate object ("Bridge" road transport structure) under cadastral number 05:35:000022:113, length of 113 m, located at Irganai HPP, Gimry, Untsukul'sky District, Republic of Dagestan, pursuant to Appendix 3 to this draft resolution (hereinafter, the "Property").</p> <p style="padding-left: 40px;">Price (book value) of the Property (as of December 31, 2018): 98,977,438 (ninety-eight million nine hundred seventy-seven thousand four hundred and thirty-eight) rubles and 26 kopeks.</p> <p>3. To approve the conclusion of the Agreement on the Free</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>Transfer (Donation) of Property (hereinafter, the "Agreement") under the following material terms and conditions:</p> <p>Parties to the Agreement: The Donor is the Company; The Donee is the Russian Federation, represented by the Territorial Directorate of the Federal Agency for State Property Management in Stavropol Krai.</p> <p>Subject of the Agreement: The Donor shall transfer free of charge and the Donee shall assume ownership over the real estate object ("Drop No. 1 with a dam" hydraulic structure) under cadastral number 26:15:000000:3586, length of 1,860 m, located 7,850 m southwest from the central part of Dvortsovskoye, Kochubeyevsky District, Stavropol Krai, in accordance with Appendix 4 to this draft resolution (hereinafter, the "Property") for further assignment of the operational management right to the Federal State Budgetary Institution Land Improvement and Agricultural Water Supply Directorate for Stavropol Krai.</p> <p>Price (book value) of the Property (as of December 31, 2018): 3,469,704 (three million four hundred sixty-nine thousand seven hundred and four) rubles and 54 kopeks.</p>
	<p>On recommendations for the Company's Board of Directors concerning approval of the Report on Implementation of the Company's Non-Core Asset Sale Plan for 2018.</p>	<p>To recommend the Company's Board of Directors to adopt the following resolution: To approve the Report on Implementation of the Non-Core Asset Sale Plan of RusHydro for 2018 in accordance with the Appendix to this resolution.</p>
	<p>On recommendations for the Company's Board of Directors concerning approval of the transaction for the free transfer of the Company's property.</p>	<p>1. To recommend the Company's Board of Directors to adopt the following resolution: To approve the conclusion of an agreement on making a</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>contribution to the property of Small HPPs of Altai JSC (hereinafter, the "Agreement") as a transaction to transfer the Company's property free of charge under the following material terms and conditions:</p> <p>Parties to the Agreement: RusHydro Small HPPs of Altai JSC</p> <p>Subject of the Agreement: Making a contribution (in cash) to the property of Small HPPs of Altai JSC.</p> <p>The contribution amount is 4,071,399 (four million seventy-one thousand three hundred and ninety-nine) rubles and 00 kopeks.</p> <p>Other terms and conditions of the Agreement: The contribution periods ends on February 25, 2019.</p> <p>2. For S.A. Kirov, Member of the Management Board, First Deputy General Director, and A.V. Kazachenkov, Member of the Management Board, First Deputy General Director, to ensure the required adjustments to the Company's budget in order to make a contribution in accordance with Clause 1 of this resolution.</p>
Minutes No. 129 of March 25, 2019	On recommendations to the Company's Board of Directors on the item: "Review of material matters for the Company: review of the results of on-site audits by the Russian Ministry of Energy in 2018 and follow-up on corrective actions as at December 31, 2018".	Recommend to the Company's Board of Directors to make the following decision: "Take under advisement the results of on-site audits by the Russian Ministry of Energy in 2018 and follow-up on corrective actions as at December 31, 2018, in accordance with the Appendices 1–10 hereto".
Minutes No. 130 of April 9, 2019	On approval of the Action Plan of the Audit Committee under the Board of Directors of RusHydro for 1H 2019.	Approve the Action Plan of the Audit Committee under the Board of Directors of RusHydro for 1H 2019 (Appendix 1).
	On review of the report on progress against the Action Plan for Implementing the Company's Comprehensive Program of Anti-Corruption Activities in 2018.	Take under advisement the report on progress against the Action Plan for Implementing the Company's Comprehensive Program of Anti-Corruption Activities in 2018.

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes No. 131/85 of April 18, 2019	On review of the results of the corporate governance practice assessment and self-assessment of the Board of Directors' performance.	Take under advisement the results of the corporate governance practice assessment performed by the Internal Audit Service and recommendations on improving the Company's corporate governance in accordance with Appendix 1 hereto. Take under advisement the external assessment results and mark positive changes in the assessments by independent experts. Take under advisement the Report on self-assessment of the Board of Directors' performance and proposals on improvements in the Board of Directors' performance in accordance with Appendix 2 hereto.
Minutes No. 132 of April 30, 2019	On consideration of the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q1 2019.	Approve the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q1 2019 (Appendix 1).
	On progress against the schedule of RusHydro's control activities for Q4 2018.	Approve the report compiled by the Head of the Internal Audit Service on progress against the 2018 schedule of RusHydro's control activities in Q4 2018 (Appendix 2).
	On assessment of RusHydro's internal audit function for 2018.	Approve findings of the internal function assessment for 2018 in accordance with Appendix 1 hereto.
Minutes No. 133 of May 21, 2019	On recommendations to the Company's Board of Directors on the item: "Preliminary approval of RusHydro's annual report (including sustainability disclosures) for 2018".	Recommend to the Company's Board of Directors to make the following decision: "Pre-approve RusHydro's annual report (including sustainability disclosures) for 2018 in accordance with Appendix 1 hereto and submit it for approval by the Annual General Meeting of Shareholders".
	On opinion of the Internal Audit Commission issued after the audit of the Company in 2018.	Take under advisement opinion of the Internal Audit Commission issued after the audit of the Company in 2018.
	On recommendations to the Company's Board of Directors on the item: "Preliminary approval of the Company's annual financial (accounting) statements for 2018".	Recommend to the Company's Board of Directors to make the following decision: "Pre-approve the Company's annual financial (accounting)

Date and No. of Minutes	Issue Discussed	Decisions Taken
		statements for 2018".
	On the Report compiled by AO PwC Audit (the Company's Auditor) on the audit of PJSC RusHydro's RAS accounting statements for 2018.	Take under advisement the Report compiled by AO PwC Audit (the Company's Auditor) on the audit of PJSC RusHydro's RAS accounting statements for 2018.
	. On the Report compiled by AO PwC Audit (the Company's Auditor) on the audit of RusHydro Group's IFRS consolidated financial statements for the year ended December 31, 2018.	Take under advisement the Report compiled by AO PwC Audit on the audit of RusHydro Group's IFRS consolidated financial statements for the year ended December 31, 2018 (see attached).
	On opinion of the Company's Auditor issued after the audit of the Company's accounts for 2018 prepared under the Russian Accounting Standards.	Take under advisement the opinion issued by AO PricewaterhouseCoopers (the "Auditor") after the audit of the Company's accounts for 2018 prepared under the Russian Accounting Standards. Recommend that the Company's Board of Directors submit the opinion on the audit of the Company's accounts for 2018 to the Annual General Meeting of Shareholders.
	On assessment of the external audit efficiency in 2018.	Based on the assessment, recognise external audit for 2018 as efficient.
	On recommendations to the Company's Board of Directors on the item: "Recommendations to the Annual General Meeting of Shareholders regarding approval of the Company's auditor".	Recommend to the Company's Board of Directors to make the following decision: "Recommend to the Annual General Meeting of Shareholders to adopt the following resolution regarding approval of the Company's auditor: "Approve AO PricewaterhouseCoopers (OGRN 1027700148431) as PJSC RusHydro's auditor".
Minutes No. 134 of May 15, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of the report on progress against the Action Plan for the Disposal of Non-Core Assets of the Company in Q1 2019".	Recommend to the Company's Board of Directors to make the following decision: <ol style="list-style-type: none"> 1. "Approve the report on progress against the Action Plan for the Disposal of Non-Core Assets of the Company in Q1 2019. 2. Amend the Register of Non-Core Assets of the Company approved by the Company's Board of Directors on December 24, 2018 (Minutes No. 281) as follows: <ul style="list-style-type: none"> - exclude JSC HydroEngineering Siberia;

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>On recommendations to the Company's Board of Directors on the item: "Approval of transactions entered into by the Company: approval of a transaction related to the gratuitous transfer of the Company's property to a third party".</p>	<p>- change the planned disposal procedure for the Construction Laboratory Building of the Concrete Facility and the Gallery Structure of the Concrete Facility from "gratuitous transfer" to "direct sale to Zagorskaya PSPP-2".</p> <p>Recommend to the Company's Board of Directors to make the following decision: "Approve the donation agreement entered into by JSC Ust-Srednekanskaya HPP, the Company's subsidiary, and related to the gratuitous transfer of property to the Magadan Region as follows:</p> <p style="padding-left: 40px;">Parties to the Agreement: JSC Ust-Srednekanskaya HPP as the Donor; the Magadan Region represented by the Department of Property and Land Relations of the Magadan Region as the Donee.</p> <p style="padding-left: 40px;">Subject matter of the Agreement: The Donor shall gratuitously transfer to the government and the Donee shall take into possession and provide for the state registration of the transferred right over the Infectious Disease Clinic of the Srednekanskaya Central District Hospital in the settlement of Seymchan with a capacity of 10 inpatient beds (purpose: non-residential, floor area: 1,548.6 sq m, number of floors: two, including one basement, address (location): 13A Yuzhnaya Street, Seymchan, Srednekansky District, Magadan Region, Russia, cadastral number 49:04:010103:2661, hererinafter the "Facility") as required by the applicable Russian laws. The Facility is owned by the Donor as confirmed by record in the Unified State Register of Immovable Property No. 49:04:010103:2661-49/009/2019-1 dated March 26, 2019. The Facility shall be transferred together with its equipment (laboratory, intensive care and X ray), furniture and inventories".</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes No. 135 of June 19, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of the Guidelines on RusHydro Group's Risk Appetite".	Recommend to the Company's Board of Directors to make the following decision: "Approve the Guidelines on RusHydro Group's Risk Appetite (see Appendix to the draft resolution)".
	On recommendations to the Company's Board of Directors on the item: "Approval of the Internal Control and Risk Management Policy of RusHydro Group".	Recommend to the Company's Board of Directors to make the following decision: "Approve the Internal Control and Risk Management Policy of RusHydro Group (see Appendix to the draft resolution). Invalidate the Internal Control and Risk Management Policy of PJSC RusHydro approved by resolution of the Board of Directors of PJSC RusHydro (Minutes No. 227 of November 16, 2015)".
	On recommendations to the Company's Board of Directors on the item: "Approval of the report on the operation and internal assessment of the internal control and risk management system".	Take under advisement the report on the operation and internal assessment of the internal control and risk management system. Recommend to the Company's Board of Directors to make the following decision: - Approve the report on the operation and internal assessment of the internal control and risk management system (see Appendix to the draft resolution). - Instruct the Company to develop an action plan based on the internal assessment of the internal control and risk management system in 2018.
	On preliminary approval of the report on performance of the Audit Committee of the Company's Board of Directors for the 2018-2019 corporate year.	Pre-approve the report on performance of the Audit Committee of the Company's Board of Directors for the 2018-2019 corporate year.
Minutes No. 136 of August 9, 2019	On appointment of the Audit Committee's secretary	Appoint Alexandra Pyatova, chief expert of the Internal Audit Service, as the secretary of the Audit Committee of the Company's Board of Directors.
	On review of efficiency improvement proposals based on the audit of the LTDP implementation in 2018.	<ol style="list-style-type: none"> 1. Approve efficiency improvement proposals based on the audit of the LTDP implementation in 2018 (Appendix 1 to the draft resolution). 2. Inform the Audit Committee of the Board

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>of Directors about progress against the proposals specified in clause 1.</p> <p>Take under advisement the information about progress against efficiency improvement proposals based on the audit of the LTDP implementation in 2017 (Appendix 2 to the explanatory note).</p>
	<p>On consideration of the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q2 2019.</p>	<p>Approve the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q2 2019.</p>
	<p>On progress against the schedule of the Internal Audit Service's control activities for Q1 2019.</p>	<p>Approve the report compiled by the Head of the Internal Audit Service on progress against the 2019 schedule of RusHydro's control activities in Q1 2019 (Appendix 4).</p>
	<p>On recommendations to the Company's Board of Directors on approval of a transaction related to the gratuitous transfer of the Company's property to a third party.</p>	<p>Recommend to the Company's Board of Directors to make the following decision: "Approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (the "Agreement") on the following material terms and conditions:</p> <p>Parties to the Agreement: the Company as the Donor; the settlement of Zavolzhye, Gorodetsky Municipal District, Nizhny Novgorod Region as the Donee.</p> <p>Subject matter of the Agreement: The Donor shall gratuitously transfer and the Donee shall take into possession the pedestrian and cycling lane (cadastral number 52:15:0000000:1448, 545 m long, address: 14 Privokzalnaya Street, Zavolzhye, Gorodetsky District, Nizhny Novgorod Region, Russia, ownership record in the Unified State Register of Immovable Property No. 52:15:0000000:1448-52/110/2019-1 dated February 15, 2019) as a public space improvement facility.</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
	On recommendations to the Company's Board of Directors on the item: "Approval of the report on progress against the Action Plan for the Disposal of Non-Core Assets of the Company in Q2 2019."	Recommend to the Company's Board of Directors to make the following decisions: "1. Approve the report on progress against the Action Plan for the Disposal of Non-Core Assets of the Company in Q2 2019 in accordance with Appendix hereto. 2. Amend the Register of Non-Core Assets of the Company and the Action Plan for the Disposal of Non-Core Assets of the Company in Q4 2018 – 2019 approved by the Company's Board of Directors on December 24, 2018 (Minutes No. 281 of December 27, 2018) in accordance with Appendix hereto".
Minutes No. 137 of August 23, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of the Company's internal regulations: approval of the new version of RusHydro's Regulations on Insider Information".	Recommend to the Company's Board of Directors to make the following decision: "Approve the new version of RusHydro's Regulations on Insider Information (see Appendix 1 hereto)".
	On recommendations to the Company's Board of Directors on approval of a transaction related to the gratuitous transfer of the Company's property to a third party.	Recommend to the Company's Board of Directors to make the following decision: "1. Approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (the "Agreement") on the following material terms and conditions: Parties to the Agreement: the Company as the Donor; the Administration of the Priyutnensky Municipal District of the Republic of Kalmykia as the Donee. Subject matter of the Agreement: The Donor shall gratuitously transfer and the Donee shall take into possession the Kalmytskaya WPP assets under construction in accordance with Appendix 1 hereto. 2. Amend the Register of Non-Core Assets of the Company approved by the Company's Board of Directors on December 24, 2018 (Minutes No. 281 of December 27, 2018) in accordance with

Date and No. of Minutes	Issue Discussed	Decisions Taken
		Appendix 2 hereto".
Minutes No. 138 of September 20, 2019	On election of the Deputy Chairman of the Audit Committee.	Elect Vyacheslav Pivovarov as the Deputy Chairman of the Audit Committee under the Board of Directors of RusHydro.
	On approval of the Action Plan of the Audit Committee under the Board of Directors of RusHydro for 2H 2019.	Approve the Action Plan of the Audit Committee under the Board of Directors of RusHydro for 2H 2019 (Appendix 1).
Minutes No. 139 of September 23, 2019	On the Report compiled by AO PwC Audit (the Company's Auditor) on RusHydro Group's audit plan for 2019.	Take under advisement the Report compiled by AO PwC Audit on RusHydro Group's audit plan for 2019 (Appendix 1).
	On the Report compiled by AO PwC Audit (the Company's Auditor) on the results of the interim audit of PJSC RusHydro's accounting statements and the review of RusHydro Group's IFRS financial statements for three and six months ended June 30, 2019.	Take under advisement the Report compiled by AO PwC Audit (the Company's Auditor) on the results of the interim audit of PJSC RusHydro's accounting statements and the review of RusHydro Group's IFRS financial statements for three and six months ended June 30, 2019.
Minutes No. 140 of October 9, 2019	On amendments to the 2019 schedule of control activities of RusHydro's Internal Audit Service.	Amend the 2019 schedule of control activities of RusHydro's Internal Audit Service by approving the 2019 schedule of control activities of RusHydro's Internal Audit Service attached hereto as Appendix 1.
Minutes No. 141 of October 17, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of the report on progress against the Action Plan for the Disposal of Non-Core Assets of the Company in 9M 2019".	Approve the report compiled by the Head of the Internal Audit Service on progress against the 2018 schedule of RusHydro's control activities for Q2 2018.
Minutes No. 142 of November 15, 2019	On consideration of the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q3 2019.	Approve the Report on the Company's compliance with laws and regulations of the Russian Federation in terms of prevention of unauthorized use of insider information and market manipulation and RusHydro's Regulations on Insider Information in Q3 2019 (Appendix 1).
	On progress against the schedule of RusHydro's control activities for Q2 2019.	Approve the report compiled by the Head of the Internal Audit Service on progress against the 2019 schedule of RusHydro's control activities for Q2 2019 (Appendix 2).
Minutes No. 143 of November 28, 2019	On recommendations to the Company's Board of Directors on the item: "Review of material matters for the Company: review of the results of on-site audits by the Russian Ministry of Energy in 2019	Recommend to the Company's Board of Directors to make the following decision: "Take under advisement the results of on-site audits by the

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>and follow-up on corrective actions as at September 30, 2019".</p> <p>On recommendations to the Company's Board of Directors on the item: "Consideration of the Report on the Company's compliance with its information policy".</p>	<p>Russian Ministry of Energy in 2019 and follow-up on corrective actions as at September 30, 2019, in accordance with the Appendix hereto".</p> <p>Recommend to the Company's Board of Directors to make the following decision: "Take under advisement the Report on the Company's compliance with its information policy in accordance with Appendix 1 hereto".</p>
<p>Minutes No. 135/144 of November 28, 2019</p>	<p>On recommendations to the Company's Board of Directors on the item: "Determination of the Company's position on the agenda for JSC Hydroinvest's governing bodies: JSC Hydroinvest entering into a transaction to sell shares in its power generating subsidiary, CJSC MEK".</p>	<p>Recommend to the Company's Board of Directors to make the following decision: "Instruct the Company's representatives in JSC Hydroinvest's governing bodies to vote FOR the following resolution on JSC Hydroinvest entering into a transaction to sell shares in its power generating subsidiary, CJSC MEK:</p> <ol style="list-style-type: none"> 1. Approve the divestment of JSC Hydroinvest (RusHydro's subsidiary) from CJSC MEK through the sale of 527,085 ordinary registered uncertificated shares in CJSC MEK at the greater of either the price determined by JSC Hydroinvest's Board of Directors based on the appraiser's report or their book value, with consideration payable in cash. <p>The transaction is conditional upon termination of the surety contract (<i>s.n.</i>) made between PJSC RusHydro and the European Bank for Reconstruction and Development on January 30, 2013 and the surety contract (<i>s.n.</i>) made between PJSC RusHydro and the Asian Development Bank on May 15, 2013.</p> <ol style="list-style-type: none"> 2. In pursuance of the resolution on item 1, approve the conclusion of a sale and purchase agreement (the "Agreement") on the following terms and conditions (subject to the following procedure): <p style="margin-left: 40px;"><u>Parties to the Agreement:</u> JSC Hydroinvest as the Seller; persons having the pre-emptive right to buy shares in</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>CJSC MEK in accordance with the applicable Armenian laws or, failing which, OJSC Hrazdan Energy Company (RazTES), the Republic of Armenia, as the Buyer.</p> <p><u>Subject matter of the Agreement:</u></p> <p>The Seller shall transfer ownership of, and the Buyer shall accept and pay for, 527,085 (five hundred twenty-seven thousand and eighty-five) ordinary uncertificated shares in CJSC MEK, each with a par value of AMD 1,000 (one thousand Armenian drams) (the "Shares").</p> <p><u>Price of the Agreement:</u></p> <p>The price of the Shares shall be the greater of either the price determined by JSC Hydroinvest's Board of Directors based on the appraiser's report or their book value which is equal to RUB 172,961,972.00 (one hundred seventy-two million nine hundred sixty-one thousand nine hundred and seventy-two roubles and 00 kopecks) for 527,085 shares as at September 30, 2019 (the "Share Price"). The consideration for the Shares shall be payable in cash.</p> <p><u>Other conditions precedent:</u></p> <p>a. The ownership of the Shares shall pass to the Buyer if all the following conditions are met:</p> <ul style="list-style-type: none"> - CJSC MEK and a new lending bank sign a loan agreement (on the material terms and conditions as per Appendix 1 hereto) to refinance its debt in full to the European Bank for Reconstruction and Development (the "EBRD") and the Asian Development Bank (the "ADB") (collectively, the "Lending Banks") under the loan agreement (<i>s.n.</i>) dated December 21, 2012 and the loan agreement (<i>s.n.</i>) dated May 13,

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>2013 (collectively, the "Loan Agreements"), on the terms and conditions agreed between the Buyer and Ardshinbank;</p> <ul style="list-style-type: none"> - CJSC MEK obtains the consent of Armenia's Public Services Regulatory Commission to sign a pledge agreement in respect of the Shares and a pledge agreement in respect of real properties in favour of the new lending bank; - CJSC MEK repays in full its debt under the Loan Agreements, following which PJSC RusHydro terminates its sureties securing CJSC MEK's obligations under the Loan Agreements as provided for by the surety contract (<i>s.n.</i>) made between PJSC RusHydro and the European Bank for Reconstruction and Development on January 30, 2013 and the surety contract (<i>s.n.</i>) made between PJSC RusHydro and the Asian Development Bank on May 15, 2013; - the minority shareholder in CJSC MEK and CJSC MEK itself refuse or fail to exercise their pre-emptive right to buy the Shares in due time (if the Shares are sold to OJSC Hrazdan Energy Company (RazTES)). <p>b. The Seller makes representations and warranties on material potential risks to the Buyer as per Appendix 2 hereto.</p> <p>3. Determine that JSC Hydroinvest's stake in CJSC MEK is 90.00% before the sale of the Shares and 0.00% thereafter".</p>
Minutes No. 145 of December 18, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of RusHydro's Insurance Program for 2020".	Recommend to the Company's Board of Directors to make the following decision: "Approve RusHydro's Insurance Program for 2020 (as per Appendix 1 hereto)".
Minutes No. 146 of December 23, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of a transaction related to the gratuitous transfer of the Company's property to a third party".	Recommend to the Company's Board of Directors to make the following decision: "Approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Kora-Ursdonskaya HPP assets (the "Agreement") on the following material terms and conditions:

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p><u>Parties to the Agreement:</u> the Company as the Donor; the Dur-Durskoye rural settlement in the Digorsky District of the Republic of North Ossetia – Alania as the Donee.</p> <p><u>Subject matter of the Agreement:</u> The Donor shall gratuitously transfer and the Donee shall take into possession the movable assets and real properties of Kora-Urstdonskaya HPP as per the lists attached as Appendices 1 and 2 hereto (the "Assets").</p>
	<p>On recommendations to the Company's Board of Directors on the Company's non-core assets.</p>	<p>Recommend to the Company's Board of Directors to make the following decisions: "Approve: the new version of the Register of RusHydro's Non-Core Assets (as per Appendix 1 hereto); the Action Plan for the Disposal of RusHydro's Non-Core Assets in Q4 2019 – 2020 (as per Appendix 2 hereto)".</p>
	<p>On recommendations to the Company's Board of Directors on the item: "Preliminary approval of the Company's transaction related to actual or possible disposal of its assets constituting fixed assets, intangible assets or assets under construction as detailed in specific resolutions by the Company's Board of Directors: approval of a sale and purchase agreement in respect of real properties as a transaction related to the disposal of the Company's assets constituting fixed assets".</p>	<p>Recommend to the Company's Board of Directors to make the following decision: "As part of the construction of Zagorskaya PSPP-2 on the Kunya River, approve the conclusion of a sale and purchase agreement in respect of real properties (the "Agreement") on the following material terms and conditions: <u>Parties to the Agreement:</u> PJSC RusHydro as the Seller; Zagorskaya PSPP-2 as the Buyer. <u>Subject matter of the Agreement:</u> The Seller shall transfer ownership of, and the Buyer shall accept and pay for, real properties owned by the Seller and listed in the Appendix hereto. <u>Price of the Agreement:</u></p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		The price is determined based on independent appraiser's report No. 199-4 dated November 22, 2019 and specified in the Appendix hereto".
	On recommendations to the Company's Board of Directors on the item: "Approval of a transaction related to the gratuitous transfer of the Company's property to a third party".	<p>Recommend to the Company's Board of Directors to make the following decision:</p> <p>"Approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (the "Agreement") on the following material terms and conditions:</p> <p><u>Parties to the Agreement:</u></p> <p>the Company as the Donor;</p> <p>the Russian Federation represented by the Interregional Territorial Administration of the Federal Agency for State Property Management in the Krasnoyarsk Territory, the Republic of Khakassia, and the Republic of Tyva as the Donee.</p> <p><u>Subject matter of the Agreement:</u></p> <p>The Donor shall gratuitously transfer and the Donee shall take into possession the movable assets of the hydrometeorological observation network listed in the Appendix hereto (the "Assets") to be subsequently operated by Federal State-funded Budgetary Institution "Siberian Weather Control and Environmental Monitoring Service".</p>
	On recommendations to the Company's Board of Directors on the item: "Approval of a transaction related to the gratuitous transfer of the Company's property to a third party".	<p>Recommend to the Company's Board of Directors to make the following decision:</p> <p>"Approve the conclusion of an Agreement on the Gratuitous Transfer (Donation) of Property (the "Agreement") on the following material terms and conditions:</p> <p><u>Parties to the Agreement:</u></p> <p>the Company as the Donor;</p> <p>Sayanogorsk Municipality in the Republic of Khakassia represented by the Administration of Sayanogorsk Municipality as</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>the Donee.</p> <p><u>Subject matter of the Agreement:</u></p> <p>The Donor shall gratuitously transfer and the Donee shall take into possession the pedestrian and cycling lane (cadastral number 19:03:080103:7009, 3,904 m long, designated as other structure (landscaping)) located at structure 2, Naberezhnaya Street, Cheremushki Compound, Sayanogorsk, the Republic of Khakassia, Russia (the "Assets")".</p>
Minutes No. 147 of December 30, 2019	On progress against the schedule of RusHydro's control activities for Q3 2019.	Approve the report compiled by the Head of the Internal Audit Service on progress against the 2019 schedule of RusHydro's control activities for Q3 2019 in accordance with the Appendix hereto.
	On review of the Interim Report on Diagnostics and Preliminary Assessment of RusHydro's Internal Audit Function.	Take under advisement the Interim Report on Diagnostics and Preliminary Assessment of RusHydro's Internal Audit Function. Based on the results of diagnostics and preliminary assessment of RusHydro's internal audit functions, the Head of the Internal Audit Service shall be instructed to propose amendments to RusHydro's Internal Audit Policy and related internal regulations.
	On review of RusHydro Group's comprehensive risk classifier (typical risk database).	Take under advisement RusHydro Group's comprehensive risk classifier (typical risk database) in accordance with the Appendix hereto.
	On approval of the 2020 schedule of control activities of RusHydro's Internal Audit Service.	Approve the 2020 schedule of control activities of RusHydro's Internal Audit Service in accordance with the Appendix hereto.

NOMINATIONS AND COMPENSATIONS COMMITTEE UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Items Discussed	Decisions Taken
Minutes No. 82 of	Confidential.	–

Date and No. of Minutes	Items Discussed	Decisions Taken
January 25, 2019	Confidential.	–
	Confidential.	–
	On preliminary approval of the report on performance of the Nomination and Compensation Committee of RusHydro's Board of Directors for 1H of the 2018-2019 corporate year.	<ol style="list-style-type: none"> 1. Pre-approve the report on performance of the Nomination and Compensation Committee of RusHydro's Board of Directors for 1H of the 2018-2019 corporate year (Appendix to the Minutes). 2. Recommend to the Company's Board of Directors to approve the report on performance of the Nomination and Compensation Committee of RusHydro's Board of Directors for 1H of the 2018-2019 corporate year (Appendix to the Minutes).
Minutes No. 83 of February 15, 2019	On recommendations to the Company's Board of Directors on the item: "Membership of RusHydro's governing bodies".	<p>Recommend to the Company's Board of Directors to make the following decision:</p> <ol style="list-style-type: none"> 1. Terminate the powers of Vladimir Markin as member of the Management Board from February 24, 2019. 2. Determine the Company's Management Board to consist of six members. 3. –
	Confidential.	–
Minutes No. 84 of March 22, 2019	On recommendations to the Company's Board of Directors on the item: "Approval of the report on achievement of key performance indicators (for the Management Board)".	<ol style="list-style-type: none"> 1. Recommend to the Company's Board of Directors to make the following decision: <ol style="list-style-type: none"> "1.1. Approve the report on achievement of the Management Board's annual KPI for 2018 in accordance with Appendix 1 hereto. 1.2. Deem the KPI "Decrease in Operating Expenses (Costs), %" for 2018 to have been achieved (subject to factors beyond control of the management team). 2. Approve the payment of the annual bonus to members of the Company's Management Board based on the annual KPI achievement in 2018 after the Company's Board of Directors approves the report on achievement of the Management Board's

Date and No. of Minutes	Items Discussed	Decisions Taken
		annual KPI for 2018".
Minutes No. 131/85 of April 18, 2019	On review of the results of the corporate governance practice assessment and self-assessment of the Board of Directors' performance.	Take under advisement the results of the corporate governance practice assessment performed by the Internal Audit Service and recommendations on improving the Company's corporate governance in accordance with Appendix 1 hereto. Take under advisement the external assessment results and mark positive changes in the assessments by independent experts.
Minutes No. 86 of May 21, 2019	On recommendations to the Company's Board of Directors on the item: "Recommendations to the Annual General Meeting of Shareholders regarding payment of remuneration to members of the Board of Directors who are not public officers in the amount set by the Company's internal regulations".	Recommend to the Company's Board of Directors to make the following decision: "Recommend to the Annual General Meeting of Shareholders to adopt the following resolution: Pay remuneration to members of the Board of Directors for the time served between June 27, 2018 and June 28, 2019 in the amount, within the timeframes, and in accordance with the procedure set out in the Regulations on Payment of Remunerations and Compensations to Members of RusHydro's Board of Directors as approved by the Annual General Meeting of Shareholders on June 26, 2017 (Minutes No. 16 of June 27, 2017)".
	On recommendations to the Company's Board of Directors on the item: "Recognition of nominees to the Board of Directors (members of the Board of Directors) as independent".	Recommend to the Company's Board of Directors to make the following decision on recognizing nominees to the Board of Directors (members of the Board of Directors) as independent: "Take under advisement the results of assessment of member of the Board of Directors (candidate nominated for election to the Company's Board of Directors at the Annual General Meeting of Shareholders in 2019), Maxim Bystrov, for compliance with the independence criteria stipulated by Annex 4 to the Listing Rules of the Moscow Exchange. There is no relation between Maxim Bystrov and the Company, a substantial shareholder, competitors, the state, or a municipal

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>entity.</p> <p>Maxim Bystrov meets the formal criteria of being related to the Company's substantial counterparties, specifically JSC TSA, JSC SO UES, JSC CFS and NP Market Council Training Center, as the amount of obligations between the Company and each of the above counterparties exceeds 2% of the book value of assets and 2% of the revenue of each counterparty.</p> <p>Note that the abovementioned relation is formal and does not affect Maxim Bystrov's ability to act as a member of the Board of Directors in the interests of the Company and its shareholders for the following reasons:</p> <p>JSC TSA (JSC Trading System Administrator of the Wholesale Electricity Market) acts as a commercial operator of the wholesale electricity and capacity market (the "wholesale market") in accordance with Clause 7 of Article 33 of Federal Law No. 35-FZ On Electric Power Industry dated March 26, 2003 (the "Federal Law on the Electric Power Industry") and renders services to the Company pursuant to the Agreement for Accession to the Wholesale Market Trading System, whose terms and conditions are binding on the parties. The commercial relations between the Company and JSC TSA are based on the principle of non-discriminatory access to the services of commercial infrastructure organizations in the wholesale market (Article 20 of the Federal Law on the Electric Power Industry) and the principle of government regulation of tariffs for the services of a commercial operator of the wholesale market (Article 23.1 of the Federal Law on the Electric Power Industry);</p> <p>JSC SO UES (JSC System Operator of the Unified Energy System) acts as a system operator in accordance with Clause 1 of Article 12 of the Federal Law on the Electric Power Industry and</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>provides the Company with supervision and control services in the electric power industry pursuant to the Agreement for Accession to the Wholesale Market Trading System. The commercial relations between the Company and JSC SO UES are based on the principle of non-discriminatory access to supervision and control services in the electric power industry (Clause 6 of Article 20 of the Federal Law on the Electric Power Industry) and the principle of government regulation of tariffs for supervision and control services (Article 23.1 of the Federal Law on the Electric Power Industry);</p> <p>JSC CFS (JSC Center for Financial Settlements) is a commercial infrastructure organization in the Russian wholesale electricity and capacity market which supports a contractual framework and financial settlements between market participants and helps the Company calculate its claims and liabilities pursuant to the Agreement for Accession to the Wholesale Market Trading System. The Agreement was made in accordance with Clause 1 of Article 32 of the Federal Law on the Electric Power Industry and Clause 40 of the Rules for the Wholesale Electricity and Capacity Market approved by the Russian Government's Resolution No. 1172 dated December 27, 2010.</p> <p>The commercial relations between the Company and JSC CFS are based on the principle of non-discriminatory access to the services of commercial infrastructure organizations in the wholesale market (Article 20 of the Federal Law on the Electric Power Industry). The Supervisory Board of NP Market Council approves a uniform fee for the service package provided by JSC CFS to all counterparties. NP Market Council Training Center (Independent Non-Profit Partnership of Continuing Professional Education NP Market Council Training Center) operates under the auspices of NP Market</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>Council, an infrastructure organization in charge of the wholesale and retail markets of electricity and capacity, and renders educational and training services to the Company with a view to promoting a robust electricity and capacity trading system in the wholesale and retail markets.</p> <p>In the light of continuous amendments to the wholesale market regulations adopted by the Supervisory Board of NP Market Council, the employees of the Company need to undergo training at NP Market Council Training Center, the primary source of information, to maintain a high level of knowledge in wholesale market procedures and to obtain information on the actual and planned changes in the wholesale market. The training contracts between the Company and NP Market Council Training Center are made on arm's length terms.</p> <p>Mr Bystrov's track record in the Company's Board of Directors proves his ability to make independent, unbiased and well-informed judgements, as Mr Bystrov's opinion on items included in the agenda of the Board of Directors and its committees is based on his expertise and experience, is autonomous and independent, and the decisions made by Mr Bystrov bring us to the conclusion that his formal relation to the Company's substantial counterparties, specifically JSC TSA, JSC SO UES, JSC CFS and NP Market Council Training Center, does not affect his decision making, with Mr Bystrov acting in the interests of the Company and all its shareholders.</p> <p>Based on Clause 2 of Section 2.18 of Annex 2 and Annex 4 to the Listing Rules of the Moscow Exchange, recognize Maxim Bystrov as an independent director".</p>
	On recommendations to the Company's Board of Directors on the item: "Recommendations to the Annual General Meeting of	Recommend to the Company's Board of Directors to make the following decision:

Date and No. of Minutes	Items Discussed	Decisions Taken
	Shareholders regarding approval of the new version of the Regulations on Payment of Remunerations and Compensations to Members of RusHydro's Board of Directors".	"Recommend to the Annual General Meeting of Shareholders to adopt the following resolution: Approve the new version of the Regulations on Payment of Remunerations and Compensations to Members of RusHydro's Board of Directors as per the draft included in the meeting materials".
Minutes No. 87 of May 27, 2019	On compliance of nominees to RusHydro's Board of Directors with the independence criteria.	"Approve results of the assessment of nominees to RusHydro's Board of Directors for compliance with the independence criteria according to Annex 1."
	On analysis of professional qualification of nominees to the Company's Board of Directors, presence or absence of a conflict of interests with the Company, and development of recommendations for the Company's shareholders regarding voting on election of candidates to the Company's Board of Directors.	<p>The Nomination and Compensation Committee under the Company's Board of Directors, upon preliminary assessment of nominees to the Company's Board of Directors for compliance with the criteria/recommendations defined by the Corporate Governance Code recommended for implementation by the Bank of Russia, the Corporate Governance Code of the Company approved by decision of the Board of Directors of the Company (Minutes No. 218 dated June 22, 2015), adopted the following decisions:</p> <p>1. All candidates nominated to the Board of Directors of the Company have higher vocational education and are highly professional and qualified:</p> <ul style="list-style-type: none"> - are recognized experts in energy, finance, law, strategic and corporate governance, audit, risk management, HR, innovation and investment, as well as production and R&D (the detailed information is reflected in the appendix to the decision); - have a track record of serving on boards of directors or in senior positions at other joint-stock companies listed on organized exchanges; - have impeccable business and personal track record, sufficient skills, expertise and experience to make decisions falling within the Board of Directors' remit and perform their responsibilities

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>efficiently.</p> <p>2. As of the nomination date, all nominees to the Company's Board of Directors have no conflict of interest.</p> <p>3. Nature of relations with the Company: are nominees to the Company's Board of Directors of the Company and members of the Company's Board of Directors. Nominee to the Board of Directors Mikhail Voevodin is the Company's shareholder (13,314 shares). Nominee to the Board of Directors Nikolay Shulginov is the Chairman of the Management Board – General Director of PJSC RusHydro.</p> <p>4. Regarding the issue of election of members of the Board of Directors at the Annual General Meeting of Shareholders for 2018, the shareholders are advised to vote in such a way as to ensure a balanced composition of the Board of Directors in terms of experience, expertise and business competencies.</p>
Minutes No. 88 of June 6, 2019	On preliminary approval of the report on performance of the Nominations and Compensations Committee of RusHydro's Board of Directors for 2018-2019 corporate year.	<p>Recommend to the Company's Board of Directors to make the following decision:</p> <p>"Approve the report on progress against the Action Plan (List of Measures) for the Introduction of Professional Standards into RusHydro's Operations in Q4 2018 and Q1 2019 (Appendix to the Minutes)."</p>
Minutes No. 89 of June 19, 2019	On recommendations to the Company's Board of Directors on the item: "On recognizing a candidate to the Company's Board of	<p>1. Pre-approve the report on performance of the Nominations and Compensations Committee of RusHydro's Board of Directors for 2018-2019 corporate year (Appendix to the Minutes).</p> <p>2. Recommend to the Company's Board of Directors to approve the report on performance of the Nominations and Compensations Committee of RusHydro's Board of Directors for 2018-2019 corporate year (Appendix to the Minutes).</p>
	On recommendations to the Company's Board of Directors on the item: "On recognizing a candidate to the Company's Board of	<p>Recommend to the Company's Board of Directors to make the following decision on the item "On recognizing a candidate to the</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
	Directors as independent.”	<p>Company's Board of Directors as independent":</p> <p>1. "Take under advisement the information on results of the assessment of Alexey Chekunkov, nominated to the Company's Board of Directors for election at the Annual General Meeting of Shareholders for 2019, for compliance with the independence criteria stipulated by Annex 4 to the Listing Rules of the Moscow Exchange.</p> <p>There is no relation between Mr. Chekunkov and the Company, a substantial shareholder or competitors.</p> <p>Mr. Chekunkov meets the formal criteria of being related to:</p> <ul style="list-style-type: none"> - the state, as Mr. Chekunkov is Chief Executive Officer of the Far East and Baikal Region Development Fund (the "Fund") which is controlled by the Russian Federation; - a substantial counterparty of the Company — the Fund, as the amount of obligations between the Company and the Fund under the loan agreement exceeds 2% of the book value of assets and 2% of revenues of the Fund. <p>Note that Mr. Chekunkov's relationship with the state and the substantial counterparty is formal and does not affect the ability of Mr. Chekunkov to act at the Board of Directors in the interests of the Company and all its shareholders for the following reasons:</p> <ul style="list-style-type: none"> - According to the Russian Government's Decree No. 607-r dated March 30, 2019, Mr. Chekunkov was nominated by the Russian Federation as an Independent Director; therefore, Mr. Chekunkov has no obligation to vote in accordance with the directives of the Russian Government (Clause 16 of the Russian Government's Resolution No. 738 dated December 03, 2004); - Mr. Chekunkov 's relationship with the state is formal, since his employment relationship with the Fund does not influence the adoption by Mr. Chekunkov of unbiased and independent

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>decisions, as the Russian Federation's control over the Fund is indirect and is exercised through the State Development Corporation VEB.RF, which is operated through governing bodies typical of a commercial entity;</p> <p>- Mr. Chekunkov's relationship with a substantial counterparty of RusHydro is formal in view of the following.</p> <p>On April 04, 2018 the Company (borrower) and the Fund (lender) entered into an agreement on provision of financing (a special-purpose loan) for the construction of off-site facilities of Sakhalinskaya GRES-2 in accordance with the Russian Government's Resolution No. 1055 dated October 16, 2014 (the "Project"). The loan provided by the Company shall be repaid and reimbursed – the loan agreement is for up to RUB 5 bn at 5% per annum maturing on June 25, 2026.</p> <p>In addition, the loan was pre-approved by the Government Sub-Commission for Implementation of Investment Projects in the Far East and the Baikal Region (Minutes No. 3 dated December 25, 2017), as well as by the Board of Directors of the Fund (Minutes No. 57 dated December 29, 2017), and by the Company's Board of Directors as an interested-party transaction (Minutes No. 265 dated February 06, 2018, Mr. Chekunkov did not participate in the voting on this issue).</p> <p>As at December 31, 2018, the loan was disbursed in full (RUB 5 bn), and the borrowed funds were used by the Company to finance the Project through their transfer in the form of a loan to RAO ES East, a subsidiary of the Company.</p> <p>- Mr. Chekunkov track record in the Company's Board of Directors and committees in 2016-2018, proves his ability to make independent, unbiased and well-informed judgements, as Mr. Chekunkov's opinion on items included in the agenda of the</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>Board of Directors and its committees is based on his expertise and experience, is autonomous and independent, and the decisions made by Mr. Chekunkov bring us to the conclusion that his formal relation to the state did not affect his decision making, with Mr. Chekunkov acting in the interests of the Company and all its shareholders;</p> <p>2. In order to increase transparency of the Company's operations, establish a positive business reputation, support the current positive expert opinion of the corporate governance system, increase the percentage of independent directors on the Board of Directors, ensure compliance of the Company's activities with the recommendations of the Corporate Governance Code and internal regulations of the Company, it is proposed to recognize Alexey Chekunkov as an Independent Director.</p> <p>Mr. Chekunkov has an impeccable business and personal reputation and possesses the expertise, skills and experience required to make decisions that fall within the remit of the Company's Board of Directors, are necessary for effective performance of his functions and allow him, inter alia, to participate in the work of various committees under the Company's Board of Directors.</p> <p>Since 2015, Mr. Chekunkov has been a member of the Committee on Energy Development of the Far East under the Company's Board of Directors. In 2016-2018, he was a member of the Company's Board of Directors, the Committee on Reliability, Energy Efficiency and Innovation and the Investment Committee under the Company's Board of Directors. Mr. Chekunkov's long track record with the Company's Board of Directors and the Board's Committee on Energy Development of the Far East is his advantage, as Mr. Chekunkov possesses the relevant long-term</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>professional experience in the power industry, investments, as well as extensive expertise in the Company's business, which contribute to effective performance of the Company's Board of Directors and its committees.</p> <p>At the meetings of the Company's Board of Directors and its committees Mr. Chekunkov actively participated in discussions of agenda items, expressing an unbiased and well-balanced position, independent of the Company's management position, at voting sessions; Mr. Chekunkov is responsible and proactive. In the course of his participation in the Board of Directors and its committees, Mr. Chekunkov has made a significant contribution to the most important lines of business of the Company, including priority projects for the construction of facilities in the Far East, investment projects, and the innovation development program of RusHydro Group.</p> <p>In addition, Mr. Chekunkov has been CEO of the Far East and Baikal Region Development Fund for a long period. He has 18 years of experience in the private equity sector. He held management positions with the Russian Direct Investment Fund (RDIF), A-1 (Alfa Group Consortium), Delta Private Equity (US-Russia Investment Fund) and Alrosa Investment Group. He is a member of the Supervisory Board at Alrosa. Mr. Chekunkov took part in designing the main mechanisms and approaches for the state system for management of the Far East development and was one of the ideologists and creators of the Voskhod investment system designed to raise capital for investment projects in the Far East.</p> <p>The track record described above, strong expertise in the Company's operations, understanding of business processes, possession of necessary professional competencies in finance,</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>management and economics, use of the best corporate governance practices in his work make Mr. Chekunkov's experience significant for the Company.</p> <p>3. Based on Clause 2, Section 2.18 of Annex 2, and Annex 4 of the Listing Rules of the Moscow Exchange, recognize Alexey Chekunkov as an independent director."</p>
Minutes No. 90 of July 25, 2019	On recommendations to the Company's Board of Directors on the item: "On recognizing a member to the Company's Board of Directors as independent."	<p>Recommend to the Company's Board of Directors to make the following decision on the item "On recognizing a member to the Company's Board of Directors as independent":</p> <p>"Take under advisement the results of assessment of member of the Board of Directors, Maxim Bystrov, for compliance with the independence criteria stipulated by Annex 4 to the Listing Rules of the Moscow Exchange.</p> <p>Mr. Bystrov is not related to the Company, competitors or the state.</p> <p>Mr. Bystrov meet the formal criteria of being related to: the Company's substantial counterparties, specifically JSC TSA, JSC SO UES, JSC CFS and NP Market Council Training Center, JSC Karachaevo-Cherkessenergo, JSC Kabbalkenergo, as the amount of obligations under the contracts between the Company and each of the above counterparties exceeds 2% of the book value of assets and 2% of the revenue of each counterparty;</p> <p>- a significant shareholder of the Company – the Russian Federation,</p> <p>as Mr. Bystrov is a member of the Board of Directors of more than two entities controlled by the Russian Federation – PJSC Rosseti, JSC SO UES, PJSC RusHydro.</p> <p>Note that the relation to the Company's substantial counterparts, such as JSC TSA, JSC SO UES, JSC CFS and NP Market Council</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>Training Center, JSC Karachaevo-Cherkesskenergo, JSC Kabbalkenergo, and the Company's substantial shareholder is formal and does not affect Maxim Bystrov's ability to act as a member of the Board of Directors in the interests of the Company and its shareholders for the following reasons:</p> <ul style="list-style-type: none"> - According to the Russian Government's Decree No. 607-r dated March 30, 2019, Mr. Bystrov was nominated by the Russian Federation as an Independent Director, therefore, Mr. Bystrov has no obligation to vote in accordance with the directives of the Russian Government (Clause 16 of the Russian Government's Resolution No. 738 dated December 03, 2004); - JSC TSA (JSC Administrator of the Trading System for the Wholesale Electricity Market) acts as a commercial operator of the wholesale electricity and capacity market (the "wholesale market") and renders services to the Company on arrangement of trade in electric power and capacity on the wholesale market in accordance with Clause 7 of Article 33 of Federal Law No. 35-FZ On Electric Power Industry dated March 26, 2003 (the "Federal Law on the Electric Power Industry") pursuant to an Agreement for Accession to the Wholesale Market Trading System, whose terms and conditions are binding on the parties. The commercial relations between the Company and JSC TSA are based on the principle of non-discriminatory access to the services of commercial infrastructure organizations in the wholesale market (Article 20 of the Federal Law on the Electric Power Industry) and the principle of government regulation of tariffs for the services of a commercial operator of the wholesale market (Article 23.1 of the Federal Law on the Electric Power Industry); - JSC SO UES (JSC System Operator of the Unified Energy System)

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>acts as a system operator in accordance with Clause 1 of Article 12 of the Federal Law on the Electric Power Industry and provides the Company with supervision and control services in the electric power industry pursuant to the Agreement for Accession to the Wholesale Market Trading System. The commercial relations between the Company and JSC SO UES are based on the principle of non-discriminatory access to supervision and control services in the electric power industry (Clause 6 of Article 20 of the Federal Law on the Electric Power Industry) and the principle of government regulation of tariffs for supervision and control services (Article 23.1 of the Federal Law on the Electric Power Industry);</p> <p>- JSC CFS (JSC Center for Financial Settlements) is a commercial infrastructure organization in the Russian wholesale electricity and capacity market which supports a contractual framework and financial settlements between market participants and helps the Company calculate its claims and liabilities pursuant to the Agreement for Accession to the Wholesale Market Trading System. The Agreement was made in accordance with Clause 1 of Article 32 of the Federal Law on the Electric Power Industry and Clause 40 of the Rules for the Wholesale Electricity and Capacity Market approved by the Russian Government's Resolution No. 1172 dated December 27, 2010.</p> <p>The commercial relations between the Company and JSC CFS are based on the principle of non-discriminatory access to the services of commercial infrastructure organizations in the wholesale market (Article 20 of the Federal Law on the Electric Power Industry). The Supervisory Board of NP Market Council approves a uniform fee for the service package provided by JSC CFS to all counterparties.</p> <p>- NP Market Council Training Center (Independent Non-Profit</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>Partnership of Continuing Professional Education NP Market Council Training Center) operates under the auspices of NP Market Council, an infrastructure organization in charge of the wholesale and retail markets of electricity and capacity, and renders educational and training services to the Company with a view to promoting a robust electricity and capacity trading system in the wholesale and retail markets.</p> <p>In the light of continuous amendments to the wholesale market regulations adopted by the Supervisory Board of NP Market Council, the employees of the Company need to undergo training at NP Market Council Training Center, the primary source of information, to maintain a high level of knowledge in wholesale market procedures and to obtain information on the actual and planned changes in the wholesale market. The training contracts between the Company and NP Market Council Training Center are made on arm's length terms;</p> <p>- JSC Karachaevo-Cherkesskenergo and JSC Kabbalkenergo are the only guaranteed suppliers of electricity on their territory, which purchase energy resources on the wholesale market and sell them to any consumer, through public contracts concluded with them. JSC Karachaevo-Cherkesskenergo and JSC Kabbalkenergo sell electricity to the Company for administrative and general purposes under agreements. The product is paid at the price and/or in accordance with the pricing procedure established by federal laws, other regulations in force at the time of payment, as well as acts of authorized government tariff regulators.</p> <p>Mr Bystrov's track record in the Company's Board of Directors proves his ability to make independent, unbiased and well-informed judgements, as Mr Bystrov's opinion on items included in</p>

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>the agenda of the Board of Directors and its committees is based on his expertise and experience, is autonomous and independent, and the decisions made by Mr Bystrov bring us to the conclusion that his formal relation to the Company's substantial counterparties, substantial shareholder and the state, does not affect his decision making, with Mr Bystrov acting in the interests of the Company and all its shareholders.</p> <p>Based on Clause 2, Section 2.18 of Annex 2, and Annex 4 of the Listing Rules of the Moscow Exchange, recognize Maxim Bystrov as an independent director."</p>
Minutes No. 91 of August 30, 2019	<p>On approval of the Company's Senior Independent Director.</p> <p>On election of the Secretary of the Nomination and Compensation Committee of the Company's Board of Directors.</p> <p>On election of the Deputy Chairman of the Nomination and Compensation Committee of the Company's Board of Directors.</p>	<p>"Approve Pavel Grachev, an independent member of the Company's Board of Directors, as the Senior Independent Director."</p> <p>"Elect Margarita Budkova as the Secretary of the Nomination and Compensation Committee of the Company's Board of Directors."</p> <p>"Elect Pavel Grachev as the Deputy Chairman of the Nomination and Compensation Committee of the Company's Board of Directors."</p>
Minutes No. 92 of September 19, 2019	On recommendations to the Company's Board of Directors on the item: "On approval of amendments to Calculation and Evaluation Methodology for the Annual KPIs of RusHydro's Management Board".	Recommend to the Company's Board of Directors to make the following decision: "Approve the amendments to Calculation and Evaluation Methodology for the Annual KPIs of RusHydro's Management Board according to Appendix 1 to this decision".
Minutes No. 93 of September 23, 2019	On conducting assessment of the Board of Directors' performance in 2019-2020 corporate year.	<ol style="list-style-type: none"> 1. "Determine that performance assessment of the Board of Directors, elected at the Annual General Meeting of Shareholders of the Company on June 28, 2019 (Minutes No. 18 of July 02, 2019), based on the performance in 2019-2020 corporate year, shall be in the form of self-assessment. 2. The Company's Corporate Secretary Natalya Kovaleva shall ensure that self-assessment of the Company's Board of Directors'

Date and No. of Minutes	Items Discussed	Decisions Taken
		performance in 2019-2020 corporate year is conducted not later than April 30, 2020."
Minutes No. 94 of October 16, 2019	Confidential.	–
Minutes No. 95 of November 28, 2019	On recommendations to the Company's Board of Directors on the item: "On material matters for the Company: On review of report on progress against the Action Plan (List of Measures) for the Introduction of Professional Standards into RusHydro's Operations".	Recommend to the Company's Board of Directors to make the following decision: "Approve the report on progress against the Action Plan (List of Measures) for the Introduction of Professional Standards into RusHydro's Operations in Q2 and Q3 2019 (Appendix to the Minutes)".
	On analysis of compliance of independent members of the Company's Board of Directors with the independence criteria.	Upon analysis of compliance of independent members of the Company's Board of Directors with the independence criteria: "Take under advisement the information on compliance of Pavel Grachev, Vyacheslav Pivovarov, Maxim Bystrov and Alexey Chekunkov with the independence criteria stipulated by Annex 4.1 to the Listing Rules of the Moscow Exchange, including considering the decision of the Nomination and Compensation Committee under the Company's Board of Directors dated May 27, 2019 (Minutes No. 87) and decisions of the Company's Board of Directors dated July 26, 2019 (Minutes No. 293 of July 29, 2019), June 21, 2019 (Minutes No. 292 dated June 24, 2019) according to the Appendix to this decision."
Minutes No. 96 of December 19, 2019	On recommendations for RusHydro's Board of Directors on the item: "On approval of the annual KPIs for RusHydro's Management Board and their target values for 2020"	1. "Take take under advisement the analysis of the current system of KPIs established for the members of the Company's Management Board with regard to compliance with the methodological recommendations on the application of KPIs for business entities in which the share of the Russian Federation or a region of the Russian Federation exceeds 50% of their authorized capital, and performance indicators of state unitary enterprises for determining remuneration of their management, approved by the Russian Government's Decree No. 1388-r dated June 27, 2019,

Date and No. of Minutes	Items Discussed	Decisions Taken
		<p>presented in Appendix 1 to the Minutes."</p> <p>2. Recommend to the Company's Board of Directors to make the following decisions:</p> <p>2.1. "Approve and put into effect from January 1, 2020:</p> <ul style="list-style-type: none"> – New version of the Regulation on RusHydro's system of key performance indicators (the "Regulation") in accordance with Appendix 2 to the Minutes; – List of annual KPIs of RusHydro's Management Board for 2020 according to Appendix 3 to the Minutes; – Target annual KPIs of RusHydro's Management Board for 2020 according to Appendix 4 to the Minutes; – New version of the Calculation and Evaluation Methodology for the Annual KPIs of RusHydro's Management Board according to Appendix 5 to the Minutes." <p>2.2. Approve:</p> <ul style="list-style-type: none"> – Target KPIs under the fourth cycle of RusHydro's Long-Term Incentive Plan for 2020-2022 according to Appendix 6 to the Minutes; – Amendments to target KPIs under the second cycle of RusHydro's Long-Term Incentive Plan for 2018-2020 (Appendix 7); – Amendments to target KPIs under the third cycle of RusHydro's Long-Term Incentive Plan for 2019-2021 (Appendix 8); – Amendments to the Calculation and Evaluation Methodology for the Annual KPIs of RusHydro's Long-Term Incentive Plan, approved by the decision of the Company's Board of Directors on December 26, 2017 (Minutes No. 264 of December 28, 2017) as amended on February 19, 2019 (Minutes No. 283 of February 21, 2019), related to calculation of KPI "Total Shareholder Return (TSR), %" according to Appendix 9 to the Minutes."

Date and No. of Minutes	Items Discussed	Decisions Taken
		2.3. Calculate the KPIs under the second (2018-2020) and third (2019-2021) cycles of the Long-Term Incentive Plan based on the Calculation and Evaluation Methodology for the Annual KPIs of RusHydro's Long-Term Incentive Plan, approved by the decision of the Company's Board of Directors dated December 26, 2017 (Minutes No. 264 dated December 28, 2017), considering the amendments, including those specified in Clause 2.2 of the Minutes.

STRATEGY COMMITTEE UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 25.01.2019 № 124	On recommendations for the Company's Board of Directors on the item: "On the approval of the report concerning the results of activity of the Strategy Committee under the Board of Directors of RusHydro for H1 of the 2018—2019 corporate year."	To recommend that the Company's Board of Directors adopt the following resolution: "To approve the report concerning the results of the activity of the Strategy Committee under the Board of Directors of RusHydro for H1 of the 2018— 2019 corporate year (Schedule 1)."
	On approval of the Programme of Works of the Strategy Committee under the Board of Directors of RusHydro for H1 2019.	To approve the Programme of Works of the Strategy Committee under the Board of Directors of RusHydro for H1 2019 (Schedule 2).
Minutes of 12.04.2019 № 125	On recommendations for the Company's Board of Directors on the items: On approval of the amended Regulation on RusHydro's Dividend Policy.	To recommend that the Company's Board of Directors adopt the following resolution: 1. To approve the amended Regulation on the Company's Dividend Policy according to the schedule (Schedule 1 hereto). 2. To take under advisement the information related to factors affecting the pricing of RusHydro stock which was analyzed in accordance with the instruction of the Board of Directors (Minutes No. 284 dated March 26, 2019), as well as the implemented measures aimed at stock price growth.
	On recommendations for the Company's Board of Directors on the	To recommend that the Company's Board of Directors adopt the

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>items: On the prolongation of the grace period on a loan to DGK JSC, provided as part of the implementation of a forward transaction with VTB Bank (PJSC).</p>	<p>following resolution: "For the purpose of stabilizing the financial and economic position of JSC FEGC, to approve the prolongation until March 27, 2021, (inclusive) of the grace period for the payment of accrued interest by JSC FEGC determined under clause 1.2 of the resolution of the Board of Directors dated December 26, 2016 (Minutes No. 246 dated December 27, 2016)."</p>
Minutes of 19.04.2019 № 126)	On the implementation of RusHydro Group's Long-term Development Program for 2018.	<p>1. To take into consideration the Report on RusHydro Group's Long-term Development Program for 2018 according to Schedule 1 hereto (hereinafter, "the Report").</p> <p>2. To recommend that the Company's Executive Management include the Report in the Company's Annual Report for consideration by the Annual General Meeting of Shareholders on the results of 2018.</p>
Minutes of 07.06.2019 № 127	<p>On recommendations for the Company's Board of Directors on the item: "On the consideration of matters of significance to the Company: "On the creation of a General Service Center performing accounting and tax accounting functions and generation of reports in RusHydro Group"."</p> <p>On recommendations for the Company's Board of Directors on the item: "On approval of amendments to the Decision on the additional issue of the Company's securities."</p> <p>On recommendations for the Company's Board of Directors on the item: "On approval of amendments to the Company's Securities Prospectus."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve the creation of a General Service Center performing accounting and tax accounting functions and generation of reports in RusHydro Group based at JSC HydroEngineering Siberia."</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve amendments in the Decision on the additional issue of securities of RusHydro (ordinary shares) in accordance with Schedule 1 hereto."</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve amendments in the Prospectus on the additional issue of securities of RusHydro (ordinary shares) in accordance with Schedule 2 hereto."</p>
Minutes of 17.06.2019 № 128	On recommendations for the Company's Board of Directors on the item: "On approval of the report concerning the results of activity of the Strategy Committee under the Board of Directors of	To recommend that the Company's Board of Directors adopt the following resolution: To approve the report concerning the results of the activity of the Strategy Committee under the Board of

Date and No. of Minutes	Issue Discussed	Decisions Taken
	RusHydro for the 2018—2019 corporate year."	Directors of RusHydro for the 2018—2019 corporate year (Schedule 1).
Minutes of 20.06.2019 № 129	1. On recommendations for the Company's Board of Directors on the item: "On determining the priority areas of the Company's activities: On the consideration of the Electrical Power Development Program to ensure advanced economic growth in the Far Eastern Federal District."	To recommend that the Company's Board of Directors adopt the following resolution: "To take the Electrical Power Development Program under advisement to ensure advanced economic growth in the Far Eastern Federal District (Schedule 1)."
Minutes of 15.08.2019 № 130	On election of the Deputy Chairman of the Strategy Committee.	To elect Member of the Management Board and First Deputy General Director of RusHydro D. I. Rizhinashvili as Deputy Chairman of the Strategy Committee under the Board of Directors of RusHydro.
	On approval of the Program of Works of the Strategy Committee for the 2nd half of 2019.	To approve the Program of Works of the Strategy Committee for the 2nd half of 2019 (Schedule 1).
	On election of the secretary of the Strategy Committee.	To elect Chief Expert of the Strategy and IR Department P. V. Krasovskaya as the Secretary of the Strategy Committee under the Board of Directors of RusHydro.
	On recommendations for the Company's Board of Directors on the item: "On Amendments to the Long-Term Development Program of the RusHydro Group for the period of 2018 to 2022."	To recommend that the Company's Board of Directors adopt the following resolution: "Pursuant to the directives of the Government of the Russian Federation No. 10068p-P13 dated December 6, 2018 and in accordance with the decision of the Board of Directors of the Company 'On the transition of the Company to the predominant use of domestic software, ¹⁶ to approve amendments to the Long-Term Development Program of RusHydro Group for the period of 2018 to 2022 in terms of the section 'Implementation of Intelligent Systems and Digital Technologies' according to Schedule 2 to this resolution."
Minutes of 23.08.2019 № 131	On recommendations for the Company's Board of Directors on the item: "On termination of the Company's participation in	To recommend that the Company's Board of Directors adopt the

¹⁶ Minutes of 27.12.2018 № 281

Date and No. of Minutes	Issue Discussed	Decisions Taken
	Technopark Rummyantsevo JSC."	following resolution: "To terminate the Company's participation in the authorized capital of Technopark Rummyantsevo JSC in accordance with the Program for the Alienation of NonCore Assets of RusHydro."
	On the merger of RusHydro Group energy companies located in the Kamchatka Territory:	
	On recommendations for the Board of Directors on the items: "On the participation and termination of the participation of RusHydro in other entities."	<p>2.1.1. To recommend that the Company's Board of Directors adopt the following resolution: "1. To approve the termination of the participation of RusHydro in Geotherm JSC as a result of the reorganization of Geotherm JSC in the form of merger into Kamchatskenergo PJSC."</p> <p>2.1.2. To recommend that the Company's Board of Directors adopt the following resolution: "To approve the termination of the participation of RusHydro in KamGEK PJSC as a result of the reorganization of KamGEK PJSC in the form of merger into Kamchatskenergo PJSC."</p> <p>2.1.3 To recommend that the Company's Board of Directors adopt the following resolution: "To approve the participation of RusHydro in the authorized capital of Kamchatskenergo PJSC as a result of the reorganization of Kamchatskenergo PJSC in the form of the merger of Geotherm JSC and KamGEK PJSC into it.</p> <p style="padding-left: 40px;">The share of RusHydro in the authorized capital of Kamchatskenergo PJSC before reorganization is 0%.</p> <p style="padding-left: 40px;">The share of RusHydro Group in the authorized capital of Kamchatskenergo PJSC before reorganization is 98.7%.</p> <p style="padding-left: 40px;">The share of RusHydro in the authorized capital of Kamchatskenergo PJSC after reorganization is not less than 13.89%.</p> <p style="padding-left: 40px;">The share of RusHydro Group in the authorized capital of</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		Kamchatskenergo PJSC after reorganization is not less than 98.53%."
	Confidential.	-
	On recommendations for the Company's Board of Directors on the item: "On the consideration of matters of significance to the Company: 'On updating the Innovation Development Program of RusHydro Group.'"	To recommend that the Company's Board of Directors adopt the following resolution: "1.1. To take into account the report on comparison of the level of technological development and the values of key performance indicators of the RusHydro Group's innovation activity with the level of development and indicators of the leading peer companies (hereinafter referred to as the Report, the Comparison), revised with due regard to the conclusions on the report submitted by the Ministry for Economic Development of the Russian Federation and the Ministry of Energy of the Russian Federation (Schedule 1). 1.2. To approve the proposals for improving the quality of preparation and implementation of the RusHydro Group Innovation Development Program (Schedule 2) prepared based on the results of the Comparison, when updated. 1.3. To entrust the Chairman of the Management Board and General Director of the Company, N. G. Shulginov, with ensuring the development of an updated Innovation Development Program of RusHydro Group for 2020 to 2024 in accordance with the proposals pursuant to Schedule 2 to the Minutes and forwarding it for approval to the relevant federal executive bodies (Russian Ministry for Economic Development, Russian Ministry of Energy, Russian Ministry of Education and Science, and Russian Ministry for Development of Russian Far East) by December 31, 2019."
	On recommendations for the Company's Board of Directors on the item: "On termination of the Company's participation in the authorized capital of Bank of Cyprus Holdings Public Limited Company."	To recommend that the Company's Board of Directors adopt the following resolution: "To terminate the Company's participation in the authorized capital of Bank of Cyprus Holdings Public Limited Company in accordance with the Program for the Alienation of

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>On recommendations for the Company's Board of Directors on the item: "On preliminary approval of transactions with shares of organizations in which the Company participates."</p>	<p>Non-Core Assets of RusHydro."</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: "1. To approve transactions for the sale of sixteen thousand six hundred forty-one (16,641) ordinary shares of Bank of Cyprus Holdings Public Limited Company at exchange trading. The share of participation of the Company in Bank of Cyprus Holdings Public Limited Company before alienation is 0.003729494%. The share of participation of the Company in Bank of Cyprus Holdings Public Limited Company after alienation is up to 0%. 2. To determine the sale price of 16,641 ordinary shares of Bank of Cyprus Holdings Public Limited Company based on the current market price of the shares of Bank of Cyprus Holdings Public Limited Company formed on the day of sale on the London Stock Exchange."</p>
Minutes of 23.08.2019 № 132)	Confidential.	-
Minutes of 11.10.2019 № 133	<p>On recommendations for the Company's Board of Directors on the item: "On progress in the implementation of RusHydro Group's Long-term Development Program in H1 2019."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: "To take into account the information on the progress in the implementation of RusHydro Group's Long-Term Development Program in H1 2019 as per Schedule 1 to this Resolution."</p>
	<p>On recommendations for the Company's Board of Directors on the item: "On amendments to RusHydro Group's Long-Term Development Program."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve amendments to the list, target values, and methods of calculating and evaluating key performance indicators of RusHydro Group's Long-Term Development Program¹ in accordance with the adjustment by the Board of Directors of the Company of the list, target values, and methods of calculating and evaluating key performance indicators</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		of members of the Management Board and the Long-term Motivation Program of the Company (Minutes of the Board of Directors of the Company No. 283 dated February 21, 2019, No. 295 dated September 23, 2019, No. 296 dated September 25, 2019) (Schedule 2 to this Resolution)."
Minutes of 16.10.2019 № 134	On recommendations for the Company's Board of Directors concerning: "On the consideration of matters of significance to the Company: On measures for refinancing the debt of RAO Energy Systems of the East Holding companies."	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <ol style="list-style-type: none"> 1. In order to streamline the terms of the non-deliverable forward contract (hereinafter referred to as the Forward) concluded between the Company and VTB Bank (PJSC) in respect of 55,000,000,000 (Fifty-five billion) ordinary shares of PJSC RusHydro and formalized in the Confirmation of a Non-Deliverable Forward Transaction for Shares dated March 3, 2017 (hereinafter referred to as the Confirmation) in accordance with the Master Agreement on Derivatives Transactions in the Financial Markets dated March 3, 2017, to approve the conclusion of a supplementary agreement to the Confirmation providing for the following amendments to the essential terms of the Forward: <ol style="list-style-type: none"> 1.1. Reduction of the forward rate by 0.5 (five-tenths) percentage points. 1.2. Prolongation of the period during which the Company cannot demand early performance of the obligations under the Forward in full by twelve (12) months. 1.3. Entitlement of VTB Bank (PJSC) to unilaterally extend the Forward term no more than three (3) times and in aggregate no more than up to March 3, 2025, inclusive, by sending a written notice to the Company. 2. To consider this resolution to be also the approval of a derivative transaction in accordance with Subclause 25, Clause 12.1 of the Company's Articles of Association and the Borrowing Policy Regulation of the Company approved by the decision of the Company's Board of Directors dated July 29, 2010 (Minutes No. 104 dated August 2, 2010).

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>3. For the purpose of collaboration aimed at increasing the selling price of shares of RusHydro as part of the Forward, to approve the conclusion of an agreement on the provision of financial and consulting services (hereinafter, the Agreement) on the following essential terms:</p> <p><u>Parties to the Agreement:</u> Customer: PJSC RusHydro; Contractor: VTB Capital JSC.</p> <p><u>Subject of the Agreement:</u> To provide services and assistance to the Customer as part of analysis and measures for the implementation of strategic initiatives aimed at increasing the market value of the Customer's shares, including as part of the implementation of the RusHydro Group Value Increase Plan for the period up to 2021, as well as for the implementation of the transaction for the sale of Customer's shares in the total amount of 55,000,000,000 (Fifty-five billion) ordinary shares owned by VTB Bank (PJSC) for the purposes of final settlement of the Forward (hereinafter, the "Transaction").</p> <p><u>Price of the Agreement:</u> Five percent (5%) of the amount of the excess of the price for the sale of one (1) share as a result of the Transaction over one ruble and thirty-five thousandths (1.035), multiplied by the number of shares that are the subject of this Transaction, but not more than seven hundred million (700,000,000) rubles.</p> <p><u>Period of Validity of Agreement:</u> The Agreement shall be valid from the moment of its execution until the earlier of the following dates: a) the date of completion of the Transaction; b) the date falling 36 months from the date of execution of the agreement; or (c) the date of early termination</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>of the agreement by any Party upon prior written notice to the other Party.</p> <p><u>Additional terms:</u></p> <p>The Customer undertakes to compensate the Contractor for property losses actually incurred and documented by VTB Capital JSC in connection with the Transaction which arose out of any claims, actions, demands, requests or investigations from any third parties with regard to the Contractor or its affiliates, as well as any proceedings relating to such claims. However, property losses that occurred mainly through the fault of the Contractor, as established by a final court judgment, will be excluded from the amount of compensation. The amount of losses compensable by the Customer may not exceed the Price of the Agreement.</p>
Minutes of 28.11.2019 № 135/144	On recommendations for the Company's Board of Directors on the item: On determining the position of the Company regarding the agenda items of the management bodies of JSC Hydroinvest: "On the execution by JSC Hydroinvest of a transaction for the alienation of shares in its subsidiary CJSC MEK that produces electricity."	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p style="padding-left: 40px;">To instruct the representatives of the Company in the management bodies of JSC Hydroinvest, with regard to the item "On the execution by JSC Hydroinvest of a transaction for the alienation of shares in its subsidiary CJSC MEK that produces electricity," to vote "FOR" the adoption of the following resolution:</p> <p style="padding-left: 80px;">1. To approve the termination of participation of JSC Hydroinvest (the company controlled by PJSC RusHydro) in CJSC MEK by selling 527,085 ordinary registered uncertified shares in CJSC MEK at the price determined by the Board of Directors of JSC Hydroinvest based on the valuation report, but not lower than the carrying value, with cash payment.</p> <p style="padding-left: 40px;">The compulsory condition for the alienation of shares in CJSC MEK is the termination of the surety agreement dated January 30, 2013, concluded between PJSC RusHydro and the European Bank for Reconstruction and Development and the</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>surety agreement dated May 15, 2013, concluded between PJSC RusHydro and the Asian Development Bank.</p> <p>2. To implement the decision in clause 1, to approve the conclusion of a sale and purchase agreement (the "Agreement") on the following conditions and terms (method for their determination):</p> <p><u>Parties to the Agreement:</u> Seller: Joint-Stock Company Hydroinvest Buyer: the persons who have the preemptive right to acquire shares in CJSC MEK in accordance with the legislation of the Republic of Armenia or, if they refuse to acquire shares or do not exercise their preemptive right, Open Joint-Stock Company Hrazdan Energy Company (RazTES) (Republic of Armenia)</p> <p><u>Subject Matter of the Agreement:</u> The Seller shall transfer to the Buyer the ownership of 527,085 ordinary uncertified shares in CJSC MEK with a par value of 1,000 Armenian drams each (the "Shares"), and the Buyer shall accept them and pay for them.</p> <p><u>Price of the Agreement:</u> The value of the alienated shares is determined by the Board of Directors of JSC Hydroinvest based on the valuation report, but not lower than the carrying value, which is RUB 172,961,972 for 527,085 shares (the "Stock Value") as of September 30, 2019. The payment for the Shares shall be made in cash.</p> <p><u>Other conditions for the alienation of the Shares:</u> a. Ownership of the Shares shall be transferred to the Buyer after all the following conditions are met:</p> <ul style="list-style-type: none"> - Signing a loan agreement between CJSC MEK and the new lending bank (on material terms in accordance

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>with Appendix 1 to this Resolution) to fully refinance the debt to the European Bank for Reconstruction and Development (the "EBRD") and the Asian Development Bank (the "ADB") (EBRD and ADB collectively, the "Lending Banks") under the loan agreement dated December 21, 2012, and under the loan agreement dated May 13, 2013 (the "Loan Agreements"), on the conditions agreed upon by the Buyer and Ardshinbank CJSC</p> <ul style="list-style-type: none"> - Obtaining by CJSC MEK of the consent of the Public Services Regulatory Commission of the Republic of Armenia to signing a share pledge agreement and an immovable property pledge agreement in favor of the new lending bank - Termination of the suretyships of PJSC RusHydro for the obligations of CJSC MEK under the Loan Agreements stipulated by the surety agreement dated January 30, 2013, concluded between PJSC RusHydro and the European Bank for Reconstruction and Development and the surety agreement dated May 15, 2013, concluded between PJSC RusHydro and the Asian Development Bank pursuant to the full debt repayment by CJSC MEK under the Loan Agreements - Failure to use the preemptive right to acquire the Shares within the established time period or refusal to use the preemptive right to acquire the Shares by the minority shareholder of CJSC MEK and by CJSC MEK itself (in case of the sale of the Shares to the Open Joint-Stock Company Hrazdan Energy Company (RazTES)) <ul style="list-style-type: none"> b. The Seller shall provide the Buyer with representations for the most significant potential risks listed in Appendix 2 to this Resolution. <p>3. To establish that the stake of JSC Hydroinvest in CJSC</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		MEK before the alienation of the Shares is 90.00%, and after the alienation of the Shares, 0.00%."

INVESTMENTS COMMITTEE UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 19.02.2019 № 112	On recommendations for the Company's Board of Directors concerning: Approval of the report on the performance results of the Investment Committee under the Board of Directors of RusHydro for H2 2018.	To recommend that the Company's Board of Directors adopt the following resolution: To approve the report of the Chairman of the Investment Committee under the Board of Directors of RusHydro for H2 2018 (Appendix 1).
	On recommendations for the Company's Board of Directors concerning: Consideration of matters of significance to the Company.	To recommend that the Company's Board of Directors adopt the following resolution: To approve the target values for the KPI "Earnings (profit) per share (EPS)" of the first cycle for 2017–2019, of the second cycle for 2018–2020, and of the third cycle for 2019–2021 (Appendices 2–4).
Minutes of 25.03.2019 № 113	On recommendations for the Company's Board of Directors on the item "On the Draft Consolidated Investment Program of RusHydro Group for 2020–2024 and for 2019 (adjustment) and the Draft Investment Program of RusHydro for 2020– 2029 and for 2019 (adjustment)"	To recommend that the Company's Board of Directors adopt the following resolutions: 1. To take the Draft Consolidated Investment Program of RusHydro for 2020–2024 and for 2019 (adjustment) (Schedules 1.1a, 1.1b, and 1.1c hereto) and the sources of their financing (Schedule 1.1d hereto) under advisement. 2. To preapprove the Draft Consolidated Investment Program of RusHydro for 2020–2029 and draft amendments to the Investment Program of RusHydro for 2019–2028 approved by Order of the Ministry of Energy of Russia (Minenergo) No. 6@ dated October 22, 2018 (Schedules 1.2a, 1.2b, and 1.2c hereto), to ensure that information disclosure is compliant with Regulation

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>of the Government of the Russian Federation No. 24 dated January 21, 2004, "On Approval of Standards for Information Disclosure by Wholesale and Retail Electricity Market Participants."</p> <p>3. To instruct Chairman of the Management Board and General Director N. G. Shulginov to send the approved Draft Investment Program of RusHydro for 2020– 2029 and the draft amendments to the Investment Program of RusHydro for 2019– 2028 approved by Order of the Ministry of Energy (Minenergo) of Russia No. 6@ dated October 22, 2018, in accordance with the procedure established by Decree of the Government of the Russian Federation No. 977 dated December 1, 2009, "On Investment Programs of Electrical Energy Industry Participants" ("Decree No. 977").</p>
	<p>On recommendations for the Company's Board of Directors on the item "On approval of a report on the public technological and price audit of investment projects for 2018, which contains the results of a consolidated analysis of the audits and conclusions based on the results of public and expert discussion"</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the report on the public technology and pricing audit of RusHydro's 2018 investment projects, with the results of a consolidated analysis of the audits and with the findings of public and expert discussions (Schedules 2.1, 2.2).</p>
	<p>On recommendations for the Company's Board of Directors on the item "On approval of the list of RusHydro investment projects for the public technological and price audit in 2019–2020"</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the list of investment projects implemented and scheduled for implementation under the RusHydro investment program for conducting a public technology and pricing audit in 2019–2020 according to Schedule 3 hereto.</p>
	<p>On recommendations for the Company's Board of Directors on the item "On determining cases when the Company may execute transactions related to release from liabilities to itself or to a third party without the prior approval of the Company's Board of Directors: waiver by the Company of the rights under a bank</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To decide that the sole executive body of the Company may enter into transactions (including several related transactions), without the prior consent of the Company's Board of Directors, under</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
	guarantee and/or signing by the Company of an agreement to terminate a guarantor's liabilities under a bank guarantee"	<p>which the Company waives its rights under a bank guarantee, and/or under which the Company consents to release a guarantor under a bank guarantee from its liabilities in the following cases:</p> <ul style="list-style-type: none"> - The Company receives a new bank guarantee (issued by the same or by a new guarantor), or another valid bank guarantee (issued by the same or by a new guarantor) is amended to ensure the fulfillment of the principal liability that was previously guaranteed by the terminated bank guarantee. - In connection with a change in the principal liability, the Company receives a new bank guarantee (issued by the same or by a new guarantor), or another valid bank guarantee (issued by the same or by a new guarantor) is amended to ensure the fulfillment of the changed principal liability. - The principal liability guaranteed by the terminated bank guarantee is fulfilled.
	On recommendations for the Company's Board of Directors on the item "Financing of the project 'Construction of two single-chain 100 kV overhead power lines Pevek – Bilibino' (construction stage 2)"	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>To instruct Chairman of the Management Board and General Director of the Company N. G. Shulginov to grant an intragroup loan to JSC Chukotenergo (with the possibility of subsequent capitalization) to ensure the financing of the design documentation for the priority project "Construction of two single-chain 110 kV overhead power lines Pevek – Bilibino" (construction stage 2) (the "Project") under the following material terms and conditions:</p> <p><u>Parties to the Agreement:</u></p> <p>The Borrower: JSC Chukotenergo The Lender: RusHydro</p> <p><u>Subject of the Agreement:</u></p> <p>The Lender shall issue funds (loan amount, loan) to the Borrower, and the Borrower undertakes to repay the loan to the Lender.</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p><u>Maximum loan amount:</u> RUB 211,740,000.00</p> <p><u>Loan repayment period:</u> The parties shall determine the loan repayment schedule by March 1, 2020, by way of signing a supplementary agreement to the Agreement. Until the loan repayment schedule is determined, the loan shall be repaid at call within five business days from the moment of delivery to the Borrower of the Lender's notice of loan repayment, but in any case no later than on December 28, 2027.</p> <p><u>Interest rate for using the Loan Amount:</u> 0% per annum</p> <p><u>The Loan's intended use:</u> Financing of working capital to cover the expenses for the preparation of design documentation for the Project.</p> <p><u>Loan terms and conditions:</u> Nonrevolving tranches based on the request of the Borrower.</p> <p><u>Terms and conditions for early repayment of the Loan:</u> The Lender shall have the right to demand early repayment of the Loan from the Borrower. The Borrower shall have the right to repay the loan early in part or in full.</p>
	<p>On recommendations for the Company's Board of Directors on the item "On the matters of significance to the Company: on development of a program to improve procurement quality"</p>	<p>To recommend that the Company's Board of Directors adopt the following resolutions: To instruct Chairman of the Management Board and General Director of the Company N. G. Shulginov to arrange for the following:</p> <ol style="list-style-type: none"> 1. Development and approval of the Program for Improvement of the Company's Procurement Quality (the "Program"), which shall include the following:

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<input type="checkbox"/> The Program assessment procedure and performance indicators, taking into account the level of competition in procurements, as specified in Schedule 6.1 hereto <input type="checkbox"/> Actions to assess and improve the qualification of personnel, both those directly involved in procurement and those responsible for identifying the client's specific need, and performance of agreements and payments under agreements by April 1, 2019. 2. Dissemination of Program actions to organizations under Company control, as specified in Schedule 6.2 hereto 3. Publication of information about the execution of Directives of the Government of the Russian Federation No. 1519p-P13 together with electronic copies of support documents on the Interdepartmental State Property Management Portal by April 3, 2019
	On recommendations for the Company's Board of Directors on the item "On execution of the Business Plan of the Company for 2018 (including the report on the execution of the Investment Program, including the Complex Modernization Program for Generating Facilities for 2018)"	To recommend that the Company's Board of Directors adopt the following resolution: To approve the report on execution of the Business Plan of the Company for the year 2018 (including the report on execution the Investment Program, including the Complex Modernization Program for Generating Facilities, for the year 2018) (Schedule 7).
	On recommendations for the Company's Board of Directors on the item "On approval of the report on the implementation of the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2018"	To recommend that the Board of Directors of RusHydro adopt the following resolution: To approve the Report on the Implementation of the Consolidated Business Plan (including the consolidated Investment Program and the action plan for the optimization of costs based on the results of an external independent cost audit at RusHydro, including its subsidiaries) of RusHydro Group for 2018 according to Schedule 8 hereto.
	On recommendations for the Board of Directors of RusHydro	To recommend that the Company's Board of Directors adopt the

Date and No. of Minutes	Issue Discussed	Decisions Taken
	concerning the item: "On approval of the report on the achievement of the Company's (the Management Board members') key performance indicators"	following resolution: 1. To approve the report on the achievement of the Company Management Board Members' annual key performance indicators for 2018 according to Schedule 9.1 hereto. 2. To deem the KPI "Reduction of operating expenses (costs), %" for 2018, calculated with due regard to factors that are beyond the control of the Company's management, to have been achieved.
	On recommendations for the Company's Board of Directors on the item "On approval of the report on the fulfillment of the Annual Complex Procurement Program of the Company for 2018"	To recommend that the Company's Board of Directors adopt the following resolution: Approve the report on the fulfillment of RusHydro's Annual Complex Procurement Program for 2018 (Schedule 10).
	On approval of the Action Plan of the Investment Committee under the Board of Directors of RusHydro for H1 2019	Approve the Program of Works of the Investment Committee under the RusHydro Board of Directors for H1 2019 (Schedule 11).
Minutes of 21.05.2019 № 114 (in the form of joint presence)	Recommendations for the Company's Board of Directors concerning: Recommendations for the Annual General Meeting of Shareholders of the Company concerning: Payment of dividends, periods and form of payment of dividends based on the results of operations in 2018, and establishment of the date as of which the persons entitled to dividends are determined.	Recommend that the Board of Directors adopt the following resolution: Recommend that the annual General Meeting of Shareholders of the Company adopt the following resolution: Pay dividends on ordinary shares of the Company according to the results of 2018 in the amount of RUB 0.0367388 per one share. Form of payment of dividends: monetary. Establish July 9, 2019 (the 11th day from the date of the resolution to pay dividends) as the date on which the persons entitled to receive dividends shall be determined. The dividend payment period for a nominee holder or beneficial owner who is a securities market professional registered in the Company's shareholder register shall not exceed 10 business days, and for other persons registered in the Company's shareholder register it shall not exceed 25 business days from the date when the persons entitled to dividends are determined.
	Recommendations for the Company's Board of Directors	Recommend that the Board of Directors adopt the following

Date and No. of Minutes	Issue Discussed	Decisions Taken										
	<p>concerning: Recommendations for the Annual General Meeting of Shareholders of the Company concerning: Approval of distribution of the Company's profits based on the results of 2018.</p>	<p>resolution: Preliminarily approve and recommend to the Annual General Meeting of Shareholders of the Company to approve the following allocation of profits of the Company based on the results of 2018:</p> <table border="1" data-bbox="1317 456 2085 683"> <thead> <tr> <th></th> <th>(million rubles)</th> </tr> </thead> <tbody> <tr> <td>Retained earnings (losses) for the reporting period</td> <td>36,725.6</td> </tr> <tr> <td>Distribute to: The reserve fund</td> <td>1,836.3</td> </tr> <tr> <td>Development of the Company</td> <td>18,970.8</td> </tr> <tr> <td>Dividends</td> <td>15,918.5</td> </tr> </tbody> </table>		(million rubles)	Retained earnings (losses) for the reporting period	36,725.6	Distribute to: The reserve fund	1,836.3	Development of the Company	18,970.8	Dividends	15,918.5
	(million rubles)											
Retained earnings (losses) for the reporting period	36,725.6											
Distribute to: The reserve fund	1,836.3											
Development of the Company	18,970.8											
Dividends	15,918.5											
	<p>Consideration of information on the reasons for the growth of the debt burden of Holding RAO ES of EAST.</p>	<ol style="list-style-type: none"> 1. Take into consideration the information on the reasons for the growth of the debt burden of Holding RAO ES of EAST in accordance with Appendix 1 to this resolution and bring the report on the results of the analysis to the Chairman of the Board of Directors of RusHydro Yu. P. Trutnev. 2. Recommend to the Management Board of RusHydro to continue work on optimizing the debt burden of the RusHydro Group. 										
<p>Minutes of 10.06.2019 № 115</p>	<p>On recommendations for the Board of Directors of RusHydro concerning the item: "On approval of the report on the interim results of the fulfillment of the Company's Business Plan for 2019 considering the actual results for Q1 2019 (including the report on the fulfillment of the Investment Program, inter alia, the Complex Modernization Program for Generating Facilities, for Q1 2019)."</p>	<p>To recommend that the Board of Directors of RusHydro adopt the following resolution: To approve the report on the interim results of the fulfillment of the Business Plan for 2019 considering the actual results for Q1 2019 (including the report on the fulfillment of the Investment Program, inter alia, the Complex Modernization Program for Generating Facilities, for Q1 2019) (Schedule 1).</p>										
	<p>On recommendations for the Board of Directors of RusHydro concerning the item: "On approval of the report on the fulfillment of the Annual Complex Procurement Program of the Company for Q1 2019."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve the Report on the Achievement of the Key Performance Indicators of RusHydro for Q1 2019 (Schedule 2)."</p>										

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>On recommendations for the Board of Directors of RusHydro concerning the item: "On amending the Unified Regulation on Procurement of Products for the Needs of RusHydro Group: on extending the practice of using factoring in performing contracts for supply of goods (performance of work, provision of services)."</p>	<p>1. To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>1. To amend Clause 5.3.9 of the Unified Regulation on Procurement of Products for the Needs of RusHydro Group approved by Decision of the RusHydro Board of Directors (Minutes No. 277 dated October 4, 2018) to read as follows: "5.3.9. A procurement notice and/or procurement documentation may provide for the use of assignment of claim (factoring) when carrying out product delivery contracts concluded by the Customer with small and medium business entities based on the results of procurements held in the form of a competitive tender in accordance with the provisions of the civil laws of the Russian Federation."</p> <p>2. To instruct the Chairman of the Management Board and General Director of the Company N. G. Shulginov:</p> <p>2.1. To notify controlled organizations that have acceded to the Unified Regulation on Procurement of Products for the Needs of RusHydro Group about the amendments introduced thereto within 10 business days after this resolution is adopted.</p> <p>2.2. To publish information about the execution of Directives of the Government of the Russian Federation No. 4111p-p13 dated May 8, 2019, along with electronic copies of the supporting documents on the Interdepartmental State Property Management Portal by July 10, 2019."</p>
	<p>On recommendations for the Board of Directors of RusHydro concerning the item: "On the progress of implementation of the investment project 'Construction of two single-circuit OHLs 110 kV Pevek-Bilibino (construction phase No. 1)'."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>To take note of the information on the implementation of the investment project "Construction of two single-circuit 110 kV OHLs Pevek-Bilibino" (construction stage No. 1) according to Schedule 3 to this decision.</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
	On recommendations for the Board of Directors of RusHydro concerning the item: "On the approval of the report concerning the results of activity of the Investment Committee of the Board of Directors of RusHydro for corporate year 2018 —2019".	To approve the report concerning the results of activity of the Investment Committee of the Board of Directors of RusHydro for the corporate year 2018—2019 and recommend to the Company's Board to review this report (Schedule 4).
Minutes of 16.09.2019 № 116	On electing the Deputy Chairperson of the Investment Committee of the Company's Board of Directors.	To elect Member of the Management Board and First Deputy General Director of RusHydro Sergey Kirov as Deputy Chairman of the Investment Committee under the Board of Directors of RusHydro.
	On electing the Secretary of the Investment Committee of the Company's Board of Directors.	To elect Leading Specialist of the Office for Monitoring and Evaluation of the Efficiency of Investment Programs of the Department of Economic Planning and Investment Programs of RusHydro Yekaterina Gogotova as Secretary of the Investment Committee under the Board of Directors of RusHydro.
	On approval of the Program of Works of the Investment Committee under the Board of Directors of RusHydro for H2 2019	To approve the Program of Works of the Investment Committee under the Board of Directors of RusHydro for H2 2019 (Schedule 1).
Minutes of 18.09.2019 № 117 (in the form of joint presence)	On recommendations for the Company's Board of Directors on the item: On the interim results of the fulfillment of the Company's Business Plan for 2019 considering the actual results for H1 2019 (including the report on the fulfillment of the Investment Program, among other things, the Complex Modernization Program for Generating Facilities for H1 2019).	To recommend that the Company's Board of Directors adopt the following resolution: To approve the report on the interim results of the fulfillment of the Business Plan for 2019 considering the actual results for H1 2019 (including the report on the fulfillment of the Investment Program, among other things, the Complex Modernization Program for Generating Facilities, for H1 2019) (Schedule 1).
	On recommendations for the Company's Board of Directors on the item: On the adjustment of the Company's business plan for 2019–2023 insofar as it relates to the Investment Program of RusHydro for 2019.	To recommend that the Company's Board of Directors adopt the following resolution: To approve the adjustment of the Company's business plan for 2019 insofar as it relates to amending the parameters of the Investment Program of RusHydro for 2019, considering their influence on the KPI "Compliance with the capacity commissioning

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>schedules and the financing and utilization plan, %" for 2019 (Schedules 2 and 2a).</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the adjusted consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2019 (Schedule 3).</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the adjusted Targets of the Annual KPIs of the Company's Management Board Members for 2019 (the KPIs "Return on Equity (ROE), %," "Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA), RUB million," and "Labor Productivity, RUB thousand/man-hours") (Schedule 4).</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the Report on the Achievement of the Key Performance Indicators of RusHydro for 6 months of 2019 (Schedule 5).</p>
Minutes of 18.10.2019 № 118 (in the form of joint presence)	On recommendations for the Company's Board of Directors concerning: "On the consideration of a matter of significance to the Company: On the accomplishment of the action plan for works at Zagorskaya PSHP-2."	To recommend that the Company's Board of Directors adopt the following resolution: To take into consideration the interim report on the accomplishment of the follow-up action plan for works at Zagorskaya PSHP-2 (Schedule 1).
Minutes of 02.12.2019 № 119 (in the form of joint presence)	Recommendations for the Company's Board of Directors concerning: "On the consideration of matters of significance to the Company: 'On the progress of implementation of the investment project 'Construction of two single-circuit OHLs 110 kV Pevek – Bilibino (construction phase No. 1)'."	To recommend that the Company's Board of Directors adopt the following resolution: "1. To take note of the information on the implementation of the investment project 'Construction of two single-circuit 110 kV OHLs Pevek – Bilibino' (construction stage No. 1) (hereinafter, the

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>Facility, Project) according to the Schedule to this decision.</p> <p>2. To note the presence of high risks of further postponement of the implementation period of the Project to 2024 in the absence of decisions aimed at implementing the instructions of the Government of the Russian Federation in December 2019 – February 2020 (Minutes No. DK-P9-208pr dated October 22, 2019):</p> <p>2.1. on the approval of regulatory acts of the Government of the Russian Federation on the recalculation of the cost of construction of the Facility;</p> <p>2.2. on the mechanism for additional financing for the construction of the Facility from the federal budget (taking into account the inadmissibility of deterioration of the financial condition of the Company);</p> <p>2.3. on amendments to Regulation of the Government of the Russian Federation No. 231 dated March 2, 2019, regarding the change in the cost of construction of the Facility and the postponement of the implementation period of the project to 2023;</p> <p>2.4. on the approval of the regulatory act of the Government of the Russian Federation on determining the sole supplier (contractor) for the construction of the Facility."</p>
	<p>Recommendations for the Company's Board of Directors concerning: "On approval of the report on the execution of the Annual Comprehensive Procurement Program of the Company for 9 months of 2019."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>To approve the report on the execution of the Annual Comprehensive Procurement Program of RusHydro for 9 months of 2019 (Schedule No. 2).</p>
	<p>Recommendations for the Company's Board of Directors concerning: "On amending the Unified Regulation on Procurement of Products for the Needs of RusHydro Group."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>1.1. To approve a new revision of the Unified Regulation on the</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>Procurement of Products for the Needs of RusHydro Group (Schedule No. 3).</p> <p>1.2. As soon as the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group comes into force, to deem the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group approved by Decision of the Board of Directors of RusHydro (Minutes No. 277 dated October 4, 2018, with amendments approved by Minutes of the meeting of the Board of Directors of RusHydro No. 292 dated June 24, 2019) to have lost force.</p>
	<p>Recommendations for the Company's Board of Directors concerning: "On the interim results of accomplishment of the Company's Business Plan for 2019 considering the actual results for 9 months of 2019 (including the report on execution of the Investment Program, including the Complex Modernization Program for Generating Facilities, for 9 months of 2019)."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>To approve the report on the interim results of accomplishment of the Company's Business Plan for 2019 considering the actual results for 9 months of 2019 (including the report on execution of the Investment Program, including the Complex Modernization Program for Generating Facilities, for 9 months of 2019) (Schedule No. 4).</p>
	<p>Recommendations for the Company's Board of Directors concerning: "On annual notification of industry-related federal executive bodies and the Government of the Russian Federation on the volumes of contracts concluded with defense industry enterprises for the procurement of civil products for the fuel and energy industry (performance of work, provision of services) which are not related to a state defense order."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolutions:</p> <p>1. To note the publication by the Company:</p> <ul style="list-style-type: none"> - of all procurement information of RusHydro Group on the official website of the Unified Procurement Information System, including the goods, works and services procurement plan and up-to-date official publications on procurements, containing, inter alia, notices of procurement, procurement documentation, draft contracts, and information on all contracts concluded by RusHydro Group with all counterparties (this information is publicly available at http://zakupki.gov.ru); - on the official website of the State Industrial Information

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>System of information on the current and prospective needs of RusHydro Group for the 6 implementation of production programs, which is available for the manufacturers of the defense industry for submission of their commercial proposals and further participation in tender procedures (this information is publicly available at https://gisp.gov.ru).</p> <p>2. The Company shall ensure timely annual notification of industry-related federal executive bodies (the Ministry of Industry and Trade of Russia, the Ministry of Energy of Russia, and the Ministry of Economic Development of Russia) and the Government of the Russian Federation on the volumes of contracts concluded by the Company and its subsidiaries with defense industry enterprises for the procurement of civil products for the fuel and energy industry (performance of works, provision of services) which are not related to a state defense order not later than 30 days before the date of the annual General Meeting of Shareholders of the Company, after the industry-related federal executive bodies (the Ministry of Industry and Trade of Russia and/or the Federal Agency for State Property Management) submit information to the Company about the organizations included in the register of defense industry organizations in accordance with Decree of the Government of the Russian Federation No. 96 dated February 20, 2004 "On the Consolidated Register of Defense Industry Organizations."</p>
	<p>Recommendations for the Company's Board of Directors concerning: "Procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolutions:</p> <p>1. To take note of the following:</p> <ul style="list-style-type: none"> - Clause 5.17 of the Unified Regulation on the Procurement of Products for the Needs of RusHydro Group, approved by the Company's Board of Directors (Minutes No. 277 dated October 4,

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>2018, with amendments approved by Minutes No. 292 dated June 24, 2019, hereinafter referred to as the "URPP"), provides for the 7 priority of procured products (goods, work, services) of Russian origin over procured products of foreign origin¹⁷ ;</p> <p>- this clause of the URPP covers, inter alia, the procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure.</p> <p>2. To establish that no additional amendments need be introduced to the URPP and other local regulations (acts) of the Company in the field of procurement activities to establish the priority of the procurement of Russian products used for the implementation of national projects and the complex plan for modernization and expansion of trunk infrastructure.</p>
Minutes of 19.12.2019 № 120 (in the form of joint presence)	On recommendations for the Company's Board of Directors on the following item: On approval of the annual comprehensive procurement program of PJSC RusHydro for 2020.	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>To approve the annual comprehensive procurement program of PJSC RusHydro for 2020 (Schedule1).</p>
	On recommendations for the Company's Board of Directors on the following item: On approval of the Company's Business Plan (including the Investment Program) for 2020–2024.	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <ol style="list-style-type: none"> 1. To approve the PJSC RusHydro Business Plan 2020 (Schedule 2). 2. To approve the PJSC RusHydro Investment Program for 2020 (Schedule No. 2.2 to the PJSC RusHydro Business Plan for 2020–2024). 3. To approve the planning data for PJSC RusHydro's investment projects and for new construction facilities of controlled companies

¹⁷ In accordance with Decree of the Government of the Russian Federation No. 925 dated September 16, 2016 "On the Priority of Goods of Russian Origin and Work Performed and Services Provided by Russian Persons as Compared to Goods of Foreign Origin or Work Performed and Services Provided by Foreign Persons."

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>that are taken into account in calculating the performance indicator of the members of PJSC RusHydro Management Board "Compliance with the Capacity Commissioning Schedule and the Financing and Utilization Plan, %" for 2020 (Schedule No. 2.2a to the PJSC RusHydro Business Plan for 2020–2024).</p> <p>4. To take into consideration the PJSC RusHydro Business Plan for 2021–2024 (Schedule No. 2), including the PJSC RusHydro Investment Program for 2021–2024 (Schedule No. 2.2 to the PJSC RusHydro Business Plan for 2020–2024).</p>
	<p>On recommendations for the Company's Board of Directors on the following item: On approval of the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2020–2024.</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the consolidated Business Plan (including the consolidated Investment Program) of RusHydro Group for 2020–2024 (Schedule 3).</p>
	<p>On recommendations for the Company's Board of Directors on the following item: On approval of the list and the target values of annual key performance indicators of the members of PJSC RusHydro Management Board for 2020.</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To approve:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The target values of the annual KPIs of the members of PJSC RusHydro Management Board for 2020 (Schedule No. 4.1); <input type="checkbox"/> The target value of the KPI "Reduction of Operating Expenses (Costs) for Procurement of Goods (Works, Services) per Produced Unit" for the members of the Company's Management Board for the year 2020 at the level of at least 2%; <input type="checkbox"/> The target values of KPIs under PJSC RusHydro's Cycle 4 Long-Term Motivation Program for 2020–2022 (Schedule No. 4.2); <input type="checkbox"/> Amendments to the target values of the KPIs of the second cycle Long-Term Motivation Program of PJSC RusHydro for 2018–2020 (Schedule No. 4.3); <input type="checkbox"/> Changes to the target values of KPIs under PJSC RusHydro's Cycle 3 Long-Term Motivation Program for 2019–2021

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>On recommendations for the Company's Board of Directors on the following item: On approval of a report concerning the results of activity of the Investment Committee of the Board of Directors of the Company.</p>	<p>(Schedule No. 4.4).</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the report of the Chairman of the Investment Committee of the Board of Directors of PJSC RusHydro for H2 2019 (Schedule 5).</p>

FAR EAST ENERGY DEVELOPMENT COMMITTEE UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 20.02.2019 № 17	<p>On recommendations for the Board of Directors of RusHydro concerning the following item: On the approval of the report concerning the results of the activity of the Far East Power Industry Development Committee under the Board of Directors of the Company for the first half of the 2018–2019 corporate year.</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To approve the report concerning the results of the activity of the Far East Power Industry Development Committee under the Board of Directors of the Company for the first half of the 2018–2019 corporate year (Schedule No. 1 to the Minutes).</p>
	<p>On recommendations for the Board of Directors of RusHydro concerning the following item: On determining the position of the Company (the delegates of the Company) regarding the agenda item of the meeting of the Board of Directors of JSC RAO ES of East: On the alienation of the shares of an organization in which the Company participates.</p>	Confidential.
	<p>On recommendations for the Board of Directors of RusHydro concerning the following item: On determining the position of the Company (the Company's delegates) on the agenda item of the General Meeting of Shareholders of JSC Dyakov Ust-Srednekanskaya HPP: On the approval of a major transaction related to the lease-out of movable property and real estate of Ust-Srednekanskaya HPP forming part of an engineering and</p>	To reschedule the consideration of the item for a later date.

Date and No. of Minutes	Issue Discussed	Decisions Taken
	manufacturing complex used for the generation and transmission of electricity.	
Minutes of 27.03.2019 № 18	<p>On approving the Program of Works of the Far East Power Industry Development Committee under the Board of Directors of RusHydro for H1 2019.</p> <p>On recommendations for the Board of Directors of RusHydro concerning the following matter: The progress status of the priority projects for the construction of three facilities in the Far East (Yakutskaya GRES-2 (Phase 1), CHPP in Sovetskaya Gavan, Sakhalinskaya GRES-2 (Phase 1)) as of December 31, 2018.</p> <p>On recommendations for the Board of Directors of RusHydro concerning the following matter: On determining the position of RusHydro (RusHydro's delegates) in the management bodies of its subsidiaries: On determining the position of the Company (the Company's delegates) on the agenda item of the meeting of the Board of Directors of JSC RAO ES East: "On the execution by JSC RAO ES East of a transaction (including several related transactions) to alienate the Company's assets consisting of fixed assets, intangible assets, and construction facilities in progress 2 used for the generation, transmission, dispatching and distribution of electrical energy and heat."</p> <p>On recommendations for the Board of Directors of RusHydro concerning the following matter: On determining the position of the Company (the Company's delegates) on the agenda item of the General Meeting of Shareholders of JSC Nizhne-Bureyskaya HPP: "On approval of a major transaction for leasing the property of Nizhne-Bureyskaya HPP."</p>	<p>To approve the Program of Works of the Far East Power Industry Development Committee under the Board of Directors of RusHydro for H1 2019 (Appendix No. 1 to the Minutes).</p> <p>To recommend that the Company's Board of Directors adopt the following resolution: To take note of the information on the progress of the priority construction projects in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (Phase 1)) as of December 31, 2018 (Appendix No. 2 to the Minutes).</p> <p>Confidential.</p> <p>Confidential.</p>
Minutes of 19.04.2019 № 19	Confidential.	

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 20.06.2019 № 20	On recommendations for the Board of Directors of RusHydro concerning the following matter: Progress of the construction of the Ust-Srednekanskaya HPP.	To recommend that the Company's Board of Directors adopt the following resolution: To take into consideration information on the progress of the construction of the Ust-Srednekanskaya HPP (Appendix No. 1 to the Minutes).
	On recommendations for the Board of Directors of RusHydro concerning the following matter: On the progress of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of March 31, 2019.	To recommend that the Company's Board of Directors adopt the following resolution: To take note of information on the progress of the priority projects of construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of March 31, 2019 (Appendix No. 2 to the Minutes).
	On recommendations for the Board of Directors of RusHydro concerning the following matter: On the approval of the report on the results of the activity of the Far East Energy Development Committee of the Board of Directors of RusHydro for the 2018–2019 corporate year.	To recommend that the Company's Board of Directors adopt the following resolution: To approve the report concerning the results of the activity of the Far East Energy Development Committee of the Board of Directors for the 2018–2019 corporate year (Appendix 3 to the Minutes).
Minutes of 23.09.2019 № 21	On electing the Deputy Chairperson of the Far East Energy Development Committee under the Board of Directors of RusHydro.	To elect Igor Anatolyevich Zadvornov Deputy Chairperson of the Far East Energy Development Committee under the Board of Directors of RusHydro.
	On electing the Secretary of the Far East Energy Development Committee under the Board of Directors of RusHydro.	To elect Natalia Gennadijevna Kovaleva as Secretary of the Far East Energy Development Committee under the Board of Directors of RusHydro.
	On approving the Program of Works of the Far East Energy Development Committee under the Board of Directors of RusHydro for H2 2019.	To approve the Program of Works of the Far East Energy Development Committee under the Board of Directors of RusHydro for H2 2019 (Schedule No. 1 to the Minutes)
	On recommendations for the Board of Directors of RusHydro concerning the item: On the participation of the Company in other organizations: <ul style="list-style-type: none"> • On the participation of the Company in Sakhalin GRES-2 	To recommend that the Company's Board of Directors adopt the following resolution: 1. To approve the participation of the Company in the authorized capital of JSC Sakhalin GRES-2 by concluding an agreement(s) for

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>JSC.</p> <ul style="list-style-type: none"> • On the participation of the Company in TPP in Sovetskaya Gavan JSC. • On the participation of the Company in Yakutsk GRES-2 JSC. 	<p>the sale of shares (hereinafter referred to as the Transaction) on the following material conditions:</p> <p><u>Parties to the Transaction:</u> Issuer: Sakhalin GRES-2 JSC. Acquirer: RusHydro.</p> <p><u>Subject of the Transaction:</u> The Issuer shall transfer to the Acquirer no more than sixteen billion three hundred forty-five million (16,345,000,000) ordinary shares to be placed through private subscription (the Shares). The Acquirer undertakes to accept and pay for the Shares.</p> <p><u>Price of the Transaction:</u> one ruble (RUB 1) per one (1) share for a total amount of no more than sixteen billion three hundred forty-five million rubles (RUB 16,345,000,000).</p> <p><u>Other terms and conditions of the Transaction:</u> The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p> <p>2. To determine that based on the results of the issue the Company's participation share in the authorized capital of Sakhalin GRES-2 JSC will not change and will remain 100%, while the debt of Sakhalin GRES-2 JSC owed to the Company in the amount of no less than nine billion two hundred sixteen million six hundred five thousand three hundred twelve rubles (RUB 9,216,605,312) shall be repaid following the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of additional ordinary shares of Sakhalin GRES-2 JSC corresponds to the nominal value and amounts to one ruble (RUB 1) per one (1) additional ordinary share for the total maximum amount of sixteen billion three hundred forty-five million rubles (RUB 16,345,000,000).</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>4. To consider this decision to be approval of the transaction in accordance with letter c) of Subclause 24 of Clause 12.1 of the Articles of Association of the Company.</p> <p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>4.2. To approve the participation of the Company in the authorized capital of TPP in Sovetskaya JSC Gavan by concluding an agreement(s) for the sale of shares (hereinafter referred to as the Transaction) on the following material conditions:</p> <p><u>Parties to the Transaction:</u> Issuer: TPP in Sovetskaya Gavan JSC. Acquirer: RusHydro.</p> <p><u>Subject of the Transaction:</u> The Issuer shall transfer to the Acquirer no more than eighteen billion four hundred fifty-six million (18,456,000,000) ordinary shares placed through private subscription (the Shares). The Acquirer undertakes to accept and pay for the Shares.</p> <p><u>Price of the Transaction:</u> one ruble (RUB 1) per one (1) share for a total amount of no more than eighteen billion four hundred fifty-six million rubles (RUB 18,456,000,000).</p> <p><u>Other terms and conditions of the Transaction:</u> The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p> <p>2. To determine that based on the results of the issue the Company's participation share in the authorized capital of TPP in Sovetskaya Gavan JSC will not change and will remain 100%, while the debt of TPP in Sovetskaya Gavan JSC to the Company in the amount of no less than two billion six hundred forty-four million nin hundred fortyseven thousand six hundred seventy-four</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>rubles (RUB 2,644,947,674) shall be repaid following the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of the additional ordinary shares of TPP in Sovetskaya Gavan JSC shall correspond to the nominal value and shall amount to one ruble (RUB 1) per one (1) additional ordinary share for the total maximum amount of eighteen billion four hundred fifty-six million rubles (RUB 18,456,000,000).</p> <p>4. To consider this decision to be approval of the transaction in accordance with letter c) of Subclause 24 of Clause 12.1 of the Articles of Association of the Company.</p> <p>4.3. To approve the participation of the Company in the authorized capital of Yakutsk GRES-2 JSC by concluding an agreement(s) for the sale of shares (hereinafter referred to as the Transaction) on the following material conditions:</p> <p><u>Parties to the Transaction:</u> Issuer: Yakutsk GRES-2 JSC. Acquirer: RusHydro.</p> <p><u>Subject of the Transaction:</u> The Issuer shall transfer to the Acquirer no more than five billion nine hundred twelve million (5,912,000,000) ordinary shares placed through private subscription (the Shares). The Acquirer undertakes to accept and pay for the Shares.</p> <p><u>Price of the Transaction:</u> one ruble (RUB 1) per one (1) share for a total amount of not more than five billion nine hundred twelve million rubles (RUB 5,912,000,000).</p> <p><u>Other terms and conditions of the Transaction:</u> The form of payment for the Shares is cash, with the possibility of payment by offsetting monetary claims against the Issuer.</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>2. To determine that, based on the results of the issue, the Company's participation share in the authorized capital of Yakutsk GRES-2 JSC will not change and will remain 100%, while the debt of Yakutsk GRES-2 JSC owed to the Company in the amount of no less than five billion nine hundred eleven million seven hundred fiftyseven thousand nine hundred ninety rubles (RUB 5,911,757,990) shall be repaid to the Company after the acquisition of the additional shares.</p> <p>3. To determine that the price of acquisition by the Company of additional ordinary shares of Yakutsk GRES-2 JSC corresponds to the nominal value and amounts to one ruble (RUB 1) per one (1) additional ordinary share for the total maximum amount of five billion nine hundred twelve million rubles (RUB 5,912,000,000).</p> <p>4. To consider this decision to be approval of the transaction in accordance with letter c) of Subclause 24 of Clause 12.1 of the Articles of Association of the Company.</p>
	<p>On recommendations for the Board of Directors of RusHydro concerning the item: On the consideration of matters of significance to the Company: On the status of the implementation of priority projects for the construction of 2 facilities in the Far East (TPP in Sovetskaya Gavan, Sakhalin GRES-2 (stage 1)) as of June 30, 2019.</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution: To take note of information on the progress of priority projects for the construction of two facilities in the Far East (TPP in Sovetskaya Gavan, Sakhalinskaya GRES-2 (stage 1)) as of June 30, 2019 (Schedule 2 hereto).</p>
<p>Minutes of 03.12.2019 № 22</p>	<p>On recommendations for the Board of Directors of RusHydro concerning the following item: On setting up branches of RusHydro.</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>1. To take information on the status of projects for the construction, retrofitting and upgrading of generating facilities (thermal plants) in the non-price zone of the wholesale electricity and capacity market in accordance with Order of 2 the Government of the Russian Federation No. 1544-r dated July 15, 2019 (hereinafter, "Projects") under advisement.</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		2. To set up, for the purposes of implementing the Projects: <ul style="list-style-type: none"> • The Yakutskiy Branch of RusHydro located in Yakutsk; • The Khabarovskiy Branch of RusHydro located in Khabarovsk; • The Primorskiy Branch of RusHydro located in Vladivostok.
Minutes of 24.12.2019 № 23	On recommendations for the Board of Directors of RusHydro concerning the following item: On the status of the implementation of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalin SDPP-2 (stage 1).	To recommend that the Company's Board of Directors adopt the following resolution: To take note of information on the progress of priority projects for the construction of two facilities in the Far East (CHPP in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (stage 1)) as of September 30, 2019 (Schedule 1 hereto).

COMMITTEE ON RELIABILITY, ENERGY EFFICIENCY AND INNOVATIONS UNDER THE BOARD OF DIRECTORS

Date and No. of Minutes	Issue Discussed	Decisions Taken
Minutes of 18.02.2019 № 57	On recommendations for the Company's Board of Directors on the item "On determining the position of RusHydro (RusHydro's representatives) in the management bodies of its subsidiaries."	Confidential.
Minutes of 18.04.2019 № 58	On recommendations for the Company's Board of Directors concerning "On approval of transactions related to the alienation of the Company's property consisting of fixed assets, intangible assets and construction in progress which are used for the purpose of the generation, transfer, dispatching, and distribution of electrical power and heat (conclusion of an agreement on the purchase of the immovable and movable property of Khorobrovskaya HPP)."	To recommend that the Company's Board of Directors adopt the following resolution: "To approve the conclusion of an agreement on the purchase of the immovable and movable property of Khorobrovskaya HPP (hereinafter, the Agreement) on the following material terms and conditions: Parties to the Agreement: The Seller is RusHydro; The Buyer is the winner of the Auction. Subject of the Agreement: The Seller shall transfer ownership of and the Buyer shall pay for

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>and accept the immovable and movable property of Khorobrovskaya HPP (hereinafter, the Property) in accordance with the Agreement.</p> <p>The list of the Property is provided in Schedules 1 and 2 hereto.</p> <p>Property sale method: Selling via open auction on an electronic trading platform (hereinafter, the Auction).</p> <p>Auction starting price: four million five hundred eighty-seven thousand one hundred ninety-nine (4,587,199) rubles 20 kopecks, including VAT, in accordance with the valuation report of the independent valuer on the market value of the Property.</p> <p>Price of Agreement: To be determined based on the Auction results.</p> <p>Payment procedure (period) for the Property: The Buyer shall be provided with an interest-free installment plan to pay for the Property in equal annual instalments for 5 years."</p>
	<p>On recommendations for the Company's Board of Directors concerning "On approval of transactions related to the alienation of the Company's property consisting of fixed assets, intangible assets and construction in progress which are used for the purpose of the generation, transfer, dispatching, and distribution of electrical power and heat (conclusion of an agreement for the gratuitous transfer of the assets of Bekanskaya HPP (donation))."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>"1. To approve the conclusion of the Agreement on gratuitous transfer of the property of Bekanskaya HPP (donation), which is to be used for generating electrical power (hereinafter, the Agreement), on the following material terms and conditions:</p> <p>Parties to the Agreement: The Donor is RusHydro; The Donee is the municipal entity Ardonsky District of the Republic of North Ossetia-Alania, as represented by the Administration of the local government of the municipal entity Ardonsky District of the Republic of North Ossetia-Alania.</p> <p>Subject of the Agreement:</p>

Date and No. of Minutes	Issue Discussed	Decisions Taken
		<p>The Donor shall transfer gratuitously and the Donee shall accept in ownership the immovable and movable property of Bekanskaya HPP as per Schedule 3 and Schedule 4 hereto (hereinafter, the Property).</p> <p>Price (book [residual] value) of the Property: twenty-eight million five hundred ten thousand seven hundred forty-nine (28,510,749) rubles 32 kopecks.</p> <p>2. To establish that the decision specified in Clause 1 of this resolution is also a decision to execute a transaction in accordance with subclause 26 of Clause 12.1 of the Company's Charter."</p>
Minutes of 16.05.2019 № 59	On recommendations for the Company's Board of Directors concerning "On matters of significance for the Company: On approval of the report on the implementation of the RusHydro Group Innovative Development Program for 2016–2020 with an outlook for 2025 in 2018."	<p>To recommend that the Company's Board of Directors adopt the following resolution: "To approve the report on the implementation of the RusHydro Group Innovative Development Program for 2016–2020 with an outlook for 2025 in 2018 (Schedule 1 hereto)."</p>
Minutes of 19.06.2019 № 60	On the approval of the report on the results of the activity of the Reliability, Energy Efficiency, and Innovations Committee of the Board of Directors of RusHydro for the 2018–2019 corporate year.	To approve the report on the results of the activity of the Reliability, Energy Efficiency and Innovations Committee of the Board of Directors of RusHydro for the 2018–2019 corporate year (Appendix to the Minutes).
Minutes of 23.08.2019 № 61	Electing the Deputy Chairperson of the Reliability, Energy Efficiency and Innovations Committee of the Company's Board of Directors.	To elect Boris Borisovich Bogush, Member of the Management Board, First Deputy General Director and Chief Engineer of RusHydro, as Deputy Chairman of the Reliability, Energy Efficiency, and Innovations Committee under the Company's Board of Directors.
	Electing the Secretary of the Reliability, Energy Efficiency and Innovations Committee of the Company's Board of Directors.	To elect Timur Rasimovich Khaziakhmetov, Director of the Department for Development and Standardization of Production Processes at RusHydro, as the Secretary of the Reliability, Energy Efficiency, and Innovations Committee under the Company's Board of Directors.

Date and No. of Minutes	Issue Discussed	Decisions Taken
	<p>On recommendations for the Company's Board of Directors on the item: "On the consideration of matters of significance to the Company: On updating the Innovation Development Program of RusHydro Group."</p>	<p>To recommend that the Company's Board of Directors adopt the following resolution:</p> <p>"1. To take into account the report on comparison of the level of technological development and the values of key performance indicators of the RusHydro Group's innovation activity with the level of development and indicators of the leading peer companies (hereinafter referred to as the Report, the Comparison), revised with due regard to the conclusions on the report submitted by the Ministry for Economic Development of the Russian Federation and the Ministry of Energy of the Russian Federation (Schedule -1).</p> <p>2. To approve the proposals for improving the quality of preparation and implementation of the RusHydro Group Innovation Development Program (Schedule 2) prepared based on the results of the Comparison, when updated.</p> <p>3. To entrust the Chairman of the Management Board and General Director of the Company, N. G. Shulginov, with ensuring the development of an updated Innovation Development Program of RusHydro Group for 2020 to 2024 in accordance with the proposals pursuant to Schedule 2 to the Minutes and forwarding it for approval to the relevant federal executive bodies (Russian Ministry for Economic Development, Russian Ministry of Energy, Russian Ministry of Education and Science, and Russian Ministry for Development of Russian Far East) by December 31, 2019."</p>
<p>Minutes of 16.10.2019 № 62</p>	<p>On recommendations for the Company's Board of Directors concerning the following item:</p> <p>"On the consideration of a matter of significance to the Company: On the accomplishment of the action plan for works at Zagorskaya PSHP-2".</p>	<p>To recommend the Company's Board of Directors to adopt the following resolution:</p> <p>"To take into consideration the interim report on the accomplishment of the follow-up action plan for works at Zagorskaya PSHP-2 (Appendix to this resolution)".</p>

APPENDIX No.6 INFORMATION ON THE SALE OF NON-CORE ASSETS OF PJSC RUSHYDRO FOR 2019

In order to fulfill the directives of the Government of the Russian Federation, the Company's Board of Directors (Minutes No. 263 dated December 28, 2017) approved the revised Program for the Divestment of Non-Core Assets of PJSC RusHydro, updated in line with by the Methodological Recommendations of the Government of the Russian Federation (hereinafter - the Program).

The Program defines of the Company's general principles and procedures for disposing its non-core assets. The goal of the Program is to formulate a methodology for managing non-core assets of the Company.

The main directions of the Program:

- formation and maintenance of the Non-Core Assets Register and the Action Plan for the Disposal of Non-Core Assets;
- ways and procedures for the disposal of non-core assets;
- information support for the disposal of non-core assets;
- reporting on the disposal of non-core assets.

The updated and revised Non-Core Assets Register of PJSC RusHydro and the Action Plan for the Disposal of Non-Core Assets of PJSC RusHydro for 2018 (Q4) - 2019 were approved by the Board of Directors (Minutes No. 281 dated December 27, 2018).

The Non-Core Assets Register contains the basic information about non-core assets, their book value, type of the proposed action with respect to non-core assets and other necessary information.

The Action Plan for the Disposal of Non-Core Assets includes non-core assets planned to be sold in 2019, detailing the timing of the sale of non-core assets and their market value, as determined by an appraisal organization.

In 2019, the Company planned to sell 18 non-core assets. In fact, 18 non-core assets were sold. Earnings from the sale of non-core assets amounted to RUB 0.5 bn.

The Board of Directors (Minutes No. 303 of February 12, 2020) approved the progress report on the disposal of non-core assets for 2019.

Information on the sale of non-core assets is quarterly reported to the Company's Board of Directors, Ministry of Energy of Russia, Federal Agency for State Property Management and is posted on the Interdepartmental Portal of the Federal Agency for State Property Management.

List of the Sale of Non-Core Assets of PJSC RusHydro in 2019

N o.	Asset Description	Asset Inventory No. (if applicable)	Balance Sheet Item Containing an Asset as of the Reporting Date prior to the Asset Sale	Items (Analytics Included) Containing Gains and Expenses from the Disposal of an Asset (91.1xxx/91.2xxx)	Book Value of the Assets, thou. RUB	Actual Sale Value, thou.RUB, excluding VAT	Deviation of Actual Sale Value from the Book Value, thou.RUB	Reason for Deviation of Actual Sale Value from the Book Value
1	LLC VolgaHydro (participation share 40%)	-	1171.1	9101040101/ 9102040101	460,871	450,000	- 10,871	Direct selling in favor of the VHG Auslandsbeteiligungen GmbH (minutes of the Board of Directors of the Company No. 277 dated October 04, 2018)
2	HydroOGK Power Company Limited (100%)	-	1171.1	9101100100, 9101999901/ 9102040101	0	39,930*		The company is dissolved
3	JSC Boguchanskaya HPP Construction Organizer (51%)	-	1171.1	9101040101/ 9102040101	5	1,324*		The company is dissolved
4	CJSC Boguchanskaya HPP Construction Customer (49%)	-	1171.1	9101040101/ 9102040101	5	108*		The company is dissolved
5	Central construction yard (23 objects)	KB00002002, KB00002001, KB00001002, KB00004405,	1151	9101010101/ 9102010201	18,481	5,085	-13,396	Sale by the bidding results

N o.	Asset Description	Asset Inventory No. (if applicable)	Balance Sheet Item Containing an Asset as of the Reporting Date prior to the Asset Sale	Items (Analytics Included) Containing Gains and Expenses from the Disposal of an Asset (91.1xxx/91.2xx x)	Book Value of the Assets, thou. RUB	Actual Sale Value, thou.RUB, excluding VAT	Deviation of Actual Sale Value from the Book Value, thou.RUB	Reason for Deviation of Actual Sale Value from the Book Value
		KB00004406, KB00004409, KB00001004, KB00004404, KB00004414, KB00004403, KB00001003, KB00004408, KB00004407, KB00001001, KB00002010, KB00002004, KB00002005, KB00002006, KB00002023, KB00002009, KB00002003, KB00002008, KB00002007						
6	Residential house with outbuildings	X00062	1151.1	9101010101/ 9102010101	213	410	+197	Sale by the bidding results
7	Amenity building of the directorate	KV000002181	1151.1	9101010101/ 9102010101	257	330	+73	Sale by the bidding results
8	Building of STiM heated parking lot	ZE0003119	1151.1	9101010101/ -	0	1,265	+1,265	Sale by the bidding results
9	Building of Hydrotechnical Workshop	ZE0003202	1151.1	9101010101/ 9102010101	23	158	+135	Sale by the bidding results

N o.	Asset Description	Asset Inventory No. (if applicable)	Balance Sheet Item Containing an Asset as of the Reporting Date prior to the Asset Sale	Items (Analytics Included) Containing Gains and Expenses from the Disposal of an Asset (91.1xxx/91.2xxx)	Book Value of the Assets, thou. RUB	Actual Sale Value, thou.RUB, excluding VAT	Deviation of Actual Sale Value from the Book Value, thou.RUB	Reason for Deviation of Actual Sale Value from the Book Value
	Warehouse No. 5							
10	Building of concrete household: building of construction laboratory	ZG111173	1151.1	9101010101/ 9102010101, 9103010101	408	418	+10	Direct sale of JSC Zagorskaya PSHPP-2 (100% BEFORE the Company)
11	Construction of concrete household: gallery	ZG121129	-	9101010101/ 9103010101	0	1,415	1,415	Direct sale of JSC Zagorskaya PSHPP-2 (100% BEFORE the Company)
12	Administrative and amenity building	2960/1	1151.1	-/ 9102051100	440	0	-440	Gratuitous transfer to the federal ownership
13	4 MW electric boiler house No. 4	2960	1151.1	-/ 9102051100	831	0	-831	Gratuitous transfer to the federal ownership
14	Check drop No. 1 with the weir	KK0000178	1151.3	-/ 9102051100	3,412	0	-3,412	Gratuitous transfer to the federal ownership
15	Bridge	1080103000000 2550000	1151.3	-/ 9102051100	98,112	0	-98,112	Gratuitous transfer to the municipal ownership

N o.	Asset Description	Asset Inventory No. (if applicable)	Balance Sheet Item Containing an Asset as of the Reporting Date prior to the Asset Sale	Items (Analytics Included) Containing Gains and Expenses from the Disposal of an Asset (91.1xxx/91.2xx x)	Book Value of the Assets, thou. RUB	Actual Sale Value, thou.RUB, excluding VAT	Deviation of Actual Sale Value from the Book Value, thou.RUB	Reason for Deviation of Actual Sale Value from the Book Value
16	Walkway and bicycle path	NZh0000113	1151.3	-/ 9102051100	2,182	0	-2,182	Gratuitous transfer to the municipal ownership
17	Motor-vehicle refuelling container block with columns (5 object)	54026, 54027, 54028, 85145, 85146	1151.4	9101990201 / 9102010700	7	17**	+10	The company is dissolved
18	Security building	232	1151.1	-/ -	0	0	0	The company is dissolved
Total					585,247	500,460		

APPENDIX No.7 INFORMATION ON PENDING LEGAL PROCEEDINGS

1. Pursuant to the denunciation of the Agreement between the Government of the Kyrgyz Republic and the Government of the Russian Federation on the construction and operation of the Verkhne-Naryn cascade of HPPs and the refusal of the Kyrgyz Republic to return the funds spent by RusHydro on the construction of the Verkhne-Naryn cascade of HPPs, international arbitration proceedings were initiated to recover USD 37,191,306.61 as compensation for expenses transferred under loan agreements, interest on loan agreements in the amount of USD 1,628,692.54, the obligation to accept 50% of the joint venture shares, and recovery of cost of the said shares in the amount of 2,500,000 Kyrgyz soms. The case is governed by the Permanent Court of Arbitration at the Hague (Netherlands).

2. In connection with planned start of Verkhnebalkarskaya SHPP between LLC Verkhnebalkarskaya SHPP and IDGC of Northern Caucasus PJSC an agreement of technological connection is concluded, on conditions of which the parties sign the addendum to the agreement after confirmation of payment for the technical connection by the tariff body.

By the Order of the Ministry of Energy, Tariffs and Housing Supervision of the Kabardino-Balkarian Republic payment is approved in the amount of RUB 1,640,706,284 (excluding VAT). In connection with essential overpricing of technological connection of LLC Verkhnebalkarskaya SHPP, an application is filed to court about acknowledgement of the order of the tariff body invalid (case No. A20-4938/19). In addition, an application is filed to the Federal Anti-Monopoly Service of Russia about settlement of disagreements related to the establishment of payment, based on the results of which payment amount was adjusted and amounted to RUB 1,107,355,224.29 (excluding VAT). In addition, an appeal was filed to the Federal Antimonopoly Service of Russia for the settlement of disagreement over the fee, which resulted in an adjustment of the fee to RUB 1,107,355,224.29 (net of VAT).

IDGC of Northern Caucasus PJSC filed a lawsuit against LLC Verkhnebalkarskaya SHPP to force conclusion of addendum to the agreement of technical connection with price setting approved by the order of the tariff body (case No. A40-317919/19).

In connection with additional issue of uncertified shares of PJSC Sakhalinenergo dated December 7, 2017 by minor shareholders of PJSC Sakhalinenergo D. Ginzburg and N. Volkov, claims are stated about invalidation of additional issue of securities by PJSC Sakhalinenergo, as well as property sales and purchase transaction between PJSC Sakhalinenergo and JSC RAO ES East (case No. A59-7785/19).

APPENDIX No.8 INFORMATION CONCERNING THE STATE SUPPORT RECEIVED BY THE COMPANY IN THE REPORTING YEAR, INCLUDING INFORMATION ON THE SUBSIDIES GRANTED (IN RUBLES), AIM OF USE, INFORMATION ON THE USE OF FUNDS AS OF THE END OF THE REPORTING PERIOD

Contribution of budget investments to the authorized capital of PJSC RusHydro from the federal budget with the aim of financing the investment project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines" (construction stage No. 1).

In accordance with the decree of the President of the Russian Federation dated May 3, 2018 No. 188, order of the Government of the Russian Federation dated May 25, 2018 No. 983-r, article 9 of Federal Law dated November 29., 2018 No. 459-FZ, order of the Government of the Russian Federation dated March 2, 2019 No. 231 as well as by the order of the Government of the Russian Federation dated March 2, 2019 No. 354-r on allocation to the Ministry of Energy of the Russian Federation of funds of the reserve fund of the Government of the Russian Federation in the amount of RUB 3 bn to provide budget investments to PJSC RusHydro in the form of a contribution of the Russian Federation to the authorized capital, with the aim of financing the investment project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines" (construction stage No. 1) (hereinafter the "Capital Construction Object"), between the Ministry of Energy of the Russian Federation, Federal Agency for State Property Management and the Company entered into an agreement No. 022-18-2019-001 dated March 29, 2019 (hereinafter - the Agreement) on provision of budget investments in the amount of RUB 13.0 bn. Budget investments are granted to the Company within the limits of budget obligations in 2019 RUB 7.0 bn, in 2020 RUB 6.0 bn.

Funds in accordance with the Agreement are transferred by the Ministry of Energy of the Russian Federation on April 16, 2019 in the amount of RUB 4.0 bn, on April 26, 2019 in the amount of RUB 3.0 bn to the individual account of the Company No. 41736229170 in the Administration of the Federal Treasury of Moscow.

In its turn the Company concluded an agreement No. 1010-265-5-2019 dated April 11, 2019 on granting a contribution into the authorized capital of JSC Chukotenergo and funds in the amount of RUB 7.0 bn are transferred to the individual account No. 41886b53950 in the Administration of the Federal Treasury of the Chukotka Autonomous District to make capital investments into the Capital Construction Object by JSC Chukotenergo.

As of December 31, 2019 budget investments in the amount of RUB 7.0 bn are on the individual account of JSC Chukotenergo in the Administration of the Federal Treasury of the Chukotka Autonomous District.

Use of the unused contribution into the authorized capital in the amount of RUB 899.3 by PJSC RusHydro with the aim of implementation of the investment project "CHPP construction in Sovetskaya Gavan, Khabarovsk Territory. Correction 2017".

In order to use the contributions to the authorized capital of Open Joint Stock Company RusHydro in the amount of RUB 476.9 mn, implemented in accordance with part 6 of Article 25 of Federal Law No. 204-FZ dated November 24, 2008 to complete the construction of the

onshore spillway of the Sayano-Shushenskaya HPP, as well as contribution to the authorized capital of Open Joint Stock Company RusHydro in the amount of RUB 422.4 mn, made in accordance with paragraph 2 of part 1 of Article 12 of Federal Law No. 204-FZ dated November 24, 2008 for the implementation of integrated investment project "Development of Design Documentation for the Investment Project "Comprehensive development of South Yakutia" (hereinafter - the balance of target funds), in order to use funds for implementation of the investment project "CHPP construction in Sovetskaya Gavan, Khabarovsk Territory. Correction 2017" (hereinafter - the Object), between the Ministry of Energy of the Russian Federation, Federal Agency for State Property Management and PJSC RusHydro (hereinafter - the Company), addenda No. 1 dated September 24, 2019 to the agreement No. 09/0412.3400200.082/08/392 dated December 14, 2009, No. 1 dated September 24, 2019 to the agreement No. 01-13/307 dated June 24, 2009 were concluded.

Between the Ministry of Energy of the Russian Federation, the Federal Agency for State Property Management and the Company, an addendum was concluded No. 6 dated September 24, 2019 to the agreement on provision of budget investments No. 01-08/827 dated December 18, 2012, the Company allocated balance of target funds in the amount of RUB 899.3 mn, to finance the construction of the Object.

Also, between the Ministry of Energy of the Russian Federation, the Ministry of Economic Development of the Russian Federation, Public Joint-Stock Company Sberbank of Russia (hereinafter - PJSC Sberbank) and the Company, an addendum No. 3 dated November 25, 2019 to the agreement on provision of budget investments to finance the construction of energy facilities on the territory of the Far East No. S-718-AB/D07 dated December 14, 2012 (hereinafter - the Agreement) was concluded, on the implementation of actions related to the construction of the Object and ensuring the allocation of the balance of target funds to a separate bank account of the Company opened in PJSC Sberbank (hereinafter the SBA), for subsequent expenditure of the balance of target funds for the construction of the Object through the SBA system, which ensures transparency in the use of cash flow.

Funds in accordance with the Agreement were transferred to the Administration of the Federal Treasury of Moscow by payment orders dated October 31, 2019 in the amount of RUB 422.4 mn, RUB 476.9 mn to the SBA of the Company.

In its turn, the Company concluded an agreement No. 1010-272-148-2019 dated November 29, 2019 with JSC CHPP at Sovetskaya Gavan on provision in 2019 of a contribution to the authorized capital from the balance of target funds allocated by the Company in the amount of RUB 899.3 mn for the implementation of the Object sold in accordance with the Agreement. Funds are sent by the Company to the SBA of JSC CHPP at Sovetskaya Gavan on November 29, 2019 in the amount of RUB 899.3 mn.

In 2019, JSC CHPP at Sovetskaya Gavan allocated the balance of target funds for construction of the Object in the amount of RUB 446.9 mn, as of December 31, 2019 the balance of target funds, placed on the SBA of JSC CHPP in Sovetskaya Gavan amount to RUB 452.4 mn.

APPENDIX No.9 REPORT ON THE LONG-TERM DEVELOPMENT PROGRAM IMPLEMENTATION OF THE RUSHYDRO GROUP FOR THE YEAR OF 2019

1. GENERAL INFORMATION

RusHydro's Long-Term Development Program for 2018–2022 (the LTDP) is prepared and updated in accordance with instructions of the Russian President (No. Pr-3086 dated December 27, 2013) and the Russian Government (Minutes No. 3 dated January 30, 2014, Directive No. 4955p-P13 of the Russian Government dated July 17, 2014). The LTDP was approved by resolution of the Company's Board of Directors¹⁸.

RusHydro Group's LTDP sets out the main principles and activities for the Company's rapid growth, seeking to ensure efficient use of water resources, sustainability of Russia's Unified Energy System, as well as social and economic development of the Russian regions, including the Far East, by providing its existing and prospective consumers with access to energy infrastructure.

Pursuant to the Russian Government's Directive No. 4955p-P13 dated July 17, 2014, progress against the LTDP is audited on an annual basis in accordance with the LTDP Audit Standard¹⁹ and the Terms of Reference for auditing the progress against the LTDP²⁰, developed in line with the recommendations of the Russian Government²¹.

Calculation of the LTDP KPI for 2019 is presented in Section 12 of this report and complies with the Calculation and Evaluation Methodology for the KPIs of RusHydro Group's LTDP approved as part of this LTDP and amended as follows to facilitate unbiased assessment of certain indicators:

- use of data on the number of utility connections, including connections covered by agency agreements with PJSC DEK, JSC DGK, PJSC Sakhalinenergo and PJSC Yakutskenergo, to calculate the Decrease in Operating Expenses (Costs) KPI;
- use of data on the growth of controllable expenses taken into account by the regulator in estimating the required gross revenue on a year-on-year basis (GRR)²² to calculate the Decrease in Operating Expenses (Costs) KPI for all Group companies where GRR for the reporting year exceeds CPI calculated as per this Methodology, particularly for PJSC DEK, PJSC Kamchatskenergo, JSC UESK, PJSC Mobile Energy, JSC Chukotenergo, JSC Geoterm and PJSC KamGEK;

¹⁸ Minutes of the Board of Directors No. 271 dated June 1, 2018 as amended by resolutions of the Board of Directors (Minutes No. 279 of October 26, 2018, No. 294 of August 29, 2019, and No. 297 of October 21, 2019).

¹⁹ Minutes of the Board of Directors No. 281 of December 27, 2018.

²⁰ Minutes of the Board of Directors No. 279 of October 26, 2018.

²¹ Instruction of the Russian Government No. ISH-P13-2583 of April 15, 2014.

²² Pursuant to the Methodology, GRR is calculated for heat suppliers and wholesale market suppliers owning or otherwise in control of thermal power plants operating in the non-price zones of the wholesale electricity and capacity market in the Russian Far East (South Yakutian, Western and Central districts in the Republic of Sakha (Yakutia), Primorye Territory, Khabarovsk Territory, Amur Region and Jewish Autonomous Region) whose tariffs are set through long-term indexation of required gross revenue.

- inclusion of the line “Redemption of bank deposits and proceeds from sale of other investments” from the Consolidated Statement of Cash Flows in the calculation of free cash flow (FCF);
- use of data on the capacity commissioned as a result of rehabilitation and modernization at RusHydro’s facilities that do not require a commissioning permit issued by the regulator or an acceptance certificate for equipment following comprehensive testing by the working commission (as per the Methodology) to calculate the Adherence to the Capacity Commissioning Schedule, Funding and Spending Plan KPI (for the purpose of the 2019 KPI calculations, the Capacity Commissioning component was determined using the same calculation method as in 2018, which was duly accounted for in the resolution of the Company's Board of Directors adopted on April 3, 2020 (Minutes No. 306) to approve actual KPI performance values);
- inclusion of expenses to file Patent No. 1911112 for the “Device designed to automatically connect and switch power supply and load sources at hybrid power generating plants based on PV modules, storage batteries and a diesel generator” dated July 24, 2019 in the calculation of the Integrated Innovative KPI (its Increase in IP assets on the Balance Sheet in the Reporting Period component); as at December 12, 2019, these expenses were recognised as other current assets under the R&D contract signed to develop a commercial prototype of a combined modular portable power plant, but were not included in the balance sheet of JSC UESK as an IP asset.

2. PERFORMANCE AGAINST PLANNED AND ESTIMATED TARGETS BASED ON RUSHYDRO GROUP’S CONSOLIDATED BUSINESS PLAN

RusHydro’s medium-term business plan is the central element in the Group’s economic planning. The Company’s Board of Directors approved the Regulations on the Business Planning Framework (Minutes No. 273 of June 27, 2018) to be used as guidelines to draft RusHydro Group’s consolidated business plan in accordance with the IFRS²³.

The LTDP for 2018–2022 builds on RusHydro Group’s Consolidated Business Plan approved by the Board of Directors on April 3, 2018 (Minutes No. 267 of April 4, 2018)²⁴.

The Company's Board of Directors approved adjustments for the targets included in RusHydro Group’s Consolidated Business Plan for 2019 (Minutes No. 295 of September 23, 2019) reflecting changes in the business plans of RAO ES East Subgroup companies, updates in the non-deliverable forward for RusHydro’s shares signed with VTB Bank, rescheduling of CHPP commissioning in Sovetskaya Gavan, and changes in the amount of funding allocated under the Consolidated Investment Program.

Assessment of performance against the LTDP draws on the data contained in RusHydro Group’s Adjusted Consolidated Business Plan for 2019 and marked in the analytical tables of this report as ‘Target’.

²³ Hereinafter the “International Financial Reporting Statements”.

²⁴ RusHydro Group’s Consolidated Business Plan for 2018–2022 was prepared based on the business plan forms of PJSC RusHydro and its direct or indirect affiliates and subsidiaries, as well as transformational and consolidation adjustments used to ensure compliance with the IFRS.

The information on actual performance against the LTDP for 2019 is sourced from the IFRS audited consolidated financial statements of RusHydro Group as at and for the year ended December 31, 2019.

The Report on progress against RusHydro Group's Consolidated Business Plan for 2019 was approved by the Company's Board of Directors on April 9, 2020 (Minutes No. 307 of April 10, 2020).

Pursuant to RusHydro's IFRS audited consolidated financial statements, the Company's authorized capital as at December 31, 2019 was RUB 426,288.8 mn²⁵.

As part of an effort to refinance the debt of RAO ES East, RusHydro signed a supplement to the forward contract with VTB Bank providing for a reduction of the forward rate by 0.5% (down to the level of the Bank of Russia's key rate + 1.0%) and contract extension for three more years to March 2025. The extension will enable the Company to find a strategic investor and take additional measures to increase the share price.

Improvements of the forward contract terms will help the Company save RUB 275 mn per year, with total savings over the entire term of the financial instrument set to reach RUB 1.5 bn.

The forward contract improvements brought the current effective forward rate to 5.41%, which is significantly below the interest rates under credit instruments available in the market.

Income

The analysis of RusHydro Group's data for 2019 shows a 0.7% decrease in actual income against the target.

Income structure in 2019, RUB mn

Item	2019P	2019A	Target/actual deviation	
			Absolute	Relative
Sales of electricity and capacity	288,756 ²⁶	291,096 ²⁷	2,340	0.8%

²⁵ The RUB 7 bn contributed by the Russian Federation to the authorized capital of PJSC RusHydro in April 2019 as part of the ongoing additional share issuance brought the total number of shares issued by PJSC RusHydro to 433,288.9 million, with the Russian Government's share in the Company's authorized capital amounting to 61.2%. The target number of shares issued by PJSC RusHydro, including additional issuance in 2020 (the Russian Federation is expected to contribute RUB 6 bn to the authorized capital of PJSC RusHydro), is 439,288.9 million, with the Russian Government's share set to stand at 62.34%. Relevant amendments to the Charter are expected to be made (to reflect additional issuance in 2019–2020) after the Bank of Russia registers RusHydro's Additional Issuance Report for 2020.

²⁶ In the Adjusted Consolidated Business Plan of RusHydro Group for 2019 (as approved by resolution of the Board of Directors (Minutes No. 295 of September 23, 2019)) the target for Sales of Electricity and Capacity is RUB 294,943 mn. For the purpose of data comparability in the report, targets were aligned with the IFRS 15 requirements. The costs of electricity purchased by the Group's companies in the WECM for production processes and other in-house needs are offset as an indemnity due to be paid to the buyer in the amount of RUB 6,187 mn. The same amount is excluded from operating expenses in the line "Infrastructure payments related to the sales of electricity heat".

²⁷ Including actual results in the lines "Sales of electricity and capacity in the retail market" in the amount of RUB 144,924 mn, "Sales of electricity in the wholesale market" in the amount of RUB 97,995 mn, and "Sales of capacity in the wholesale market" in the amount of RUB 48,177 mn in accordance with Note 24

Item	2019P	2019A	Target/actual deviation	
			Absolute	Relative
Heat and hot water sales	45,839	40,645	-5,194	-11.3%
Government grants	39,065	39,983	918	2.3%
Other revenue	36,969	34,901 ²⁸	-2,068	-5.6%
Other operating income	0	1,174	1,174	100%
Total	410,629	407,799	-2,830	-0.7%

Revenue from sales of electricity and capacity accounts for the largest part of proceeds (71% of total income).

The increase in revenue from RusHydro's sales of electricity is associated with a rise in the actual output and net supply of electricity during the reporting period against RusHydro's business plan and is attributable to the efficient planning of hydropower operational regimes amid higher-than-usual water levels in the reservoirs of the Volgo-Kama HPP cascade (H2 2019) and Sayano-Shushenskaya HPP (H2 2019) and in the Bureyskoye water reservoir (throughout 2019)²⁹.

The decrease in revenue from heat and hot water sales by RUB 5,194 mn (or 11.3%) is attributable to changes in the share of intra-Group revenue, a decline in net supply against the targets (as a result of specific climate conditions with unusually high temperatures observed throughout Russia at the end of 2019), unscheduled maintenance works in between the heating seasons, and consumption savings achieved through the installation of metering devices. RAO ES East Subgroup companies account for almost 100% of total revenue from heat and hot water sales.

The increase in government grants by RUB 918 mn against the target is attributable to higher power consumption and changes in the relationship between PJSC Kamchatskenergo in its capacity of supplier of last resort and energy supply organizations operating within its footprint.

The 5.6% decrease in earnings recognised as other revenue is attributable to rescheduling of utility connections to 2020 and termination of contracts, as well as changes in the share of intra-Group revenue against targets set for the companies of RAO ES East Subgroup.

Earnings recognised as other operating income come from penalties in the amount of RUB 992 mn and changes in the value of financial assets measured through profit and loss in the amount of RUB 182 mn.

Expenses

to RusHydro Group's IFRS consolidated financial statements as at and for the year ended December 31, 2019.

²⁸ Including actual results in the lines "Rendering services for electricity transportation" in the amount of RUB 14,218 mn, "Rendering services for connections to the grid" in the amount of RUB 10,206 mn, and "Other revenue" in the amount of RUB 10,477 mn in accordance with Note 24 to RusHydro Group's IFRS consolidated financial statements as at and for the year ended December 31, 2019.

²⁹ For more details, see the Report on progress against RusHydro Group's Consolidated Business Plan for 2019 approved by the Company's Board of Directors on April 9, 2020 (Minutes No. 307 of April 10, 2020).

In 2019, actual expenses in RusHydro Group decreased by RUB 21,872 mn (or 6.1%) against the targets.

The greatest decline in expenses is observed in the lines "Depreciation of property, plant and equipment and amortisation of intangible assets", "Third party services", and "Other expenses".

Structure of operating expenses in 2019, RUB mn

Item	2019P	2019A	Target/actual deviation	
			Absolute	Relative
Fuel expenses	71,487	71,433	-53	-0.1%
Depreciation of PPE and amortization of intangible assets	34,194	25,686	-8,508	-24.9%
Employee benefit expenses (including payroll taxes and pension benefit expenses)	80,395	80,376	-19	0%
Taxes other than on income	14,794	12,133	-2,661	-18.0%
Third party services	39,976	33,888	-6,088	-15.2%
Water usage expenses	4,297	4,333	36	0.8%
Other materials	10,257	12,085 ³⁰	1,828	17.8%
Infrastructure payments related to the sales of electricity and heat	46,772 ³¹	44,058 ³²	-2,714	-5.8%
Purchased energy (capacity)	43,302	46,310	3,009	6.9%
Other expenses	12,973	6,273 ³³	-6,700	-51.6%
Total	358,447	336,575	-21,872	-6.1%

The decrease in the line "Depreciation of property, plant and equipment and amortisation of intangible assets" is attributable to the rescheduling of PPE commissioning and different approaches to depreciation planning in the subsidiaries' business plans and financial statements as regards asset valuation methodologies.

³⁰ Including actual results in the lines "Other materials" in the amount of RUB 11,260 mn and "Purchase of oil products for sale" in the amount of RUB 825 mn in accordance with Note 26 to RusHydro Group's IFRS consolidated financial statements as at and for the year ended December 31, 2019.

³¹ In the Adjusted Consolidated Business Plan of RusHydro Group for 2019 (as approved by resolution of the Board of Directors (Minutes No. 295 of September 23, 2019)) the target for Infrastructure Payments Related to the Sales of Electricity and Heat is RUB 52,959 mn. For the purpose of data comparability in the report, targets were aligned with the IFRS 15 requirements. The costs of electricity purchased by the Group's companies in the WECM for production processes and other in-house needs are offset as an indemnity due to be paid to the buyer in the amount of RUB 6,187 mn. The same amount is excluded from revenue in the line "Sales of electricity and capacity".

³² Including actual results in the lines "Grid companies services on electricity distribution" in the amount of RUB 36,955 mn, "Support of electricity and capacity market operation" in the amount of RUB 4,020 mn, and "Purchase and transportation of heat power" in the amount of RUB 3,083 mn in accordance with Note 26 to RusHydro Group's IFRS consolidated financial statements as at and for the year ended December 31, 2019.

³³ Including actual results in the lines "Loss on disposal of property, plant and equipment, net" in the amount of RUB 1,582 mn, "Social charges" in the amount of RUB 1,164 mn, "Travel expenses" in the amount of RUB 1,023 mn, and "Other expenses" in the amount of RUB 2,504 mn in accordance with Note 26 to RusHydro Group's IFRS consolidated financial statements as at and for the year ended on December 31, 2019.

The rescheduling of PPE commissioning drove down expenses in the lines "Taxes other than on income", "Third party services" and "Other materials".

Lease and other third party services expenses accounted for most of the decline in the line "Third party services" as a result of cost-cutting and business process optimisation initiatives.

The increase in the line "Other materials" was primarily driven by the growth of in-house work, higher share of external purchases and growth in fuel supplies to third party customers.

Lower expenses in the line "Infrastructure payments related to the sales of electricity and heat" are attributable to changes in the average transmission tariff (decline in actual prices set by regional authorities based on tariffs), decrease in DEK's transmission volumes and a significant shift from external to intra-Group expenses at JSC DGK and PJSC Yakutskenergo. At the same time, ESC RusHydro Subgroup companies saw their expenses rise as a result of higher electricity sales volumes.

The target/actual deviation in the line "Purchased energy (capacity)" is primarily due to the unwinding of intra-Group operations (revenue of PJSC DEK and PJSC Yakutskenergo), which served as the basis for target calculations.

The decrease in the line "Other expenses" is primarily attributable to the decrease in social charges and extraordinary expenses, losses on disposal of property, plant and equipment and other expenses against the set targets. "Other expenses" account for an insignificant part of actual operating expenses (around 2%).

Expenses in the lines "Fuel expenses", "Employee benefit expenses (including payroll taxes and pension benefit expenses)" and "Water usage expenses" were in line with the targets.

RusHydro Group's financial results

Income Statement for 2019, RUB mn

Items	2019P	2019A	Target/actual deviation	
			Absolute	Relative
Revenue	371,564 ³⁴	366,642	-4,923	-1.3%
Government grants	39,065	39,983	918	2.3%
Other operating income	0	1,174	1,174	100%
Operating expenses	-358,447 ¹⁷	-336,575	21,871	-6.1%
Impairment of property, plant and	-60,600 ³⁵	-53,532 ³⁶	7,068	-11.7%

³⁴ In the Consolidate Income Statement form of RusHydro Group's Adjusted Consolidated Business Plan for 2019 approved by the Company's Board of Directors (Minutes No. 295 of September 23, 2019), revenue is equal to RUB 377,751 mn. For the purpose of data comparability in the report, targets were aligned with the IFRS 15 requirements. The costs of electricity purchased by the Group's companies in the WECM for production processes and other in-house needs are offset as an indemnity due to be paid to the buyer in the amount of RUB 6,187 mn. The same amount is excluded from the line "Operating expenses". Prior to adjustments, the approved target for this item was RUB 364,634 mn

³⁵ Targets include impairment testing results for assets commissioned in 2019, including (-) RUB 27,400 mn for Sakhalinskaya GRES-2 (including off-site infrastructure), (-) RUB 31,700 mn for Nizhne-Bureyskaya HPP, and (-) RUB 1,500 mn for other operations involving accrual of PPE impairment and reversal of previously accrued impairment.

Items	2019P	2019A	Target/actual deviation	
			Absolute	Relative
equipment, net				
Impairment of financial assets, net	-1,675	-4,491	-2,815	168.1%
Impairment of other assets	0	-2,045	-2,045	100%
Operating profit	-10,093	11,156	21,248	-210.5%
Finance income/(expenses), net	-7,155	-540	6,615	-92.5%
Share of results of associates and joint ventures	2,280	-2,757	-5,037	-220.9%
Profit before income tax	-14,967	7,859	22,826	-152.5%
Income tax expense	-10,326	-7,216	3,110	-30.1%
Profit for the year	-25,293	643	25,936	-102.5%

Analysis of the Income Statement shows that RusHydro Group's profit for 2019 exceeds target by RUB 25,936 mn.

The positive shift in RusHydro Group's financial results in 2019 is primarily due to the RUB 21,871 mn decrease in operating expenses and RUB 7,068 mn decline in impairment of property, plant and equipment. The actual operating profit is 0.7% below the adjusted target.

As at December 31, 2019, long-term loans and borrowings amounted to RUB 162,528 mn, while short-term loans and borrowings and the current portion of long-term loans and borrowings stood at RUB 39,435 mn.

By Resolution No. 287 dated April 22, 2019, the Company's Board of Directors approved the Regulations on the Dividend Policy. In order to enhance the transparency and predictability of dividend payouts, the updated version of the Regulations sets out 50% of RusHydro Group's IFRS net profit for the respective reporting period as the base rate for calculating dividends. Additionally, the minimum dividend payout (lower threshold) is set at the level of the average dividend paid for the previous three years.

Based on the Russian Government's Decree No. 774-r dated May 29, 2006 (as amended by Decree No. 944-r dated May 18, 2017) the Company distributed RUB 15,919 mn of its profit for 2018 as dividends, which is 50% of RusHydro Group's financial result as determined by the IFRS consolidated financial statements as at and for the year ended December 31, 2018.

3. INITIATIVES ENVISAGED BY RUSHYDRO GROUP'S PROGRAMS

3.1. RusHydro Group's Investment Program

The approved LTDP provides for financing of RusHydro Group's investment projects in 2018–2022 in the total amount of RUB 396,344.51 mn³⁷ (including RUB 228,384.06 mn in the Russian

³⁶ The actual data includes impairment testing results, including for the following assets: (-) RUB 24,111 mn for Sakhalinskaya GRES-2 (including off-site infrastructure), (-) RUB 30,735 mn for Nizhne-Bureyskaya HPP, and RUB 1,314 mn for other operations involving accrual of PPE impairment and reversal of previously accrued impairment.

³⁷ RusHydro Group's Consolidated Investment Program for 2018–2022 was approved by resolution of the Company's Board of Directors on April 3, 2018 (Minutes No. 267 of April 4, 2018) as part of the Consolidated Business Plan for 2018–2022 and comprises investment projects of PJSC RusHydro and its subsidiaries included in RusHydro Group's Consolidated Business Plan.

Far East), with RUB 94,269.12 mn allocated for 2019 (RUB 56,506.71 mn in the Russian Far East).

In line with adjustments made to RusHydro Group's Consolidated Investment Program for 2019 as regards rescheduling of certain investment projects and review of financing volumes (approved by the Company's Board of Directors, see Minutes No. 295 of September 23, 2019) and improvements suggested by government authorities with respect to draft investment programs of RusHydro Group's subsidiaries as part of the the approval procedure prescribed for electricity market participants by the Russian Government's Resolution No. 977 of December 1, 2009, the target financing volume for RusHydro Group's investment projects in 2019 stands at RUB 103,210.76 mn (including RUB 59,639.05 mn in the Russian Far East).

In the reporting year, 89.8% of target financing was provided (equivalent of RUB 92,663.32 mn), including 87.6% of financing earmarked for the Far East (RUB 52,245.70 mn), which is fully in line with RusHydro Group's Investment Program.

Financing allocated for RusHydro Group's TR&M program in 2019 amounted to RUB 37,760.51 mn³⁸, or 89.8% of the initial target.

Structure of RusHydro Group's investments in 2019³⁹

Focus area	Financing target for 2019, RUB mn	Actual Financing 2019, RUB mn	Performance against the plan, %
RusHydro Group's core companies	100,142.19	90,514.60	90.4 %
TR&M	41,082.74	37,431.34	91.1 %
Construction of new facilities	40,924.49	38,908.73	95.1%
Utility connection	11,689.47	8,478.40	72.5 %
Other	6,445.48	5,696.13	88.4 %
RusHydro Group's non-core companies	3,068.56	2,148.72	70.0 %
Total for Consolidated Investment Program	103,210.76	92,663.32	89.8 %
<i>including in the Russian Far East</i>	59,639.05	52,245.70	87.6 %

In the reporting year, the key drivers of discrepancies between actual and target financing under the Consolidated Investment Program were as follows:

- updates on the work schedules for rehabilitation and modernization, with the reasons including more time required for contractors to complete their assignments and reductions in project costs following approval of design documentation (-RUB 4.28 bn);
- updates on the work schedules for utility connection contracts based on customer requests (-RUB 3.21 bn);

³⁸ Including TR&M programs of RusHydro's other subsidiaries where actual financing came in at RUB 329.17 mn vs the target of RUB 959.28 mn

³⁹ In terms of financing.

- revision of actual spending with savings achieved upon the completion of such investment projects as Construction of GTP-CHPP at the Central Steam and Water Boiler Site in Vladivostok, Construction of Hot-Water Peaking Boiler Plant at Yakutskaya GRES, and Construction of Power Distribution System at the CHPP in Sovetskaya Gavan (-RUB 1.0 bn);
- review of the contractor guarantee payment timing based on the actual acceptance certificate dates at Sakhalinskaya GRES-2 commissioned in Q4 2019, with RUB 0.9 bn worth of financing postponed until 2020.

According to the 2019 schedule, RusHydro Group planned to commission 836,81 MW and 323.99 Gcal/h of new capacities. The actual figures for 2019 were 854.57 MW and 326.39 Gcal/h⁴⁰, including 787.22 MW contributed by newly constructed facilities, in particular, 120 MW by Sakhalinskaya GRES-2 (stage 1), 320 MW by Nizhne-Bureyskaya HPP, 346 MW by Zaramagorskaya HPP-1 and 1.22 MW by Sakhaenergo.

1.1. RusHydro's Production Program

The approved LTDP sets out amounts to be spent⁴¹ on production programs in 2018–2022⁴² as follows:

- RUB 15,985.83 mn for the repairs program, including RUB 3,095.19 mn in 2019.
- RUB 6,180.87 mn for the maintenance program, including RUB 1,157.02 mn in 2019.
- RUB 3,352.52 mn for the R&D program, including RUB 673.16 mn in 2019.

Adjusted amounts to be spent on production programs in 2018–2022 are as follow⁴³:

- RUB 16,453.03 mn for the repairs program, including RUB 3,203.94 mn in 2019.
- RUB 6,327.22 mn for the maintenance program, including RUB 1,180.83 mn in 2019.
- RUB 3,538.12 mn for the R&D program, including RUB 706.05 mn in 2019.

Progress against the programs in 2019

⁴⁰ As at January 1, 2020.

⁴¹ The expenses were aligned with the Company's draft production program for 2018–2023 available at the time of the LTDP approval (with spending amounts calculated until 2022). The key metric was the amount to be spent (excluding VAT) rather than the financing volumes. The expenses were converted to account for indicative future prices in 2020–2022 using the base case industrial deflator index from PJSC RusHydro's Uniform Scenario Conditions.

⁴² For more details on financing under the TR&M program, see the section on RusHydro Group's Investment Program.

⁴³ The repairs, maintenance and R&D programs for 2018–2023 were approved by resolution of the Company's Management Board (Minutes No. 1099/1pr of April 26, 2018, No. 1105pr of June 1, 2018, No. 1108pr of June 8, 2018, No. 1109pr of June 14, 2018, No. 1113pr of June 22, 2018, No. 1115pr of June 29, 2018, No. 1119pr of July 17, 2018, and No. 1122pr of July 26, 2018). The Management Board also resolved to use the amount to be spent as the key metric rather than the financing volumes. The expenses were converted to account for indicative future prices in 2020–2022 using the base case (optimistic) index from PJSC RusHydro's Uniform Scenario Conditions (see Order No. 12 of January 15, 2020).

Progress by programs⁴⁴	Spending target for 2019, RUB mn	Actual spending for 2019, RUB mn	Performance against the annual plan, %
Repairs program	3,203.94	3,215.27	100.4%
Maintenance program	1,180.83	1,043.68	88.4%
R&D program	706.05	576.42	81.6%

The spending target under RusHydro's repairs program for 2019 was exceeded by 100.4%: actual spending amounted to RUB 3,215.27 mn vs the initial target of RUB 3,203.94 mn.

The spending target under RusHydro's maintenance program for 2019 was met by 88.4 %: actual spending amounted to RUB 1,043.68 mn vs the initial target of RUB 1,180.83 mn. The decrease in works completed under the maintenance program comes as a result of the Russian Government's instructions to cut operating expenses⁴⁵ and revision of the downtime schedule.

The spending target under RusHydro's R&D program for 2019 was met by 81.6 %: actual spending amounted to RUB 576.42 mn vs the initial target of RUB 706.05 mn. The decrease in works completed under the R&D program comes as a result of the Russian Government's instructions to cut operating expenses²² and savings achieved in procurement.

2019 highlights:

- Rehabilitation of generator No. 3 at Volzhskaya HPP was completed.
- Rehabilitation of hydropower units No. 7 at Votkinskaya HPP and No. 5 Votkinskaya HPP was completed, with turbines and generators replaced.
- Modernization of turbines No. 3 and No. 6 at Kamskaya HPP was completed, with the turbine top cover replaced.
- Upgrade of hydropower unit No. 3 at Rybinskaya HPP was completed, with a turbine and a generator replaced.
- Replacement of turbine No. 2 at Novosibirskaya HPP and turbines No. 1 and No. 9 at Saratovskaya HPP was completed.
- Replacement of the 2AT auto-type transformer (phase A, phase B, phase C) at Votkinskaya HPP was completed.
- A new main control board was commissioned at Novosibirskaya HPP.
- At Cheboksarskaya HPP, the runner was replaced on-site for turbines No. 3 and No. 11, the stator and the iron piece of the rotor rim were replaced at generator No. 3, and the stator and tachometer generator were replaced at generator No. 11. On top of that,

⁴⁴ For more details on progress against the TR&M program in terms of financing, see the section on RusHydro Group's Investment Program.

⁴⁵ Instructions of the Russian Government No. DM-P13-9024 of December 8, 2014 calling for the reduction of operating expenses (costs) by at least 2–3% per year.

obsolete oil circuit breakers of the plant's 220 kV outdoor switchgear equipment were replaced with the latest gas-insulated ones.

- The generator excitation system was replaced at hydropower unit No. 1 of Zeyskaya HPP.
- A new modern switchgear was commissioned at Zagorskaya PSPP.

The Production Program in 2019 brought about an incremental capacity increase of 62.5 MW, including 30.0 MW contributed by Votkinskaya HPP, 12.0 MW by Saratovskaya HPP, 10.5 MW by Zhigulevskaya HPP, and 10.0 MW by Novosibirskaya HPP.

1.2. Production Program of RAO ES East

The LTDP sets the amount to be spent under the Repairs Production Program of RAO ES East in 2018–2022 at RUB 69,854.11 mn⁴⁶, including RUB 12,674.58 mn to be spent in 2019.

In 2019, spending targets under the Repairs Production Program of RAO ES East were adjusted based on the actual performance in 2018, with new spending targets for 2018–2022 approved at RUB 84,205.72 mn, including RUB 16,194.84 mn earmarked for 2019⁴⁷.

Progress against the Program in 2019

Progress by focus areas ⁴⁸	Spending target for 2019, RUB mn	Actual spending for 2019, RUB mn	Achievement, %
Repairs Program	16 194,84	15 440,55	95,3%

The spending target under the repairs program of RAO ES East for 2019 was met by 95.3 %: actual spending amounted to RUB 15,440.55 mn vs the initial target of RUB 16,194.84 mn.

The target/actual discrepancy under the program is due to the trading and purchasing savings achieved.

Highlights of RAO ES East's Production Program in 2019:

TR&M:

⁴⁶ Duly reviewed and approved by the governance bodies of RusHydro's subsidiaries. The key metric assumed for calculation purposes is the amount to be spent (excluding VAT) rather than the financing volumes.

⁴⁷ Adjustments to the repairs production programs included in the subsidiaries' business plans for 2019 were duly reviewed and approved by the governance bodies of RusHydro's subsidiaries. See resolutions of the Board of Directors (Minutes): No. 10 of September 18, 2019 for JSC DRSK, No. 6 of September 23, 2019 for PJSC Kamchatskenergo, No. 13 of September 23, 2019 for JSC Sakhaenergo, and No. 17 of September 12, 2019 for PJSC Yakutskenergo. For the remaining subsidiaries, repairs production programs included in the business plans for 2019–2023 were approved by the following resolutions of the Board of Directors: No. 25-18 of December 3, 2018 for PJSC Magadanenergo, No. 19 of December 7, 2018 for JSC Teploenergosservis, No. 23-18 of December 7, 2018 for JSC Chukotenergo, No. 9 of November 23, 2018 for JSC UESK, No. 12 of December 4, 2018 for PJSC Sakhalinenergo, No. 15/2018 of December 20, 2018 for PJSC Mobile Energy, and No. 6 of September 12, 2019 for JSC DGK.

⁴⁸ For more details on progress against the the Production Program program as regards financing of the Rehabilitation and Modernization Program, see the section on RusHydro Group's Investment Program.

- Rehabilitation of power units No. 2 and No. 3 and rehabilitation of hot water boiler⁴⁹ No. 2 at Neryungrinskaya GRES (JSC DGK).
- Modernization of air heaters at boiler No. 3 of Khabarovskaya CHPP-3 (JSC DGK).
- Gasification of Anadyr CHPP (JSC Chukotenergo), with boiler No. 1 to be converted to combined combustion of coal and natural gas (partly completed).
- Gasification of hot-water peaking boiler plant at Khabarovskaya CHPP-3 (JSC DGK), with the PTVM-180 boiler No. 1 to be converted to natural gas combustion (partly completed).
- Rehabilitation of substations and transmission lines to ensure stable power supply for existing consumers and new customers.
- Rehabilitation of heat supply networks in the run-up to the heating season.

As part of the repairs program, the reporting year saw 29 turbo generators (vs target of 28), 29 boilers (vs target of 29), 62 generators (vs target of 63) and 62 transformers⁵⁰ (vs target of 55) undergo major and heavy repairs, including overhaul of boilers at power unit No. 3 of Primorskaya GRES, boiler No. 7 of Khabarovskaya CHPP-1, boiler No. 1 of Anadyr CHPP, turbo generator No. 3 at the Cascade of Viluysky HPPs, and gas turbine units No. 2 and No. 7 of Yakutskaya GRES.

In June 2019, unscheduled overhaul of gas turbine unit No. 1 (LM6000 PF GE gas turbine) at Yakutskaya GRES-2 was completed.

The reporting year saw 5,105 km of power grids and 53.9 km of heat supply networks repaired.

As part of the repairs program, a number of initiatives were implemented to improve equipment efficiency and reliability at JSC DGK plants, including Primorskaya GRES, Neryungrinskaya GRES, Khabarovskaya CHPP-1 and Khabarovskaya CHPP-3, with investments totaling RUB 367.467 mn.

Efforts to reduce the wear and tear of production assets

Electric networks: RAO ES East operates 21,953 transformer substations with voltage of 0.4 to 220 kV and over 105,020 km of transmission power lines. As at December 31, 2019, equipment health indices⁵¹ for the company's assets were as follows: 73.7% for transmission lines with voltage of 110 kV and higher and 68.5% for transformer substations with voltage of 110 kV and higher.

⁴⁹ KVTK-100-150.

⁵⁰ Only 35–220 kV transformers are included.

⁵¹ Calculated based on the Russian Government's Resolution No. 1401 *On Comprehensive Assessment of Power Facilities' Engineering and Economic Health, Including Determination of Power Grid Facilities' Physical Wear and Energy Efficiency, and Procedure to Monitor their Health Indicators* dated December 19, 2016 and Order of the Russian Ministry of Energy No. 676 *On Approval of Engineering Health Assessment Guidelines for Process Equipment and Transmission Lines of Power Plants and Electric Power Grids* dated July 26, 2017.

Generating facilities: RAO ES East operates 109 turbo generators and 150 boilers. As at December 31, 2019, equipment health indices³⁴ for the company's assets were as follows: 82.1% for turbo generators and 62.2% for boilers.

1.3. RusHydro Group's Innovative Development Program

In accordance with RusHydro Group's Innovative Development Program for 2016–2020 with a Prospect up to 2025⁵² ("RusHydro's IDP"), target financing for 2018–2020 stands at RUB 7,325.7 mn⁵³, including RUB 1,666.2 mn for PJSC RusHydro⁵⁴ and RUB 5,659.5 mn for JSC RAO ES East. RUB 2,429.8 mn is earmarked for 2019, including RUB 548.3 mn for PJSC RusHydro and RUB 1,881.5 mn for JSC RAO ES East.

The medium-term action plan under RusHydro's IDP for 2019–2023⁵⁵ approved by resolution of the Company's Board of Directors on May 17, 2019 (Minutes No. 289 of May 20, 2019) made adjustments the financing volumes to be allocated for the innovative development of RusHydro in 2019–2020, with funding for 2018–2020 amounting to RUB 2,537.3 mn⁵⁶, including RUB 801.1 mn for 2019. Below is the breakdown of financing by target initiatives:

- RUB 762.7 mn for innovative projects and initiatives, including RUB 646.2 mn for R&D projects.
- RUB 38.4 mn for the development of cooperation with third party organizations and implementation of open innovation principles.

Actual financing under RusHydro's medium-term action plan in 2019 amounted to RUB 483.3 mn, or 60.3% of the annual target. Below is the breakdown of financing by target initiatives:

- RUB 441.0 mn (or 57.8% of the annual target) for innovative projects and initiatives, including RUB 395.9 mn (or 61.3% of the annual target) for R&D projects.
- RUB 42.1 mn (or 109.6% of the annual target) for the development of cooperation with third party organizations and implementation of open innovation principles.

⁵² Approved by the Company's Board of Directors on November 22, 2016 (Minutes No. 244 of November 23, 2016).

⁵³ Pursuant to RusHydro Group's Innovative Development Program for 2016–2020 with a Prospect up to 2025 approved by the Company's Board of Directors on November 22, 2016 (Minutes No. 244 of November 23, 2016).

⁵⁴ PJSC RusHydro (headquarters and branches), JSC NIIES, JSC Vedeneev VNIIG, JSC Hydroproject Institute, JSC Lenhydroproject and JSC Mosoblhydroproject.

⁵⁵ Pursuant to the Guidelines on Development and Adjustment of Innovative Development Programs for Joint-Stock Companies Partially Owned by the Government, State Corporations, State Companies and Federal State Unitary Enterprises approved by the Interdepartmental Commission for Technological Development under the Government Commission for Economic Modernization and Innovative Development of Russia (Minutes No. 34-D01 of October 25, 2019), the planning horizon for medium-term action plans to implement innovative development programs of electric power companies should be four to five years. The medium-term action plan under RusHydro's IDP was developed for a term of five years to align it with RusHydro Group's Consolidated Investment Program.

⁵⁶ The RUB 909.4 mn target for 2018 is provided as per the medium-term action plan under RusHydro's IDP for 2018–2022 approved by the Company's Board of Directors on May 31, 2018 (Minutes No. 271 of June 1, 2018). Information on the Innovative Development Program of RAO ES East is provided separately.

Key reasons behind the failure to meet the target in full:

- rescheduling of financing for certain works for 2020 due to longer procurement procedures;
- lower event costs and revision of financing schedules due to the requirements of tender procedures.

2019 highlights:

- Modernization of reinforced-concrete penstock encasements, including application of protective coatings.
- Development of a solid-state storage power plant (SSPP) offering gravity-type energy storage driven by solid loads, including development of prototypes of mechanic arms required for the plant's construction.
- Development of an automated warning system to detect ruptures and measure turbine flows at RusHydro's diversion and impoundment HPPs.
- Development of recommendations on assessing the human impact on tailraces with regard to the HPP equipment, hydraulic structures and energy efficiency.
- Development of a hardware and software system for monitoring and predicting the reliability of HPP/PSPP hydraulic structures in geologically challenging environments.
- Research into new technologies to repair and rehabilitate hydraulic structures and their elements as a way to extend their lifespan and reliability, development of implementation guidelines.
- Reliability analysis of gas turbine units and development of a database and guidelines to assess their health.

The medium-term action plan under the Innovative Development Program of RAO ES East for 2019–2023 approved by the Board of Directors of RAO ES East (Minutes No. 209 of September 24, 2019) made adjustments the financing volumes to be allocated for the innovative development of RAO ES East in 2019–2020, with funding for 2018–2020 amounting to RUB 7,126.0 mn⁵⁷, including RUB 2,673.3 mn for 2019. Below is the breakdown of financing by target initiatives:

- RUB 2,600.4 mn for innovative projects and initiatives, including RUB 244.4 mn for R&D projects.
- RUB 4.4 mn for the development of a management system for innovations and innovation infrastructure.
- RUB 68.5 mn for the development of cooperation with third party organizations.

⁵⁷ The RUB 2,330.3 mn target for 2018 is provided as per the medium-term action plan under the IDP of RAO ES East for 2018–2022 approved by the Company's Board of Directors on May 31, 2018 (Minutes No. 271 of June 1, 2018).

Actual financing for RAO ES East in 2019 amounted to RUB 2,267.8 mn, or 84.8% of the annual target. Below is the breakdown of financing by target initiatives:

- RUB 2,123.4 mn (or 81.7 % of the annual target) for innovative projects and initiatives, including RUB 222.97 mn (or 91.2 % of the annual target) for R&D projects.
- RUB 2.7 mn (or 61.4% of the annual target) for the development of a management system for innovations and innovation infrastructure.
- RUB 141.8 mn (or 207.0 % of the annual target) for the development of cooperation with third party organizations.

Key reasons behind the failure to meet the target in full:

- rescheduling of financing for certain works for 2020 due to longer procurement procedures;
- lower event costs and revision of financing schedules due to the requirements of tender procurement procedures.

RAO ES East's highlights in 2019:

- Development and implementation of a process to partially restore heat transfer surface elements of cogeneration heat exchange equipment (tubes) instead of replacing the entire tube bundle (Khabarovskaya CHPP-3, Khabarovsk Generation branch of DGK).
- Development of a technology to protect the surface of slurry pipelines designed for high coal ash slurry. Delivering a commercial prototype (Khabarovskaya CHPP-3, Khabarovsk Generation branch of DGK).

In line with the resolution of the Government Commission for Economic Modernization and Innovative Development of Russia (Minutes No. 2 of October 22, 2018), in 2019 RusHydro Group completed the development of its Innovative Development Program for 2020–2024 with a Prospect up to 2029 (the "Innovative Development Program of RusHydro Group, IDP or Program").

The Program builds on the findings of an analysis comparing the Group's technological capabilities and innovation KPI with those of its major peers (the "Comparison"). Based on the Comparison conducted in 2019, RusHydro reviewed its technical priorities and drafted an action plan to support further technological development of the Group.

The KPI system under the IDP covers all companies of RusHydro Group (reflecting the fusion of innovative development programs of PJSC RusHydro and JSC RAO ES East).

The IDP has obtained affirmative opinions from the Russian Ministry for the Development of the Russian Far East and Arctic and Ministry of Education and Science. Review of the updated version by the Interdepartmental Commission for Technological Development under the Government Commission for Economic Modernization and Innovative Development of Russia (the Interdepartmental Commission) is slated for Q2 2020. Once approved by the

Interdepartmental Commission, the updated Innovative Development Program of RusHydro Group will be submitted for review and approval by the Company's Board of Directors.

4. FAR EASTERN ASSETS PERFORMANCE

4.1. Tariff regulation

As part of efficiency enhancement at RusHydro Group's Far Eastern assets, the Company is working to implement a long-term tariff regulation methodology.

The Company contributes to the regulatory process aimed at implementation of such methods through intense cooperation with federal executive authorities (hereinafter, FEAs), NP Market Council, and other agencies.

Based on RusHydro's proposals, the relevant FEAs have developed and submitted the following draft regulations:

- The Russian Government's Resolution No. 64 dated January 30, 2019, *On Amendments to Certain Acts of the Government of the Russian Federation Concerning Regulation of Prices (Tariffs) for Electricity (Capacity) Supplied to Technologically Isolated Local Electric Power Systems and in Areas not Technologically Linked with the Unified Energy System of Russia and Technologically Isolated Local Electric Power Systems*, and
- The Russian Government's Resolution No. 837 dated June 29, 2019 *On Amendments to Pricing Basis in the Field of Regulated Prices (Tariffs) for Electric Power* (for the non-price zone of the wholesale electricity and capacity market).

These regulations support implementation of long-term tariff regulation in the non-price zone of the wholesale electricity and capacity market, in the isolated energy systems, and in energy systems that are not linked to the UES or isolated systems. This will ensure the possibility to revise the energy companies' index-linked cost base and bring the required gross revenue and generation tariffs to an economically justified level. In respect of TPPs located in the non-price zone, the new methodology for long-term indexation of required gross revenues will be applied starting July 1, 2020.

In order to secure the implementation of long-term regulation for technologically isolated local electric power systems and for areas that are not technologically linked with the Unified Energy System and technologically isolated local electric power systems, Russia's Federal Antimonopoly Service approved the respective guidelines (Order No. 686/19 dated May 29, 2019), which were applied to electricity tariffs for 2020.

Guidelines are also being developed for calculation of regulated electricity (capacity) prices (tariffs) for wholesale market suppliers that own or otherwise control thermal power plants operating in the non-price zones of the wholesale electricity and capacity market, where tariffs are established through long-term indexation of required gross revenue.

In addition, the Russian Government's Resolution No. 43 dated January 25, 2019 *On Selecting Projects to Upgrade Generating Facilities of Thermal Power Plants* was enacted, providing for introduction of an ROI framework similar to capacity supply agreements.

Another government resolution is being drafted that will establish the rules for calculation of electricity and capacity prices and the manner of payments on the electricity and capacity market.

4.2. Fuel cost optimization

During the reporting period, RAO ES East continued to streamline its fuel supply system by:

1) Preventing the fuel supply risk exposure for generating facilities located in the Far East (including the Kamchatka and Khabarovsk Territories).

Kamchatskenergo's energy facilities currently require about 425.4 mn m³ of natural gas annually. However, only 349.2 mn m³ was supplied in 2019, and a further decrease to 150.0 mn m³ is expected by 2030, so that the natural gas will have to be substituted by heating oil, which is a higher-cost alternative.

Given the reduced gas supplies to Kamchatka's CHPP-1 and CHPP-2 from Gazprom Mezhhregiongaz Far East, Kamchatskenergo replaced them by increasing heating oil purchases by 49,600 tonnes vs. 2018, so the actual amount procured in the reporting year reached 116,100 tonnes.

Pursuant to Russian President's Instruction No. Pr-2486 dated December 25, 2018 concerning natural gas supplies to the Khabarovsk Territory after September 2025, the Russian Ministry of Energy held a meeting on June 19, 2019 with representatives from the Ministry of Economic Development, the Ministry for Development of the Russian Far East, and Gazprom, which resulted in a decision to appoint Gazprom as the gas supplier for the Khabarovsk Territory's consumers starting September 2025.

On November 19, 2019, Gazprom's Board of Directors issued its decision No. 3336 authorizing its CEO Alexei Miller to ensure that the required gas volumes are included in the production and distribution balance and that Gazprom's CAPEX program integrates, starting from 2020, measures to make the Sakhalin–Khabarovsk–Vladivostok gas trunkline available to consumers in the Khabarovsk Territory who are currently connected to the Okha–Komsomolsk trunkline.

2) Reducing the transportation cost component in the reporting period.

The Company continued supplying fuel to Yakutian utility companies using the Northern Sea Route and transshipping it through the ports located in the North-Western Federal District. During 2019, this route was used to ship about 30,000 tonnes of diesel fuel to Yakutia's northernmost areas and about 37,000 tonnes to heat generators in its Ust-Yansky District. This logistic scheme minimizes the fuel undersupply risk as compared to reliance on the Lena river, whose upper reach often becomes shallow, and brings cost efficiencies due to reduced transportation expenditures.

3) Demonopolizing the Far Eastern energy market, enhancing competition, and diversifying fuel supplies towards non-standard coal grades.

In 2019, the Company piloted the combustion of non-standard lignite produced by Russian Coal's Pereyaslovskiy mine mixed with standard coal from their Erkovetskiy mine in the ratio of

1 to 2 at Power Station 5 of Blagoveshchenskaya CHPP operated by DGK's Amur Generation subsidiary. The pilot combustion resulted in an approval for commercial operation. Another pilot combustion project was completed at Magadanenergo's Magadanskaya CHPP and involved non-standard hard coals produced by Russian Coal's Chernogorskoye and Beiskoye deposits in the ratio of 40/60. The pilot project resulted in an approval for commercial operation.

4) Negotiating long-term coal supply contracts (for at least three years) that include pricing provisions for each subsequent calendar year based on the market environment.

Coal supplies from Tuimaada-Ugol were secured for 2019–2021⁵⁸ to meet the needs of Chukotenergo's Chaunskaya CHPP.

5) New fuel supply contracts negotiated with RAO ES East provide for reduction of the coal prices in day-to-day deliveries and deviations from the contractual terms depending on the coal properties (humidity, ash content, calorific value). RUB 930.5 mn was saved on day-to-day coal supplies during 2019.

6) For spot market purchases based on best price offered, framework agreements signed in 2019 included 12 agreements for supplies of coal to meet excess requirements of DGK and 21 agreements for supplies of oil products (diesel fuel, heating oil).

4.3. Receivables management

The consumer receivables for electric and thermal energy to RusHydro's subsidiaries in the Far Eastern Federal District⁵⁹ (hereinafter RusHydro's Far Eastern subsidiaries) as at December 31, 2019 amounted to RUB 35,103 mn⁶⁰ (debt growth for 2019 was RUB 1,269 mn, or 3.8%).

Electric energy

As at December 31, 2019, consumer receivables for electricity to RusHydro's Far-Eastern subsidiaries amounted to RUB 15,518 mn (an increase in the debt during the reporting period of RUB 409 mn).

The highest growth was seen in the following groups: utility companies – RUB 415 mn; households on direct contracts – RUB 334 mn; grid companies (losses) – RUB 327 mn.

The decrease was across the following groups: transportation and communications facilities; enterprises financed from the federal budget; wholesalers-resellers.

The bulk of accounts receivable is held by the following groups of consumers: households – 27.6%, utility companies – 22.9%, management companies and housing cooperatives – 12.3%, industry – 10.8%, grid companies (losses) – 7.9%. The share of these groups in the total accounts receivable is 81.5%.

Heat energy

⁵⁸ Contract No. 1/2019 dated May 24, 2019.

⁵⁹ The control covers PJSC DEK, JSC DGK, PJSC Yakutskenergo, PJSC Kamchatskenergo, PJSC Sakhalinenergo, JSC Chukotenergo, JSC UESK, JSC Sakhaenergo, JSC Teploenergoservis, and PJSC Mobile Energy (Peredvizhnaya Energetika).

⁶⁰ According to the consolidated data of the sales units of RusHydro's Far Eastern subsidiaries.

As at December 31, 2019, consumer receivables for thermal energy to RusHydro's Far-Eastern subsidiaries amounted to RUB 19,585 mn (an increase in the debt during the reporting period of RUB 860 mn).

The main growth was across the following groups: households on direct contracts – RUB 967 mn; heat for offsetting losses RUB 556 mn (the growth came from the regulator's decisions on tariffs that saw expenses on offsetting losses to heat transmission companies be included in the tariff only starting H2 2019).

The share of these consumer groups in the structure of receivables was 61.0% of the total debt.

RusHydro's Far Eastern subsidiaries take all measures stipulated by the current legislation to ensure timely receipt of funds for current payments and repayment of receivables:

1. In 2019, 227,571 lawsuits were filed for electricity and heat, totalling RUB 11,454 mn. RUB 7,674 mn was collected through claims and writs of execution for electric and thermal energy (including previously filed lawsuits).
 2. Working with federal, regional level authorities to assist in the payment of debts of subordinate budget organizations, as well as in the allocation of additional funds to housing and utility enterprises and heat supply organizations for settlements with resource providers.
- In 2019, 120,657 consumers entered into direct contracts, leading to a decrease in the receivables from management companies and an increase in collection rates for consumers that used to make settlements through management companies.
3. RusHydro's Decree No. 225r dated May 16, 2019 laid down a model program for managing the receivables of subsidiaries that operate on retail electricity and heat markets. Pursuant to the program, RusHydro's subsidiaries have introduced and approved their own programs that assign those responsible for implementing the measures and the respective deadlines. In 2019, each Far Eastern subsidiary of RusHydro submitted reports on their implementation progress.
 4. Control and monitoring of calculations made by suppliers of electric and heat energy for the needs of enterprises of the Ministry of Defense of Russia.
 5. As part of the efforts to increase the revenues (sales of electricity at above-tariff prices) of JSC DGK, PJSC Yakutskenergo and JSC RAO ES East, bilateral electricity sales contracts were concluded with PJSC Inter RAO, Rusenergoby LLC and Rusenergoresource LLC in 2019, with the sales amounting to 1,394.6 mn kWh.

PJSC DEK and RusHydro, PJSC Yakutskenergo and RusHydro signed bilateral agreements in 2019. The volume of electric energy purchased amounted to 407.4 mn kWh.

4.3. Developing generating capacities in the Far Eastern Federal District

Order of the Russian Government No. 1544-r dated July 15, 2019 set out a list of projects put forward by RusHydro to build and modernize thermal power plants in the Far East: construction of Artyomovskaya CHPP-2 (420 MW, 483 Gcal/h), Khabarovskaya CHPP-4 (328 MW, 1,374 Gcal/h), the second stage of Yakutskaya GRES-2 (154 MW, 194 Gcal/h) and modernization of

Vladivostokskaya CHPP-2 (turbines No. 1, 2, 3 and boilers 1–8; the electric and heat capacity of the equipment will increase from 283 MW to 360 MW and from 506 Gcal/h to 570 Gcal/h respectively).

The implementation of these projects will not only provide replacements for the generating facilities that are being decommissioned due to highly deteriorated equipment, but also lay the ground for further social and economic development of the Far Eastern Federal District.

Key 2019 initiatives:

- Completed the first design stage – a study of financeability.
- Received a positive opinion in the independent public technology and price audit (TPA), whose results were approved at a joint meeting between the R&D board of NP Scientific and Technical Council of the Unified Energy System and the Section on Reliability and Safety of Large-scale Energy Systems of the Russian Academy of Sciences' Research Council on Major Problems in the Energy Sector (Minutes No. 3/19 dated May 6, 2019, Minutes No. 4/19 dated May 15, 2019).
- Had projects approved by the Government Commission on the Development of the Electric Power Industry (Minutes No. 2 dated May 29, 2019).

At the moment, design and survey works are still underway.

The Russian Ministry of Energy is developing a regulatory framework in respect of return calculation and ROI mechanisms for modernization and new facility construction projects in the Far East.

4.5. EV charging network development in the Far East

In the run-up to the 5th Eastern Economic Forum, on September 3, 2019, RusHydro launched the first network of electric vehicle fast charging stations in the Far East, with ten stations being opened in Vladivostok, Artyom and Ussuriysk. Two months later, as part of the Amur Economic Forum, another station was opened in the Amur Region's Blagoveshchensk. To further support the project, RusHydro and the administrations of the Primorsky Territory and the Amur Region signed agreements on joint development and implementation of a program to promote electric vehicles and ensure the adequate charging infrastructure, including that for public transport (electric buses).

For the convenience of EV owners, charging stations have been installed in the parking lots of supermarkets and shopping and entertainment centers, near the offices of RusHydro's single settlement centers, and at filling stations.

During the time that the charging stations were in operation, RusHydro observed high demand, with electric car owners doing several thousand charging sessions. There were many positive comments and suggestions for further expansion. To support the project and the network's users, RusHydro created a dedicated website (charge.rushydro.ru), as well as a WhatsApp group for processing customer queries.

The project is slated for scale-up in the following priority regions: Primorsky Territory, Amur Region, Khabarovsk Territory, Sakhalin Region, Kamchatka Territory, which will include the construction of charging stations to enable electric vehicle travel between the key cities of the Far East.

5. IMPROVING THE CORPORATE GOVERNANCE SYSTEM

In 2019, the Company continued implementing the standards set forth in the Corporate Governance Code (hereinafter referred to as the "CGC" or the "Code"), to improve overall corporate governance, by consistently amending the internal regulations and applying the standards in the day-to-day operations.

The following key actions were taken in reporting period:

- The Board of Directors of the Company approved a new version of the Regulations on Dividend Policy (Minutes No. 287 dated April 22, 2019) and the Regulation on the Assessment of the Activities of the Board of Directors and the Board of Director Committees of PJSC RusHydro (Minutes No. 283 dated February 21, 2019);
- On June 28, 2019, the Company's shareholders could for the first time vote at the Annual General Meeting of Shareholders using an electronic voting system, while also having an opportunity to benefit from a new forum on the meeting agenda;
- The revised Internal Control and Risk Management Policy of RusHydro Group was approved, which further enhanced of the role of the Board of Directors in the risk management. Guidelines on RusHydro Group's Risk Appetite were approved the Company's Board of Directors ;
- The Company's Charter and internal regulations were amended to include the following corporate governance enhancement clauses Company: Resolutions on critical matters set forth in recommendation 170 of the Code shall be passed by a majority vote involving all elected directors; shareholders shall have access the list of persons entitled to attend General Meetings of Shareholders as soon as such list becomes available to the Company; material corporate actions involving a potential conflict of interest shall be assessed by independent directors; shareholders holding in aggregate no less than two (2) percent of the Company voting shares shall be entitled to make proposals for the agenda of the Board of Directors.
- The quality and level of detail of information disclosed in the Company's Annual Report and on the Company's website were improved.
- In April 2019, a meeting of the Board of Directors held in person reviewed results of the corporate governance practice assessment and self-assessment of the Board of Directors' performance, marked positive changes in the assessments by independent experts and took note of the proposals put forward to improve the Board's performance (Minutes No. 287 dated April 22, 2019).

In September 2019, the RID affirmed the corporate governance ranking at 8 ("Advanced Corporate Governance Practice" according to the National Corporate Governance Rating (NCGR) scale). RusHydro is the first company in the energy industry to receive such a high rating.

In 2019, RusHydro secured its position among the top 10 leaders in the area of compliance with the corporate governance principles of the fifth annual "National Corporate Governance Index 2019" survey. The survey was carried out by the Centre for Corporate Development 'TopCompetence' with involvement of the Centre for Systemic Transformations of the Economics Department of Lomonosov Moscow State University and Moscow Exchange.

In January 2020, Internal Audit assessed the corporate governance practices in 2019 by determining whether they meet the criteria set forth in the Methodology for Assessment of RusHydro's Corporate Governance Framework endorsed by the Audit Committee under the Board of Directors of RusHydro (Minuted No. 123 dated October 22, 2018) and approved by PJSC RusHydro's Order No. 799 dated October 18, 2018. The Methodology is based on the Federal Agency for State Property Management's Methodology approved by Order No. 306 dated August 22, 2014.

RusHydro's overall corporate governance rating was 92% out of 100% (89% in 2018). According to the assessment results, the Company's corporate governance system is recognized as "Effective". This assessment indicates that the system is functioning properly in all essential aspects, but there are some modest weaknesses and a room for improvement.

In addition, the Company was fully committed to compliance with the Corporate Governance Code over the reporting period: Senior Independent Director was elected; performance of the Company's risk management and internal control system was assessed; corporate governance practices in the Company were discussed; report on the implementation of the Company's Information Policy Regulations was reviewed; etc.

As a result of corporate governance improvement efforts and implementation of the standards set forth in the Code, RusHydro came to observe 95% of the principles in 2019, compared to 92% in 2018.

RusHydro (including indirectly, through subsidiaries) has stakes in authorized capital of companies engaged in electricity and heat generation and distribution, energy facilities design, construction, repair, maintenance, rehabilitation and modernization, and other activities.

In 2019, in addition to streamlining the Group's structure, RusHydro took measures aimed at improving the corporate governance system of its subsidiaries. The Company implemented standard charters in the subsidiaries to align them with the current law, to harmonise approaches to approving transactions, and to reduce the corporate procedures' timelines.

6. IMPROVING THE STAFFING SYSTEM

The following measures were taken in 2019 to enhance the staffing system:

- The Plan for the Introduction of Professional Standards into the Company's Operations that had been approved for a period of 2016–2019, was realised in full. Based on the measures taken, as at the end of 2019, 93% of the Company's employees meet the

qualification requirements of the occupational standards underwritten by the Company. 53 hydro- and heating power sector's occupational qualifications developed by RusHydro Group experts to be used in the work of the Qualifications Assessment Centre, were approved by the Energy Sector Occupational Qualifications Council. In 2019, 80 employees of RusHydro's branches and subsidiaries took 29 exams in 10 occupational qualifications. 63% of the examinees passed the exams. The Energy Sector Occupational Qualifications Council accredited two RusHydro Qualifications Assessment Centre's additional examination sites based on RusHydro Group's training centres: Sakhalinenergo Training Centre and Magadanenergo Training Centre.

- 12 standard professional development and retraining programs for operational personnel based on the industry's professional standards were designed by the Corporate Hydropower University.
- The 2nd corporate competitions for operations staff at cross-connection thermal power plants of RusHydro Group were organised. The competitions were held from 5 to 9 August 2019 at Sakhalinenergo Training Centre (city of Yuzhno-Sakhalinsk). 40 employees (5 teams composed of 8 people in each) of the following Company's subsidiaries took part in the competitions: JSC DGK, PJSC Kamchatskenergo, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC Chukotenergo.
- In October 2019, RusHydro's branches—Volzhskaya HPP and Volga Training Centre of the Corporate Hydropower University (including RZA training complex)—hosted a corporate WorldSkills competition testing professional skills in the competence of Repair and Maintenance of Relaying and Automation Equipment. The competition attracted employees of the Company's branches and subsidiaries, and third party entities of the power sector, as well as students of industry-specific universities (Nizhniy Novgorod State Technical University, Moscow Power Engineering Institute, Moscow Power Engineering Institute branch in Volzhsky). The students took part in the competition out of hors-concours and as part of a trial demonstration exam.

The 1st Corporate Engineering Case Championship of Innovation and Work Improvement Proposals "Ratsenergy" was organised. The championship was held from January to March 2019 in four stages. Engineering cases for the championship were developed in two areas: Electric Networks and Heat Power Engineering. 37 teams of the Company's subsidiaries took part in the championship: PJSC Yakutskenergo, JSC DGK and JSC DRSK.

For the development of strategic partnership with specialist educational organizations of higher professional education the following events were organized:

- The X-th Energy for Development contest of students' projects. 141 students and undergraduates from 26 higher educational institutions of Russia took part in the Energy for Development contest.
- The Power Energy qualifiers of the "Case-in" International Engineering Championship were held on the base of Sayano-Shushensky branch of the Siberian Federal University and Volga branch of the Moscow Power Engineering Institute. 55 students took part in the qualifiers. The winning teams advanced to the Finals.

- The Spring Student Energy School was organized and held on the base of RusHydro's partner university, South-Russian State Polytechnic University named after M.I. Platov, and attended by 25 4-th year undergraduate and 1-st year graduate students, specializing in Relay Protection and Electric Power System Automation, Electric Power Plants, Electric Power Systems and Networks.
- In collaboration with the Siberian Federal University (SFU) and Sayano-Shushensky branch of the SFU, the VI All-Russian Scientific and Practical Conference of Young Scientists, Professionals, Postgraduate and Graduate Students "Hydropower Plants in the 21st Century" was organized and held.
- Students of the Institute of Hydropower and Renewable Energy Sources (part of Moscow Power Engineering Institute) participated in interactive sessions on socially significant and technological subjects within the Youth Day of the Russian Energy Week.

In 2019, the Company signed a cooperation agreement with the Federal State-funded Budgetary Educational Institution of Higher Education "Financial University under the Government of the Russian Federation".

7. IMPROVING THE COUNTER-TERRORISM, ECONOMIC AND INFORMATION SECURITY SYSTEM

The following set of measures was taken in 2019 to improve the Company's security system:

1. In order to improve the counter-terrorism security system of RusHydro Group's facilities, the next scheduled stage of modernization of the security systems of the Company's facilities was delivered in line with the requirements of the Russian Government's Decrees No. 458 dated May 5, 2012 and No. 993 dated September 19, 2015.
2. In cooperation with federal Government authorities and law enforcement agencies, pursuant to the requirements of the Federal Law No. 256-FZ dated 21 July 2011 "On Security of Fuel and Energy Complex Facilities", comprehensive surveys of all RusHydro power facilities of high and medium hazard categories were carried out. Their counter-terrorism security and protection system was tried and tested.
3. In order to improve the counter-terrorism security system of RusHydro Group's facilities, to enhance the quality and effectiveness of interaction with the Federal Security Service of Russia, the Ministry of Internal Affairs of Russia, the Operational Headquarters of the National Counter-Terrorism Committee, the Federal National Guard Troops Service (the Rosgvardia), the Ministry of the Russian Federation for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM) of Russia, and FSUE Departmental Security Service of the Ministry of Energy of Russia carried out:
 - In accordance with the Plan of the National Antiterrorism Committee of the RF, integrated special tactical training exercises at Nizhne-Bureyskaya HPP and table-top training exercises at RusHydro's branches: Kamskaya HPP and North Ossetia branch. In addition, two research counter-terrorism training drills at RusHydro branches: Sayano-Shushenskaya HPP and Dagestan branch, and 124 counter-terrorism training drills under RusHydro plan were carried out;

- – Two training programs for RusHydro Group’s security divisions managers and staff.
4. Based on the analysis of the routine activities of RusHydro Group’s security divisions, five proposals were drafted and sent to the Federal State Authorities to improve legislation in the area of fuel and energy facilities’ security. Most of the proposals were considered in the draft Federal Law “On Amending the Federal Law “On Safety and Security of the Fuel and Energy Complex Facilities”, in draft amendments to laws and regulations of the Government of the RF and included in the recommendations of the round table session “Fuel and Energy Complex Security Issues. Legislative Aspect”, held by the State Duma Committee on Energy on July 8, 2019.

In accordance with the provisions of the Energy Security Doctrine of the Russian Federation, the Economic Security Strategy of the Russian Federation for the period of up to 2030 and for the purpose of identifying, preventing and eliminating risks and threats to RusHydro Group’s economic interests, a set of relevant measures was undertaken.

The key efforts aimed at information security in the reporting period were mainly focused on compliance with the Federal Law in the area of critical information infrastructure security, and on development and improvement of information protection systems:

1. The classification of facilities of RusHydro’s critical information infrastructure (CII) was completed, the results were provided to the FSTEC of Russia⁶¹ on 27 December 2019. The FSTEC of Russia accepted the classification results and entered RusHydro’s CII facilities in the Russian CII significant facilities register.
2. A structural division of the Company - Corporate Centre for Computer Attacks Identification, Prevention and Suppression (hereinafter referred to as “CCAIS”) was established on the basis of RusHydro IT Service. CCAIS technical infrastructure was set up, measures to arrange communication with the National Coordination Centre for Computer Incidents were initiated.
3. A subsystem of communication channels cryptographic protection using domestic algorithms was established for the Company’s Executive Office and branches.
4. A subsystem of protected remote access to the Company’s information resources from the Internet was established.

8. IMPROVING THE ENVIRONMENTAL MANAGEMENT SYSTEM

RusHydro Group’s environmental protection and environmental management activities are aligned with RusHydro Group’s approved Environmental Policy⁶², which determines a list of key tasks aimed at improving the environmental management system:

- Increasing the installed capacity of low-carbon generation in RusHydro Group’s energy balance;

⁶¹ The Federal Service for Technology and Export Control.

⁶² Approved by the decision of the Company’s Board of Directors (Minutes No. 275 dated August 9, 2018).

- Reducing direct and specific greenhouse gas emissions at RusHydro Group’s facilities;
- Conserving the biological diversity;
- Taking measures aimed at finding and using the best available technical solutions and technologies to reduce the negative impact on the environment and to minimize the environmental risks of RusHydro Group's activities;
- Reducing the oil content in switch-over units at RusHydro Group’s facilities;
- Introducing corporate standards in the area of RusHydro Group’s environmental activities.

In 2019, the Company approved RusHydro Group's Implementation Program for the Environmental Policy, developed for the period of 2019–2021⁶³.

In order to ensure environmental safety of RusHydro Group’s facilities in the reporting year, the following measures were taken: replacement of oil-filled electrical equipment with vacuum or SF6 gas equipment, which contains no oil, or with equipment with lower oil content; rehabilitation, modernization and repair of power generation facilities; rehabilitation and repair of hydraulic structures to maintain proper condition of water protection zones; setting up automated systems for monitoring pollutant emissions into the air; carrying out environmental monitoring; performing a set of measures to recover damage caused to aquatic biological resources; taking measures for biodiversity conservation.

Moreover, in the reporting year the Company undertook the following activities aimed at reducing the negative impact on the environment: construction of sites for the accumulation, production and consumption of waste; reconstruction of sewage systems and wastewater treatment plants; collection of floating debris from water areas and its transfer to waste disposal facilities; landscaping and gardening; repair of ash and slag waste storage facilities.

9. ROLL-OUT OF INTELLIGENT SYSTEMS AND DIGITAL TECHNOLOGY

In the course of rolling-out intelligent systems and digital technology, RusHydro Group is committed to realising projects aimed at adjustment and improvement of internal technological and operational processes facilitating the use of modern, cost-effective and fast-operating technology, improving key business parameters. In 2019, the Company realised projects in the following areas:

- Enhancing existing technological and supporting (operational) processes: RusHydro's joint active power regulation systems are upgraded to receive JSC SO UES dispatch schedules and their automatic performance (brought into commercial operation at 11 HPPs); remote control function is implemented at new-generation power plant distribution substations (in three branches); the pilot project of remote control of Votkinskaya HPP equipment from JSC SO UES’ dispatching control rooms is started.
- Enhancing the traditional service level in the area of reliability of power supply to consumers, observability of main and auxiliary equipment, investment efficiency and

⁶³ Approved by the Company Management Board's Minutes No. 1204 pr. dated September 26, 2019.

labour productivity: The Company developed the Concept of establishing an information system to support Situation Analysis Centre (SAC) operation, the first stage of establishing the information system to support SAC operation was started.

In compliance with the Russian Government's Directives No. 10068p-P13⁶⁴ dated December 6, 2018, the Board of Directors of the Company approved "The 2019–2021 Action Plan for RusHydro's increased reliance on domestically developed software" (hereinafter, the "Plan"), under which the following measures were undertaken in the reporting year: RusHydro's existing information and technology infrastructure was analysed, RusHydro's IT Technical Policy⁶⁵ was updated, user support system on local software NAUMEN was upgraded, the transition of the procurement management system (which is in pilot operation) to local platform is underway, establishing of RusHydro Group's Single Treasury on the local platform is started, information security systems on the local platforms are upgraded.

The 2019 Plan set a performance indicator "Percentage of procurement of software included in the unified register of the Russian software, as well as the software-related works and services, in the total procurement volume of finished software, as well as the software-related works and services (in money terms)" with a target value of at least 65%. The target of 65% was achieved in 2019.

10. RUSHYDRO GROUP'S RISK MANAGEMENT

In 2019, RusHydro Group implemented a set of key initiatives listed below to improve its internal control and risk management system.

1. The Company's auditors conducted an independent assessment of RusHydro Group's internal control and risk management system. The follow-up report was reviewed and approved by the Company's Board of Directors in June 2019⁶⁶.

2. In the reporting year, the Company developed and approved:

- RusHydro Group's Risk Appetite Methodology.
- RusHydro Group's Internal Control and Risk Management Policy which determines goals, objectives and principles of the corporate internal control and risk management system, allocation of RusHydro Group entities' responsibilities and authorities.

1. The Audit Committee under the Company Board of Directors developed and reviewed RusHydro Group's "Risk Classifier" (typical risk base).

2. The Company delivered a pilot project for automating the risk management process and implementing the automated risk management system (ARMS) as a tool of supporting the decision-making and forming RusHydro Group's risk base. The first ARMS module (FX and Interest Risk Management) was tested in 2019.

⁶⁴ Including "The Guidelines for increased reliance of State-owned companies on domestic software, including office software" approved by the Russian Ministry of Communications' Order No. 486 dated September 20, 2018.

⁶⁵ RusHydro's Technical Policy was approved by the Resolution of the Company's Board of Directors (Minutes No. 303 dated February 12, 2020).

⁶⁶ Minutes No. 291 of the Resolution of the Company's Board of Directors dated June 21, 2019.

3. The Company delivered risk management actions in accordance with RusHydro Group's Strategic Risk Mitigation Plan⁶⁷, the progress report on the action plan for 2019 was approved by the Company's Management Board⁶⁸.

All key group companies approve risk management plans with an annual review of reports at meetings of the respective companies' boards of directors.

11. ACTIVITIES UNDER RUSHYDRO GROUP'S LONG-TERM DEVELOPMENT PROGRAM AS PER DIRECTIVES OF THE GOVERNMENT OF THE RUSSIAN FEDERATION

On increasing labor productivity (No. 7389p-P13 dated October 31, 2014)

In pursuance of directives of the Russian Government No. 7389p-P13 dated October 31, 2014, the Long-Term Development Program⁶⁹ was complemented with the key performance indicator Labor Productivity⁷⁰ calculated in line with the Rosstat methodology⁷¹.

Progress against the Labor Productivity KPI target

Metric	2019 target	2019 actual
Labor productivity, RUB `000/man-hour	5.62 ⁷²	6.42

On decrease in operating expenses (costs) (No. 2303p-P13 dated April 16, 2015)

In pursuance of directives of the Russian Government No. 2303p-P13 dated April 16, 2015, the Long-Term Development Program⁷³ was complemented with the key performance indicator Decrease in Operating Expenses (Costs) calculated in line with the Rosstat methodology.

Metric	2019 target	2019 actual
Decrease in operating expenses (costs)	2%	2.02%

On demand for labor resources, including engineering and technical professionals (No. 7439p-P13 dated November 5, 2014)

Key parameters of the demand for labor resources of RusHydro Group⁷⁴ are determined with due account to the time employees reach retirement age, as well as the possibility of internal

⁶⁷RusHydro Group's Strategic Risk Mitigation Plan for 2018–2019 approved by the Company's Management Board (Minutes No. 1133pr. dated October 9, 2018).

⁶⁸Minutes No. 1133pr. of the Company's Management Board dated October 9, 2018.

⁶⁹The Long-Term Development Program for 2018–2022 was approved by the Board of Directors, Minutes No. 271 dated June 1, 2018 as amended by resolutions of the Board of Directors (Minutes No. 279 of October 26, 2018, No. 294 of August 29, 2019, and No. 297 of October 21, 2019).

⁷⁰The list of legal entities used in the KPI calculation: PJSC RusHydro, PJSC DEK, PJSC Yakutskenergo, PJSC Kamchatskenergo, JSC UESK, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC DGK, JSC DRSK, PJSC Mobile Energy, JSC Chukotenergo, JSC Sakhaenergo, JSC Teploenergosservis, JSC ESC RusHydro, PJSC Krasnoyarskenergossbyt, PJSC RESK, JSC Chuvashskaya Electricity Sales Company, JSC Geoterm (including JSC Pauzhetskaya GeoPP), PJSC Kolymaenergo, PJSC KamGEK, PJSC Boguchanskaya HPP.

⁷¹Rosstat's Order No. 576 dated September 23, 2014.

⁷²As per adjusted 2019 KPI for the Management Board approved by resolution of the Board of Directors dated September 20, 2019 (Minutes No. 295 of September 23, 2019).

⁷³The Long-Term Development Program for 2018–2022 was approved by the Board of Directors, Minutes No. 271 dated June 1, 2018 as amended by resolutions of the Board of Directors (Minutes No. 279 of October 26, 2018, No. 294 of August 29, 2019, and No. 297 of October 21, 2019).

relocation of workers with appropriate recommendations based on the employee rating, talent pool, and candidate database. The demand for engineering and technical professionals also includes worker job vacancies that require a level of professional training no lower than a bachelor's degree from a technical educational establishment. This approach is brought forth by the process of operating, repairing, and maintaining core equipment at HPP/PSPPs.

Progress against the key parameters of RusHydro Group's demand for labor resources, including engineering and technical professionals, for 2019

Metric	2019 target	2019 actual
Total number of planned vacancies:	525	1,277
including engineering and technical professionals	366	732

On scheduled step-by-step substitution of imported products with those of Russian origin having similar specifications and usability and used in investment projects and day-to-day operations (No. 1346p-P13 dated March 5, 2015)

As part of the Comprehensive Modernization Program for RusHydro's generating facilities, RusHydro is increasing supplies from domestic machinery producers given that, among other things, certain types of equipment and components will be produced in Russia.

In the reporting year, in line with the import substitution roadmap, the following measures were put in place:

- Technical Policy of RusHydro Group⁷⁵ was amended to include the requirements for increased reliance on domestic solutions starting from the design phase;
- Uniform Regulations on RusHydro Group's Procurement Policy was amended in line with the Russian Government's Resolution No. 878 dated July 10, 2019 and the Russian Government's Directives No. 6574p-P13 dated July 18, 2019..

In 2019, RusHydro reduced the share of imported equipment for its operations so that foreign goods, works and services are gradually phased out and replaced by local goods, works and services with similar specifications and usability:

Share of imported equipment

Metric	2019 target	2019 actual
Share of imported equipment, %	20	20

As part of its import substitution efforts, the Company engages in the following activities:

- Interaction with the Industrial Development Fund of the Russian Ministry of Industry and Trade with a view to implementing activities to diversify the defense industry for the

⁷⁴ PJSC RusHydro, PJSC DEK, PJSC Yakutskenergo, PJSC Kamchatskenergo, JSC UESK, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC DGK, JSC DRSK, PJSC Mobile Energy, JSC Chukotenergo, JSC Sakhaenergo, JSC Teploenergосervis, JSC ESC RusHydro, PJSC Krasnoyarskenergosbyt, PJSC RESK, JSC Chuvashskaya Electricity Sales Company, JSC Geoterm, PJSC Kolymaenergo, PJSC KamGEK, PJSC Boguchanskaya HPP.

⁷⁵ RusHydro Group's Technical Policy was approved by resolution of the Company's Board of Directors (Minutes No. 303 dated February 12, 2020).

betterment of the energy sector using the state industrial information system: a list was compiled detailing the demand for equipment and software planned for procurement in 2020–2024; initial population and testing of the state industrial information system was executed;

- Interaction with the Russian Energy Agency of the Russian Ministry of Energy with a view to coordinating import substitution initiatives with the defense industry: proposals were sent for manufacturing civil purpose products to the pilot list of defense industry enterprises.

Subsidiaries of RAO ES East are actively working together with Russian suppliers and producers of equipment and spare parts (Power Machines, Ural Turbine Works, Energomash-Uralelectrotyazhmash, Prosoft Systems, Unitel Engineering, Togliatti Transformator, SVEL – Power Transformers, Cheboksary Electrical Apparatus Plant, Moselectroshield, Electroshield Group – TM Samara, etc.).

Completed and ongoing projects, such as CHPP Vostochnaya, Blagoveshchenskaya CHPP (second stage), Sakhalinskaya GRES-2 (first stage), Yakutskaya GRES-2 (first stage), and CHPP in Sovetskaya Gavan mainly rely on equipment made in Russia.

In all its production operations, rehabilitation and upgrades at energy companies, RusHydro Group prioritizes Russian manufacturers as equipment suppliers.

According to a consolidated review of procurement by RAO ES East⁷⁶, the share of purchased domestic equipment in 2019 is 94.4%⁷⁷.

On the Company's increased reliance on domestically developed software (No. 10068p-P13 dated December 6, 2018)

In pursuance of directives of the Russian Government No. 10068p-P13 dated December 6, 2018 On Increased Reliance on Domestically Developed Software, the Long-Term Development Program was amended in the Intelligent Systems and Digital Technology Roll-out section as approved by resolution of the Company's Board of Directors (Minutes No. 294 of August 29, 2019).

On aligning the Long-Term Development Program with goals set forth by Decree of the Russian President No. 204 dated May 7, 2018 On National Goals and Strategic Objectives of the Russian Federation through to 2024

In order to align the Long-Term Development Program with the Russian President's Decree No. 204 dated May 7, 2018 On National Goals and Strategic Objectives of the Russian Federation through to 2024, the Program was amended by resolution of the Company's Board of Directors (Minutes No. 279 of October 26, 2018) to reflect measures being taken by RusHydro Group to improve efficiency of investments in fixed assets in line with clause 5.3.3 on attracting investments in the modernization of thermal and electricity power generation facilities (in pursuance of the Russian President's list of instructions No. Pr-2530 dated December 12, 2017) of the Action Plan to Accelerate Investments in Fixed Assets and Increase Their Share in

⁷⁶ Based on review of procurement contracts worth over RUB 250,000.

⁷⁷ Of the total procurement value of RUB 5,517.0 mn.

the Gross Domestic Product to 25%, approved by Chairman of the Russian Government, No. 1315p-P13 dated February 13, 2019.

The Company's Board of Directors resolved (Minutes No. 285 of March 29, 2019) to classify the instruction set forth by directives of the Russian Government No. 276p-P13 dated January 17, 2019 as successfully executed.

12. ACHIEVEMENT OF KEY PERFORMANCE INDICATORS OF RUSHYDRO GROUP'S LONG-TERM DEVELOPMENT PROGRAM FOR 2019

	Metric ⁷⁸	2019 target	2019 actual	Evaluation
1.	Prevention of accidents exceeding the limit number of accidents:	0	0	Achieved
	- number of production-related accidents	≤ 5-year average ⁷⁹	≤ 5-year average ⁸⁰	
	- number of major accidents.	0	0	
2.	Return on equity (ROE)	18.24%	23.03%	Achieved
3.	Earnings before interest, tax, depreciation and amortization (EBITDA), RUB mn	166,880	171,907	Achieved
4.	Share of procurement from small and medium enterprises, including through contracts allocated for SME bidders only ⁸¹	18% 15%	71% 49%	Achieved
5.	Adherence to the capacity commissioning schedules, funding and spending plan ⁸²	85%	88%	Achieved
6.	Labour productivity (RUB '000/man-hours)	5.62 ⁸³	6.42	Achieved
7.	Decrease in operating expenses (costs)	2%	2.02%	Achieved
8.	Integrated innovative KPI	85%	96%	Achieved
9.	Total shareholder return (TSR)	100%	0	Not achieved
10.	Free cash flow (FCF), RUB mn	-51,302 ⁸⁴	-36,384	Achieved
11.	Earnings per share (EPS)	0.25	0.31	Achieved

⁷⁸ If the KPI of the Management Board members or KPI of the Long-Term Incentive Plan are amended or updated and approved by the Company's Board of Directors, progress against the KPI of the Long-Term Development Program is assessed using the updated KPI of the Management Board members and KPI of the Long-Term Incentive Plan.

⁷⁹ 17.6.

⁸⁰ 10.

⁸¹ For PJSC RusHydro.

⁸² The capacity commissioning schedule and the funding and spending plan are determined based on planned data on facilities the Company is investing in and on new construction facilities of subsidiaries duly approved as part of the Business Plan by the Company's Board of Directors.

⁸³ As per adjusted 2019 KPI for the Management Board approved by resolution of the Board of Directors dated September 20, 2019 (Minutes No. 295 of September 23, 2019). The pre-adjustment value is 5.72.

⁸⁴ As per adjusted consolidated Business Plan of RusHydro Group for 2019 and target KPI of the Long-Term Incentive Plan approved by resolution of the Board of Directors dated September 20, 2019 (Minutes No. 295 of September 23, 2019). The pre-adjustment value is RUB (-)55,710 mn.

9.1. METHODOLOGY FOR CALCULATION AND EVALUATION OF KEY PERFORMANCE INDICATORS OF RUSHYDRO GROUP'S LONG-TERM DEVELOPMENT PROGRAM⁸⁵

1. General information

1.1. This Methodology for calculation and evaluation of Key Performance Indicators of RusHydro Group's Long-Term Development Program (the "Methodology") was developed:

- to describe the calculation and evaluation of meeting the indicators of RusHydro Group's Long-Term Development Program approved by the Board of Directors of PJSC RusHydro (the "Company");
- to formalize the procedure of calculation and evaluation of meeting the indicators of RusHydro Group's Long-term Development Program approved by the Company's Board of Directors.

1.2. The evaluation of meeting the indicators in accordance with this Methodology shall be the responsibility of the respective business unit of the Company as specified in internal documents.

1.3. The procedure for reporting the achievement of certain indicators, timelines and formats of evaluation of meeting the indicators shall be set forth in the Company's internal documents.

1.4. The list of Long-term Development Program's KPI shall include the indicators of the Company's Management Board and indicators listed among KPIs under the Company's Long-Term Incentive Plan.

1.5. The list and specific weights of annual indicators of members of the Company's Management Board shall be subject to annual approval by resolution of the Board of Directors; the list and specific weights of indicators under the Company's Long-Term Incentive Plan are defined in the Regulations on the Company's Long-Term Incentive Plan approved by the Board of Directors on November 11, 2016 (minutes No. 243 of November 14, 2016).

1.6. As part of the annual reporting on the implementation of the Long-Term Development Program and external audit of implementing indicators 2.1–2.7 of the Long-Term Development Program (KPI of Management Board members), annual reports are drawn and annual interim results specified for indicators 2.8–2.10 (KPI of the Company's Long-Term Incentive Plan).

1.7. The remuneration of the Management Board, including the sole executive body, for achieving the indicators shall be paid in accordance with the Regulations on Payment of Remuneration and Compensation to Members of RusHydro's Management Board and Regulations on RusHydro's Long-Term Incentive Plan approved by the Board of Directors on November 11, 2016 (minutes No. 243 of November 14, 2016).

2. Procedure for calculation and evaluation of key performance indicators of RusHydro Group's Long-term Development Program

⁸⁵ Approved by PJSC RusHydro's Board of Directors on 31 May 2018 (Minutes No. 271) as amended by the resolutions of PJSC RusHydro's Board of Directors on 25 October 2018 (Minutes No. 279), on 28 August 2019 (Minutes No. 294) and on 18 October 2019 (Minutes No. 297).

2.1. KPI 'Meeting the Accident Prevention Target'

2.1.1. Calculation

List of legal entities included in the calculation (generating facilities):

PJSC RusHydro (18 generating branches), PJSC DEK, PJSC Yakutskenergo, PJSC Kamchatskenergo, JSC UESK, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC DGK, JSC DRSK, PJSC Mobile Energy, JSC Chukotenergo, JSC Sakhaenergo, JSC Teploenergосervis, JSC Geoterm, PJSC Kolymaenergo, JSC Puzhetskaya GeoPP, PJSC KamGEK, and PJSC Boguchanskaya HPP.

To calculate the actual value, the following sources of information are used: production-related accident reports (Form N-1) prepared in accordance with Resolution of the Russian Ministry of Labor No. 73 On Approval of Document Forms for Investigation and Reporting of Production-Related Accidents and Specifics of Production-Related Accident Investigations in Certain Industries and Organizations dated October 24, 2002, investigation reports on accident causes in the electric power industry prepared in accordance with Order of the Russian Ministry of Energy No. 90 On Approval of Accident Investigation Report Forms for the Electric Power Industry and Form Filling Procedure dated March 2, 2010, investigation reports on technical causes of accidents at hazardous production facilities or hydraulic structures prepared in accordance with Rostekhnadzor's Order No. 480 On Approval of the Procedure for Investigating Technical Causes of Accidents, Incidents and Cases of Loss of Industrial Explosives at Facilities Supervised by the Federal Environmental, Industrial and Nuclear Energy Supervision Service (Rostekhnadzor) dated August 19, 2011, investigation reports on causes of heat supply accidents prepared in accordance with Rostekhnadzor's Order No. 157 On Approval of Investigation Report Forms and Procedure for Reporting of Causes of Heat Supply Accidents dated April 25, 2016.

The indicator consists of several parameters:

- Number of production-related accidents;
- Number of major accidents.

The number of production-related accidents is calculated as a sum total of all production-related accidents investigated, documented and reported in accordance with:

- Articles 227, 228, 228.1, 229, 229.1, 229.2, 229.3, 230, 230.1 of the Russian Labor Code;
- Resolution of the Russian Ministry of Labor No. 73 On Approval of Document Forms for Investigation and Reporting of Production-Related Accidents and Specifics of Production-Related Accident Investigations in Certain Industries and Organizations dated October 24, 2002.

The number of production-related accidents includes production-related accidents where the chief executive officer⁸⁶, other executives⁸⁷ and heads of structural units⁸⁸ of a company are specified in the investigation report (Clause 10 of Form N-1) as individuals responsible for labor safety violations (Clauses 2.1, 2.2 and 2.4 of the Rules for Personnel Management in the Electric Power Industry of the Russian Federation approved by Order of the Russian Ministry of Energy No. 49 dated February 19, 2000).

The number of major accidents is a sum total of all accidents in the electric power industry, heat supply emergencies, accidents at hazardous production facilities or hydraulic structures investigated, documented and reported by Rostekhnadzor's commissions in accordance with:

- Clause 4 of the Rules for Investigation of Accident Causes in the Electric Power Industry adopted by the Russian Government's Resolution No. 846 dated October 28, 2009;
- Clause 3 of the Rules for Investigation of Heat Supply Accident Causes adopted by the Russian Government's Resolution No. 1114 dated October 17, 2015;
- Rostekhnadzor's Order No. 480 dated August 19, 2011 On Approval of the Procedure for Investigating Technical Causes of Accidents, Incidents and Cases of Loss of Industrial Explosives at Facilities Supervised by the Federal Environmental, Industrial and Nuclear Energy Supervision Service (Rostekhnadzor) dated August 19, 2011;
- Rostekhnadzor's Order No. 157 On Approval of Investigation Report Forms and Procedure for Reporting of Causes of Heat Supply Accidents dated April 25, 2016;
- Order of the Russian Ministry of Energy No. 90 On Approval of Accident Investigation Report Forms for the Electric Power Industry and Form Filling Procedure dated March 2, 2010,

and meeting the following criteria:

- damage to hydraulic structures disrupting their safe operation and causing the water level in the reservoir (river) to fall or water in the tail pond to rise beyond the threshold limits;
- collapse of load-bearing elements of buildings and structures at an electric power generating facility, including as a result of an explosion or fire, if such collapse leads to electricity (capacity) consumption being limited by 100 MW and more for a period of 25 days and more;

⁸⁶ Chief executive officer is a person directly managing the company regardless of its ownership form (hereinafter the chief executive officer) and authorized to act on behalf of the company without a power of attorney and represent the company before any government body, including judicial authorities. The company owner directly managing the company is classified as the chief executive officer.

⁸⁷ Executives of the company are persons duly appointed as deputy chief executive officers and having certain administrative functions and responsibilities (chief engineer, vice president, technical director, deputy director, etc.).

⁸⁸ Head of a structural unit is a person who signed an employment agreement (contract) with the chief executive officer or was appointed by such chief executive officer to manage a structural unit (manager, foreman, supervisor, etc.) and his/her deputies.

- destruction of, or damage to, the equipment of heat supply facilities, leading to the outage of heat sources or heat networks for a period of 3 days and more;
- destruction of, or damage to, buildings containing heat supply facilities, resulting in the interruption of heat supply to consumers;
- damage to turbines with a rated capacity of 100 MW and more, including destruction of the turbine flow path, change of shape and geometric dimensions or displacement of the turbine casing against the base, if such damage results in the turbine undergoing emergency repairs for 25 days and more;
- damage to generators with an installed capacity of 100 MW and more, including destruction of its stator, rotor or stator winding insulation, if such damage results in the generator undergoing emergency repairs for 25 days and more;
- damage to power transformers (auto-type transformers) with a capacity of 100 MVA and more, including destruction, change of shape and geometric dimensions or displacement of its housing, if such damage results in the transformer undergoing emergency repairs for 25 days and more;
- damage to power boilers with a steam capacity of 100 tonnes per hour and more or damage to hot water boilers with a capacity of 50 Gcal per hour and more, including destruction, change of shape or geometric dimensions of the boiler or displacement of units (elements) of the boiler or the metal frame, if such damage results in the boiler undergoing emergency repairs for 25 days and more;
- shutdown of generating equipment or a power grid facility, leading to a decrease in reliability of the Unified Energy System or technologically isolated local electric power systems and resulting in temporary suspensions of power supply totaling 100 MW and more or power supply reductions by 25 percent and more of the total consumption in an operational area of the dispatching center;
- disconnection of power grid facilities of the highest voltage category (110 kV and more), generating equipment with a capacity of 100 MW and more at two and more electric power facilities, causing the interruption of power supply to consumers with the total consumption of 100 MW and more for a period of 30 minutes and more;
- disruptions in the operation of emergency shutdown or mode-switching controls, including those caused by personnel error, resulting in the interruption of electric power supply to consumers with the total consumption of 100 MW and more.

Accidents are included in the the number of major accidents if relevant clauses of investigation reports prepared by Rostekhnadzor's commission indicate erroneous or wrong actions (or omissions) on the part of executives, except for accidents, the causes of which are, according to an official opinion of Rostekhnadzor's commission, as follows:

- shortcomings in the design, structure, workmanship, construction or installation of equipment;
- fault of third parties (related organizations) involved in the technological process;

- any illegal or negligent act of third parties;
- any force majeure event that cannot be predicted (a crash of an aircraft and its parts, natural disasters not accounted for in the design of a hydraulic structure or power equipment, etc.) and that exempts RusHydro Group from liability.

2.1.2. Evaluation

The Meeting the Accident Prevention Target KPI is considered to be fulfilled (its value is 0) when the KPI target is achieved and, simultaneously, all the following conditions are met:

- the number of production-related accidents does not exceed the annual average for the last five years preceding the period in question;
- the number of major accidents does not exceed its target value (0)..

In all other cases, the Meeting the Accident Prevention Target KPI is considered unfulfilled.

2.2. KPI 'Return on Equity (ROE)'

2.2.1. Calculation

The list of legal entities for the calculation of:

- the target value is taken from PJSC RusHydro's effective Regulations on the Business Planning Framework subject to RusHydro Group's Consolidated Business Plan;
- the actual value is taken from RusHydro Group's audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), Note Principal Subsidiaries

For the target value calculation, RusHydro Group uses data from its Consolidated Business Plan:

$ROE = [(Profit\ for\ the\ period + Non-monetary\ expenses - Non-monetary\ income + Fuel\ expenses)$

$/ Average\ annual\ equity] * 100%$, where

Profit for the period is the *Profit for the Period* line in the RusHydro Group's Consolidated Income Statement.

The average annual equity is obtained by the following formula:

Average annual equity = $\frac{TOTAL\ EQUITY_0 + TOTAL\ EQUITY_1}{2}$, where

$TOTAL\ EQUITY_0$ is the sum of *Equity Attributable to Shareholders of PJSC RusHydro* and *Non-controlling Interest* as at the beginning of the period as indicated in the RusHydro Group's Consolidated Balance Sheet;

$TOTAL\ EQUITY_1$ is the sum of *Equity Attributable to Shareholders of PJSC RusHydro* and *Non-controlling Interest* as at the end of the period as indicated in the RusHydro Group's Consolidated Balance Sheet.

Non-monetary expenses/income is the *Other Non-Monetary Items of Operating Income and Expenses* line (Explanatory Note to the RusHydro Group's Consolidated Business Plan, chapters "Finance Income and Expenses", "Business Analysis by Segment", and "Financial Results") and consists of:

Non-monetary expenses, including:

- Impairment of property, plant and equipment;
- Impairment of long-term promissory notes;
- Impairment of financial assets held for sale;
- Loss on revaluation of net assets of a subsidiary acquired for resale;
- Loss on disposal of property, plant and equipment;
- Net income and expenses from provisions;
- Expense on discounting;
- Provision for impairment of inventories;
- Foreign exchange loss;
- Other non-monetary expenses.

Non-monetary income, including:

- Income associated with the pension plan reduction;
- Income on discounting;
- Foreign exchange gain;
- Income from revaluation of financial investments;
- Other non-monetary income.

Fuel expenses are target expenses attributed to the *Fuel Expenses* line (Explanatory Note to the RusHydro Group's Consolidated Business Plan, Chapter "RusHydro Group Expenses").

The indicator is calculated to one decimal place and rounded mathematically to the nearest whole number.

For the actual value calculation, RusHydro Group uses data from its consolidated financial statements prepared in accordance with the IFRS (Consolidated Statement of Financial Position, Consolidated Income Statement, and Note *Segment Information*).

ROE = [(Profit for the period (year) + Non-monetary expenses – Non-monetary income + Fuel expenses)

/ Average annual equity] * 100%, where

Profit for the period is the Profit for the Period line in the Consolidated Income Statement;

The average annual equity is obtained by the following formula:

$$\text{Average annual equity} = \frac{\text{TOTAL EQUITY}_0 + \text{TOTAL EQUITY}_1}{2}, \text{ where}$$

TOTAL EQUITY₀ is the sum of Equity Attributable to Shareholders of PJSC RusHydro and Non-controlling Interest as at the beginning of the period as indicated in the Consolidated Statement of Financial Position;

TOTAL EQUITY₁ is the sum of Equity Attributable to Shareholders of PJSC RusHydro and Non-controlling Interest as at the end of the period as indicated in the Consolidated Statement of Financial Position;

Non-monetary expenses/income is the Other Non-monetary Items of Operating Income and Expenses line (Notes Segment Information and Finance Income, Costs to RusHydro Group's consolidated financial statements prepared in accordance with the IFRS for the reporting period) and consists of:

Non-monetary expenses, including:

- Impairment of property, plant and equipment;
- Impairment of long-term promissory notes;
- Impairment of financial assets held for sale;
- Loss on revaluation of net assets of a subsidiary acquired for resale;
- Loss on disposal of property, plant and equipment;
- Net income and expenses from provisions;
- Expense on discounting;
- Provision for impairment of inventories;
- Foreign exchange loss;
- Other non-monetary expenses.

Non-monetary income, including:

- Income associated with the pension plan reduction;
- Income on discounting;
- Foreign exchange gain;
- Income from revaluation of financial investments;
- Other non-monetary income.

Fuel expenses are actual expenses attributed to the Fuel Expenses line (Note Operating Expenses to RusHydro Group's consolidated financial statements prepared in accordance with the IFRS for the reporting period).

The indicator is calculated to one decimal place and rounded mathematically.

2.2.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.3. KPI 'Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)'

The list of legal entities for the calculation of:

- the target value is taken from PJSC RusHydro's effective Regulations on the Business Planning Framework subject to RusHydro Group's Consolidated Business Plan;
- the actual value is taken from RusHydro Group's audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), Note Principal Subsidiaries.

2.3.1. Calculation

For the target value calculation, RusHydro Group uses data from its Consolidated Business Plan:

$$\text{EBITDA} = \text{Profit before tax} + \text{Depreciation and Amortization} + \text{Non-monetary expenses} - \text{Non-monetary income} + \text{Interest payable} + \text{Fuel expenses}.$$

Profit before tax is the Profit Before Income Tax line in the Consolidated Income Statement.

Depreciation and amortization is the Depreciation of Property, Plant and Equipment and Amortization of Intangible Assets (Table "Structure of Current Operating Expenses").

Non-monetary expenses/income are determined as set out in Clause 2.2.1 hereof.

Interest payable is the Interest Payable line (Explanatory Note to the RusHydro Group's Consolidated Business Plan, Chapter "RusHydro Group's Financial Results").

Fuel expenses are determined as set out in Clause 2.2.1 hereof. For the actual value calculation, RusHydro Group uses data from its consolidated financial statements prepared in accordance with the IFRS (Consolidated Statement of Financial Position, Consolidated Income Statement, Note Segment Information, and Note Finance Income, Costs):

$$\text{EBITDA} = \text{Profit before tax} + \text{Depreciation and amortization} + \text{Non-monetary expenses} - \text{Non-monetary income} + \text{Interest payable} + \text{Fuel expenses}.$$

Profit before tax is the Profit Before Income Tax line in the Consolidated Income Statement.

Depreciation and amortization is the Depreciation of Property, Plant and Equipment line (Note Segment Information).

Non-monetary expenses/income are determined as set out in Clause 2.2.1 hereof.

Interest payable is the Interest Expense line in Note Finance Income, Costs.

Fuel expenses are determined as set out in Clause 2.2.1 hereof.

No decimals are used in the calculation of the indicator. The value is rounded to the nearest integer mathematically.

2.3.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.4. KPI 'Share of Procurement from Small and Medium Businesses, Including Through SME-only Procurement Procedures'

List of legal entities included in the calculation:

PJSC RusHydro.

2.4.1. Calculation

The target value is a statutory value determined as set out in Section 1 of the Regulation on Special Aspects of Participation of Small and Medium Enterprises in Procurement of Goods, Works and Services for Certain Types of Legal Entities, Annual Volume of Such Procurement and Procedure for Calculation of the Said Volume adopted by the Russian Government's Resolution No. 1352 On Special Aspects of Participation of Small and Medium Enterprises in Procurement of Goods, Works and Services for Certain Types of Legal Entities dated December 11, 2014.

The actual value is calculated on the basis of the Register of Contracts concluded as a result of the Company's procurement activities. The actual value is defined as a share of procurements from small and medium businesses in the total annual volume of procurements under the contracts concluded by PJSC RusHydro in the reporting period. It is calculated by the following formulas:

$$SH_{smeTOT} = (Prc^{excl}SME + PrcSME + PrcSMEsub) / Prc^{tot} \times 100$$

$$SH_{sme} = Prc^{excl}SME / Prc^{tot} \times 100$$

where:

SH_{smeTOT} is a share of contracts awarded to small and medium enterprises (hereinafter SMEs) in the total annual volume of contracts concluded as a result of procurement procedures, including SME-only procurement procedures. In this case, first-tier subcontracts are also taken into account. The first-tier subcontracts mean agreements for the supply of goods or services concluded directly between SMEs and other companies that have direct contracts with the Company, %;

SHsme is a share of contracts awarded to SMEs as a result of SME-only procurement procedures in accordance with Regulation No. 1352 in the total annual volume of contracts, %;

Prc^{excl}SME is a total price of contracts awarded to SMEs as a result of SME-only procurement procedures in accordance with Section 2 of Regulation No. 1352, RUB;

PrcSMEsub is a total price of first-tier subcontracts concluded directly between SMEs and other companies that have direct contracts with the Company, RUB;

PrcSME is a total price of contracts awarded to SMEs as a result of SME-only procurement procedures in accordance with Section 2 of Regulation No. 1352, RUB;

Prc^{tot} is a total price of contracts concluded as a result of SME-only procurement procedures in accordance with Section 2 of Regulation No. 1352, RUB.

Purchases made in the reporting period and specified in Clause 7 of Regulation No. 1352 are not accounted for in the calculation of this KPI.

2.4.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.5. KPI 'Adherence to the Capacity Commissioning Schedules, Funding and Spending Plan'

2.5.1. Calculation

The indicator is calculated for PJSC RusHydro and new facilities constructed by subsidiaries according to the Company's duly approved business plan.

The target value is taken from the Company's investment plans and subsidiaries' construction plans as duly approved and included in the Business Plan by the Company's Board of Directors.

The actual value is sourced from the Company's actual investment performance and subsidiaries' actual new builds as specified in the report on progress against the Company's Business Plan duly approved by the Company's Board of Directors.

Adherence to the capacity commissioning schedules, funding and spending plan is calculated by the following formula:

$$K^{comm\ fund\ spend} = 0.75 \cdot K^{comm\ cap} + 0.25 \cdot K^{vol\ fund\ spend}_{year}$$

where: $K^{comm\ fund\ spend}$ is adherence to the capacity commissioning schedules, funding and spending plan (for the year);

$K^{comm\ cap}$ is an aggregate (covering all types of commissioned capacity) indicator of adherence to commissioning schedules;

$K^{vol\ fund\ spend}_{year}$ is adherence to the annual funding and spending plan.

The aggregate indicator (covering all types of commissioned capacity) of adherence to capacity commissioning schedules for the reporting year is calculated by the following formula:

$$K^{comm\ cap} = 100 \cdot \frac{V^{actual\ cap}}{V^{target\ cap}}$$

where:

$K^{comm\ cap}$ is adherence to commissioning schedules (covering all types of commissioned capacity⁸⁹) in the reporting year;

$V^{target\ cap}$ is an annual capacity commissioning target (MW);

$V^{actual\ cap}$ is capacity actually commissioned in the reporting year (MW).

If no capacity commissioning plan is available for the reporting year, $K^{comm\ cap}$ is not calculated and the corresponding share is included in $K^{vol\ fund\ spend\ year}$.

The indicator does not include the actually commissioned facilities if they were planned to be commissioned in the previous periods.

Adherence to the funding and spending plan is calculated by the following formula:

$$K^{vol\ fund\ spend\ year} = 0.5 \cdot K^{vol\ fund\ year} + 0.5 \cdot K^{vol\ spend\ year}, \text{ where:}$$

$K^{vol\ fund\ spend\ year}$ is adherence to the annual funding and spending plan;

$K^{vol\ fund\ year}$ is adherence to the annual funding plan;

$K^{vol\ spend\ year}$ is adherence to the annual spending plan.

Adherence to the funding plan is calculated by the following formula:

$$K^{vol\ fund\ year} = \left[\frac{Fund_{target}^{TR+M}}{Fund_{target}} * \left(1 - \frac{|\Delta Fund^{report}_{TR+M}|}{Fund_{target}} \right) + \frac{Fund_{target}^{NB}}{Fund_{target}} * \left(1 + \frac{\sum \Delta Fund^{report}_{NB}}{Fund_{target}} \right) \right] * 100\%, \text{ where:}$$

$Fund_{target}$ is an annual funding target;

$Fund_{target}^{TR+M}$ is an annual funding target for the facilities financed by the Company;

$Fund_{target}^{NB}$ is a total annual funding target for new builds;

$|\Delta Fund^{report}_{TR+M}|$ is a module deviation between the target and actual funds allocated for the facilities financed by the Company⁹⁰ in the reporting year.

$\sum \Delta Fund^{report}_{NB}$ is a total deviation between the target and actual funds allocated for each new build in the reporting year. If the actual funds are less than 100% of the total target amount, the new build component in the formula is assumed to be zero in the reporting year.

Adherence to the annual spending plan is calculated by the following formula:

$$K^{vol\ spend\ year} = \left[\frac{Spend_{target}^{TR+M}}{Spend_{target}} * \left(1 + \frac{\Delta Spend^{report}_{TR+M}}{Spend_{target}} \right) + \frac{Spend_{target}^{NB}}{Spend_{target}} * \left(1 + \frac{\sum \Delta Spend^{report}_{NB}}{Spend_{target}} \right) \right] * 100\%, \text{ where:}$$

$Spend_{target}$ is an annual spending target;

⁸⁹ For the purpose of KPI calculation, capacity commissioning targets are approved and included in the Business Plan by the Company's Board of Directors. Capacity is deemed to have been commissioned in the reporting period if an operation permit is issued for a power installation by the regulator as per the template provided for in Rostekhnadzor's Order No. 212 dated April 7, 2008, and an equipment acceptance certificate is issued by the acceptance commission following comprehensive tests.

⁹⁰ The volume of TR+M funding and spending for the calculation of KPI 'Adherence to the Capacity Commissioning Schedules, Funding and Spending Plan, %' is taken as the total value of the TR+M line in the Business Plan approved by the Company's Board of Directors.

$Spend_{target}^{TR+M}$ is an annual spending target for the facilities financed by the Company;

$Spend_{target}^{NB}$ is a total annual spending target for the new builds;

$\Delta Spend_{report}^{TR+M}$ is a deviation between the target and actual spendings on the facilities financed by the Company⁵⁴ in the reporting year.

$\sum \Delta Spend_{report}^{NB}$ is a total deviation between the target and actual spendings on each new build in the reporting year. If the actual spendings are less than 100% of the total target amount, the new build component in the formula is assumed to be zero in the reporting year.

The annual funding and spending targets for each facility are included in the Company's Business Plan duly approved by the Board of Directors.

Amendments to the annual funding and spending targets and capacity commissioning indicators for each financed facility are submitted to the Company's Board of Directors for approval as part of the amended Business Plan.

2.5.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 100% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.6. KPI 'Labor Productivity'

2.6.1. Calculation

List of legal entities included in the calculation:

PJSC RusHydro, PJSC DEK, PJSC Yakutskenergo, PJSC Kamchatskenergo, JSC UESK, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC DGK, PJSC DRSK, PJSC Mobile Energy, JSC Chukotenergo, JSC Sakhaenergo, JSC Teploenergосervis, JSC ESC RusHydro, PJSC Krasnoyarskenergosbyt, PJSC RESK, JSC Chuvash Energy Retail Company, JSC Geoterm, PJSC Kolymaenergo, JSC Pauzhetskaya GeoPP, PJSC KamGEK, and PJSC Boguchanskaya HPP.

The target value is based on the Business Plans of the Company and its subsidiaries:

Revenue is the Total Net Revenue from Sales of Goods and Services line from the approved Business Plans of the Company and its subsidiaries for the relevant period;

Man-hours are calculated by the following formula:

$$(N_{days} - N_{leave}) * 8 * E_{target},$$

where:

N_{days} is a number of business days in the period according to the business calendar;

N_{leave} is a number of business days in the paid leaves;

E_{target} is a target number of employees as per approved Business Plans of the Company and its subsidiaries for the relevant period.

The actual value is based on Federal Statistical Observation Forms No. PT (GS) Labor Productivity in the Sector of Non-financial Corporations Partially Owned by the Government

(Rosstat's Order No. 576 On Approval of Statistical Tools for the Federal Agency for State Property Management to Perform Federal Statistical Observation of Labor Productivity in the Sector of Non-financial Corporations Partially Owned by the Government dated September 23, 2014).

This indicator is calculated as the ratio of the Company's and its subsidiaries' aggregate revenue (as per reports on the implementation of the Company's and its subsidiaries' business plans) to man-hours worked by employees on payroll and external part-timers (as per Federal Statistical Observation Form No. P4 Headcount, Payroll and HR Flows) and is calculated using the following formula:

$$LP = \text{Revenue} / \text{Man-hours},$$

where:

LP is labor productivity, RUB '000/man-hour;

Revenue is the Revenue from Sales of Goods and Services line, RUB '000;

Man-hours are man-hours worked by employees on payroll and external part-timers.

The indicator is calculated to two decimal places and rounded mathematically.

2.6.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.7. KPI 'Decrease in Operating Expenses (Costs)'

2.7.1. Calculation

List of legal entities included in the calculation:

- RusHydro Group companies operating in the price zones: PJSC RusHydro, PJSC Boguchanskaya HPP, JSC ESC RusHydro, PJSC Krasnoyarskenergosbyt, PJSC Ryazan Retail Energy Company, and JSC Chuvash Energy Retail Company.
- RusHydro Group companies operating in the non-price zones, in technologically isolated local electric power systems and in areas not technologically linked with the Unified Energy System of Russia or with technologically isolated local electric power systems: JSC RAO ES East, PJSC Yakutskenergo, PJSC Kamchatskenergo, JSC UESK, PJSC Magadanenergo, PJSC Sakhalinenergo, JSC DGK, JSC DRSK, PJSC Mobile Energy, JSC Chukotenergo, JSC Sakhaenergo, JSC Teploenergосervis, JSC Geoterm, PJSC Kolymaenergo, PJSC KamGEK, and PJSC DEK.

The target value is calculated as per Directive of the Russian Government No. 2303p-P13 dated April 16, 2015.

The actual value is sourced from: Report on progress against the Business Plan of the Company and its subsidiaries.

The reduction of unit costs is calculated using the following formula:

$DOE_{\text{actual}} = (DOE_i * \beta_i + DOE_j * \beta_j)$, where

DOE_{actual} is a decrease in operating expenses (costs) in the reporting period, %;

i is each of RusHydro Group companies included in the calculation of the indicator and operating in the price zones;

j is each of RusHydro Group companies included in the calculation of the indicator and operating in the non-price zones, in technologically isolated local electric power systems and in areas not technologically linked with the Unified Energy System of Russia or with technologically isolated local electric power systems;

β_i is a share of RusHydro Group companies included in the calculation of the indicator and operating in the price zones in the total revenue;

β_j is a share of RusHydro Group companies included in the calculation of the indicator and operating in the non-price zones, in technologically isolated local electric power systems and in areas not technologically linked with the Unified Energy System of Russia or with technologically isolated local electric power systems in the total revenue.

$$DOE_{i,j} = \left(\frac{\frac{\sum OPEX_{\text{gen } i,j}^{\text{rep}}}{\sum N_{i,j}^{\text{rep}}}}{\frac{\sum OPEX_{\text{disc gen } j}^{\text{rep-1}}}{\sum N_{i,j}^{\text{rep-1}}}} * \alpha_{\text{gen}} - \frac{\frac{\sum OPEX_{\text{grid } i,j}^{\text{rep}}}{\sum EqU_{i,j}^{\text{rep}}}}{\frac{\sum OPEX_{\text{disc grid } i,j}^{\text{rep-1}}}{\sum EqU_{i,j}^{\text{rep-1}}}} * \alpha_{\text{grid}} - \frac{\frac{\sum OPEX_{\text{retail } i,j}^{\text{rep}}}{\sum UC_{i,j}^{\text{rep}}}}{\frac{\sum OPEX_{\text{disc retail } i,j}^{\text{rep-1}}}{\sum UC_{i,j}^{\text{rep-1}}}} * \alpha_{\text{retail}} \right) * 100\%, \text{ where}$$

$OPEX_{\text{gen } i,j}^{\text{rep}}$, $OPEX_{\text{grid } i,j}^{\text{rep}}$, $OPEX_{\text{retail } i,j}^{\text{rep}}$ is actual operating expenses recognized for the purpose of calculation and incurred in the reporting period by RusHydro Group company i or j included in the calculation, RUB mn;

$OPEX_{\text{disc gen } j}^{\text{rep-1}}$, $OPEX_{\text{disc grid } i,j}^{\text{rep-1}}$, $OPEX_{\text{disc retail } i,j}^{\text{rep-1}}$ is actual operating expenses incurred in the period preceding the reporting period (and discounted to the reporting year) by RusHydro Group company i or j included in the calculation, as attributable to regulated activities, RUB mn;

α_{gen} , α_{grid} , α_{retail} is a share of expenses incurred by RusHydro Group company i or j included in the calculation in the total actual OPEX recognized in the reporting period for the purpose of calculation, as attributable to regulated activities;

$N_{i,j}^{\text{rep}}$ is an actual value of the normalized installed (electric and thermal) capacity of generating facilities (including capacity of facilities leased and/or operated under contracts) of RusHydro Group company i or j included in the calculation in the reporting period, MW.

For each generating facilities, the calculation is made as at the end of the reporting period, taking into account the new capacity commissioned under investment programs approved by the boards of directors of legal entities included in the KPI calculation;

$N_{i,j}^{\text{rep}-1}$ is an actual value of the normalized installed (electric and thermal) capacity of generating facilities (including capacity of facilities leased and/or operated under contracts) of RusHydro Group company i or j included in the calculation in the period preceding the reporting period, MW;

$\text{EqU}_{i,j}^{\text{rep}}$ is the actual number of equivalent units of equipment used in the reporting period at power grid facilities of RusHydro Group company i or j included in the calculation, pcs.⁹¹;

$\text{EqU}_{i,j}^{\text{rep}-1}$ is the actual number of equivalent units of equipment used in the period preceding the reporting period at power grid facilities of RusHydro Group company i or j included in the calculation, pcs.⁵⁸;

$\text{UC}_{i,j}^{\text{rep}}$ is the actual number of utility connections of RusHydro Group company i or j included in the calculation as at the end of the reporting period, pcs.;

$\text{UC}_{i,j}^{\text{rep}-1}$ is the actual number of utility connections of RusHydro Group company i or j included in the calculation as at the end of the period preceding the reporting period, pcs.;

100 is a multiplier to calculate the percentage.

The actual operating expenses in the reporting period recognized for the purpose of the KPI calculation are obtained by the following formula:

$$\text{OPEX}_{i,j}^{\text{rep}} = \text{OPEX}_{i,j}^{\text{actual}} - \Delta\text{Pacx}, \text{ where}$$

$\text{OPEX}_{i,j}^{\text{actual}}$ is the actual operating expenses in the reporting period, RUB mn;

ΔPacx is operating expenses (costs) of the reporting year not used in the KPI calculation by decision of PJSC RusHydro's Board of Directors.

The actual operating expenses in the period preceding the reporting period are calculated by the following formula:

$$\text{OPEX}_{\text{disc } i,j}^{\text{rep}-1} = \text{OPEX}_{i,j}^{\text{rep}-1} * \text{CPI}(\text{GRR DOE}^{59}), \text{ where}$$

$\text{OPEX}_{i,j}^{\text{rep}-1}$ is the actual operating expenses in the period preceding the reporting period, RUB mn;

CPI is a consumer price index as at the end of the year (conservative, in % to December) published on the website of the Russian Ministry of Economic Development (<http://economy.gov.ru>) as part of the preliminary social and economic development forecast

⁹¹ Determined as per Order of the Federal Tariff Service of Russia No. 20-e/2 On Approval of Guidelines for Calculation of Regulated Tariffs and Prices for Electric (Thermal) Energy in the Retail (Consumer) Market dated August 6, 2004 and amended on April 14, 2014 and September 16, 2014.

for the reporting year (for the purpose hereof);

GRR DOE⁹² is a growth rate of controllable expenses accounted for in the estimates of required gross revenue imposed by the regulator on a year-on-year basis for regulated activities in accordance with the Guidelines for Calculation of Regulated Electricity (Capacity) Prices (Tariffs) for Wholesale Market Suppliers That Own or Otherwise Control Thermal Power Plants Operating in Non-price Zones of Wholesale Electricity and Capacity Market Where Tariffs are Established Through Long-term Indexation of Required Gross Revenue as developed in accordance with the Russian Government's Resolution No. 837 On Amendments to Pricing Basis in the Field of Regulated Prices (Tariffs) for Electric Power dated June 26, 2019, as well as the Guidelines for Calculation of Regulated Prices (Tariffs) for Heat Supplies approved by Order of the Federal Tariff Service No. 760-e dated June 13, 2013.

List of items included in the calculation of KPI 'Decrease in Operating Expenses (Costs)'

Cost Estimate form of the Business Plan, including business and management costs

No.	Items
1	Materials and supplies
2	Production-related work and services
	except:
	– Power transmission services of grid companies
	– Commercial power metering
	– Cash collection
3	Payroll costs
4	Compulsory social insurance
5	Private pension plans
6	Third-party work and services
	except:
	– R&D write-off
	– Services rendered by state (regulated) bodies (agencies)
7	Business travel and representation expenses
8	Lease broken down by areas (lessors)
	except:
	– Power generating and grid assets lease
9	Voluntary health insurance
10	Accident insurance
11	Other costs attributable to the cost of revenue
	except:
	– Software and licenses

⁹² Used for *j* – companies if GRR DOE is higher than CPI.

	– Remuneration of Board and Internal Audit Commission members
	– Estimated liabilities other than labor costs
	Other income and expenses form of the Business Plan
12	Other taxes recognized as part of OPEX
13	Maintenance of mothballed facilities
14	Social
15	Program of housing conditions improvement
16	Social facilities
17	Payroll out of other expenses
18	Voluntary health insurance
19	Annual General Meeting of Shareholders
20	Contributions to non-profit foundations and partnerships
21	Non-capitalized construction costs (impoundment areas, etc.)
22	Miscellaneous
	except:
	– State duties, reimbursements
	– Retiring and written-off assets and materials
	– Estimated liabilities, other prepaid expense
	– Borrowing and hedging

The calculated indicator is rounded to two decimal places. The rounding is mathematical.

2.7.2. Evaluation

The KPI is deemed to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.8. Integrated Innovative KPI

2.8.1. Calculation

List of legal entities included in the calculation:

PJSC RusHydro, JSC NIIES, JSC Vedeneyev VNIIG, JSC Hydroproject Institute, JSC Lenhydroproject, JSC Mosoblhydroproject, JSC RAO ES East, JSC DGK, JSC DRSK, PJSC Kamchatskenergo, PJSC Magadanenergo, PJSC Mobile Energy, PJSC Sakhalinenergo, JSC Sakhaenergo, JSC Chukotenergo, JSC UESK, and PJSC Yakutskenergo.

The indicator is calculated by measuring each of the Integrated Innovative KPI components:

- R&D expenses, % of revenue;
- increase in IP assets on the balance sheet in the reporting period;
- thermal efficiency in heat generation;
- HPP capacity management efficiency;
- quality of design (update) and implementation of the Innovative Development Program.

The target value is calculated using data from the duly approved Innovative Development Program of RusHydro effective in the reporting period⁹³.

The actual values of R&D expenses as a percentage of revenue, increase in IP assets on the balance sheet in the reporting period, and thermal efficiency in heat generation are taken from the duly approved annual progress report on the Group's Innovative Development Program.

The actual values for the calculation of HPP capacity management efficiency are determined as per the annual report on progress against PJSC RusHydro's Business Plan. To this end, the actual HPP installed capacity is taken as capacity as at the last day of the reporting year.

The actual values of the quality of design (update) / implementation of the Innovative Development Program are calculated in accordance with the Regulations on the Quality Assessment Procedure for the Development, Update and Annual Independent Assessment of Innovative Development Programs of Joint-Stock Companies Partially Owned by the Government, State-Owned Companies and Federal State Unitary Enterprises (appendix to Russian Government's Decree No. AD-P36-621 dated February 9, 2016).

2.8.1.1. R&D expenses, % of revenue (P_1)

The indicator is calculated using the following formula:

$$R_{R\&D} = (R\&D/S)*100\%, \text{ where}$$

R&D is annual R&D expenses of the companies used in the indicator calculation, including:

a) cost of acquiring exclusive intellectual property rights (under contracts for the alienation of exclusive rights under Article 1234 of the Russian Civil Code) or rights to use intellectual property (pursuant to license contracts under Article 1234 of the Russian Civil Code) with respect to the following intellectual properties:

- inventions, utility models or industrial designs (patent rights);
- software (copyright), databases (related rights), and integrated circuit topographies;
- microcircuits;
- manufacturing processes (know-how).

b) contributions to venture capital funds or private equity funds with a focus on small innovative and high-tech businesses;

c) investments in high-tech manufacturing projects in cooperation with Russian universities and government research institutions as part of Russian Government's Resolution No. 218 of April 9, 2010;

⁹³ Should any amendments be made by the Interdepartmental Working Group for the Implementation of Innovative Development Priorities with the Presidium of the Russian President's Council for Modernization of the Economy and Innovative Development of Russia to the target values or to guidelines for the calculation of integrated innovative KPI components or should the program be updated or should the program be approved for a new period, the integrated innovative KPI is calculated using the updated information.

- d) procurement of research equipment for Russian educational institutions;
- e) contributions to non-profit organizations supporting priority technology platforms as per the list approved by the Presidium of the Russian President's Council for Modernization of the Economy and Innovative Development of Russia and contributions to specialized entities managing regional innovation clusters as per the list set forth in Appendix 6 to Russian Government's Resolution No. 316 of April 15, 2014;
- f) cost of continuing education (professional development and retraining of staff) and targeted training of students at universities and vocational schools.

S is annual revenue of the companies included in the calculation as per RAS financial statements less the cost of purchased electricity and heat, cost of power and heat transmission by grid companies, intragroup operations, including revenue of JSC DRSK and revenue from utility connection

2.8.1.2. Increase in IP assets on the balance sheet in the reporting period (P2).

The indicator is calculated using the following formula

$$N_{\text{patents}} = \left(\frac{P_i}{P_{i-1}} - 1 \right) * 100\%$$

P_i is the actual number of IP assets on the balance sheet of the companies included in the calculation (with the copyright protection available) in the reporting year.

P_{i-1} is the actual number of IP assets on the balance sheet of the companies included in the calculation (with the copyright protection available) in the year preceding the reporting year.

Copyright protection means duly executed (with the copyright protection available) patents for inventions, patents for utility models, software registration certificates, database and integrated circuit topography (including know-how) registration certificates.

2.8.1.3. Thermal efficiency in heat generation (P3) (for JSC RAO ES East only)

The indicator is calculated using the following formula:

$$T_{eh} = \frac{(0.86 W_{\text{supply}} + Q_{\text{supply}}) * 1,000}{7 * B} \quad \%, \text{ where}$$

W_{supply} is total electricity supply from the busbars to the companies included in the calculation in the reporting year, mn kWh;

Q_{supply} is total heat supply from the boiling stations to the companies included in the calculation in the reporting year, '000 Gcal;

0.86 is a conversion factor for kWh to Gcal;

7 is a ratio of calorific value of equivalent fuel, kcal/kg;

B is total consumption per unit of equivalent fuel for electricity and heat generation across the companies included in the calculation in the reporting year, tonnes of equivalent fuel.

2.8.1.4. HPP capacity management efficiency (P4), number of employees per 100 MW (for PJSC RusHydro only)

The indicator is calculated using the following formula:

$$W_{\text{HPP}} = \text{Average headcount involved in core operations} / \text{HPP installed capacity} * 100$$

The target values of headcount and installed capacity are calculated based on PJSC RusHydro's Business Plan for the relevant period.

The HPP capacity management efficiency measured in the number of employees per 100 MW (P₄) is an inverse proportion: the lower the value, the higher the efficiency.

2.8.1.5. Quality of Innovative Development Program design (update) and implementation (P5), %

The target value of the indicator is set at 90%.

Specific weights are assigned to the components of the quality of Innovative Development Program design (update) and the quality of Innovative Development Program implementation as resolved by the Interdepartmental Working Group for the Implementation of Innovative Development Priorities with the Presidium of the Russian President's Council for Modernization of the Economy and Innovative Development of Russia.

If, at the time the indicator is calculated, any of the component values is not available, its weight is assigned to another component of the indicator.

The evaluation of whether and to what extent the indicator meets the established target is based on the results of the final assessment of the quality of Innovative Development Program design (update) and Innovative Development Program implementation for the reporting period as provided by the Interdepartmental Commission for Technological Development with the Presidium of the Council under the President of the Russian Federation for the modernization of the economy and innovative development of Russia and approved by the resolution of the Interdepartmental Working Group for the Implementation of Innovative Development Priorities with the Presidium of the Russian President's Council for Modernization of the Economy and Innovative Development of Russia.

2.8.2. Evaluation

The evaluation of whether and to what extent the integrated innovative KPI meets the established target is based on the values of its components as shown below:

$$P_{\text{integrated}} = \sum_{i=1}^5 \Pi_i^0 * \text{weight}_i, \%$$

where

$P_{\text{integrated}}$ is the Integrated Innovative KPI in the reporting year.

Π_i^0 is an indicator value n(i) characterising the Company's innovation activity in the reporting year.

weight_i is a weight of the indicator in the reporting year.

Weights for the calculation of the Integrated Innovative KPI are shown in the table below:

No.	Component	Weight, %
1	R&D expenses, % of revenue	15
2	Increase in IP assets on the balance sheet in the reporting period, %	15
3	Thermal efficiency, % (JSC RAO ES East only)	20
4	HPP capacity management efficiency, number of employees per 100 MW (RusHydro)	20
5	Quality of Innovative Development Program design (update) and implementation, %	30

2.8.2.1. R&D expenses, % of revenue (Π_1^o).

The indicator is considered to fully meet the established target if its actual value is not below the target set in the Innovative Development Program for the reporting year. Otherwise, it is assessed by the extent to which the target has been met (the ratio of the indicator's actual value to its target value as provided in the Innovative Development Program and the relevant progress report).

2.8.2.2. Increase in IP assets on the balance sheet in the reporting period (Π_2^o).

The indicator is considered to fully meet the established target if its actual value is not below the target set in the Innovative Development Program for the reporting year. Otherwise, it is assessed by the extent to which the target has been met (the ratio of the indicator's actual value to its target value as provided in the Innovative Development Program and the relevant progress report).

2.8.2.3. Thermal efficiency (JSC RAO ES East only) (Π_3^o).

The indicator is considered to fully meet the established target if its actual value is not below the target set in the Innovative Development Program for the reporting year. Otherwise, it is assessed by the extent to which the target has been met (the ratio of the indicator's actual value to its target value as provided in the Innovative Development Program and the relevant progress report).

2.8.2.4. HPP capacity management efficiency, number of employees per 100 MW (for RusHydro only) (Π_4^o).

The HPP capacity management efficiency measured in the number of employees per 100 MW (P_4) is an inverse proportion: the lower the value, the higher the efficiency. The indicator is considered to fully meet the established target if its actual value is not above the target set in the Innovative Development Program for the reporting year. Otherwise, it is assessed by the

extent to which the target has been met (the ratio of the indicator's target value to its actual value as provided in the Innovative Development Program and the relevant progress report).

2.8.2.5. Quality of Innovative Development Program design (update) and implementation (Π^o_5).

Whether and to what extent the indicator meets the established target is evaluated as provided in paragraph 2.8.1.5.

2.8.2.6. Evaluation of the integrated innovative KPI:

- the indicator is considered to meet the established target if $P_{\text{integrated actual}} \geq 0.95 \cdot P_{\text{integrated plan}}$, where

$P_{\text{integrated actual}}$ is the actual value of the integrated innovative KPI in the reporting year.

$P_{\text{integrated plan}}$ is the established (target) value of the integrated innovative KPI in the reporting year.

- the indicator is considered not to meet the established target if $P_{\text{integrated actual}} < 0.95 \cdot P_{\text{integrated plan}}$.

2.9. KPI 'Total Shareholder Return (TSR)'

2.9.1. Calculation

The target value is not calculated since it is sourced externally.

The indicator is calculated for one year using the data about the Company's shares quotation on the Moscow Exchange and RusHydro Group's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) using the following formula:

$$\text{TSR} = \frac{(\bar{P}_1 - \bar{P}_0) + \text{DPS}}{\bar{P}_0}, \text{ where}$$

\bar{P}_0 is an average price per share in RUB on the Moscow Exchange over 22 trading days as at the end of the year preceding the reporting year;

\bar{P}_1 is an average price per share in RUB on the Moscow Exchange over 22 trading days as at the end of the reporting year;

DPS (dividend per share) is a total amount of dividends or other disbursements (special dividends, redemption of shares, etc.) in RUB payable to shareholders per share during the reporting period.

No decimals are used in the calculation of the indicator. The rounding is mathematical.

2.9.2. Evaluation

The indicator is evaluated by comparing the Company's actual TSR against changes in the key

composite index of the Moscow Exchange (the Index). Changes in the Index are calculated as a percentage of changes in the average Index over 22 trading days as at the end of the year preceding the reporting year and the average Index for 22 trading days as at the end of the reporting year. The indicator is considered to fully meet the established target (the actual value is assumed to be 100%) if the estimated actual indicator grew faster than the Index in the reporting period.

Otherwise, the indicator is not considered to meet the established target (the actual value is assumed to be 0%).

2.10. KPI 'Free cash flow (FCF)'

2.10.1. Calculation

The list of legal entities for the calculation of:

- the target value is taken from PJSC RusHydro's effective Regulations on the Business Planning Framework subject to RusHydro Group's Consolidated Business Plan;
- the actual value is taken from RusHydro Group's audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), Note Principal Subsidiaries.

For the target value calculation, RusHydro Group uses data from its Business Plan duly approved by the Company.

For the actual value calculation, RusHydro Group uses data from its audited consolidated financial statements prepared in accordance with the IFRS (Consolidated Statement of Cash Flows).

The indicator for RusHydro Group is calculated as a difference between the net cash flow from operations less interest paid on borrowings, financial lease and derivatives, and CAPEX. Free Cash Flow (FCF) is net consolidated cash flow from operations less obligatory financing expenses and investments required to maintain and/or expand the existing assets.

FCF is calculated on the basis of RusHydro Group's consolidated annual financial statements prepared in accordance with the IFRS, using the following formula:

$$\text{FCF} = \text{CFO} - \text{CAPEX} - \text{Interest paid} - \text{Finance lease payments}$$

where

CFO is the Net Cash Generated by Operating Activities line in the Consolidated Statement of Cash Flows for the reporting period;

CAPEX is total cash outflows recognized in the Cash Flow from Investing Activities section of the Consolidated Statement of Cash Flows for the reporting period;

Interest paid and Finance lease payments⁹⁴ are relevant amounts specified in the Cash Flow from Financing Activities section of the Consolidated Statement of Cash Flows for the reporting period.

2.10.2. Evaluation

The KPI is considered to meet the established target if its actual value is at least 95% of the target for the reporting period. Otherwise, the indicator is not considered to meet the established target.

2.11. Earnings per share (EPS), RUB/share

2.11.1. Calculation

List of legal entities to be used in the calculation:

- the target value is calculated based on RusHydro's effective Regulations on the Business Planning Framework subject to RusHydro Group's Consolidated Business Plan;
- the actual value is calculated based on RusHydro Group's audited consolidated financial statements prepared under the International Financial Reporting Standards (IFRS), note Principal subsidiaries.

The target value is calculated based on the input from RusHydro Group's Consolidated Business Plan and RusHydro Group's Business Plan:

EPS

$$= \frac{\text{Profit for the period} + \text{Non-cash expenses} - \text{Non-cash income} + \text{Fuel costs}}{(\text{Number of shares as at the beginning of the year} + \text{Number of shares as at the end of the year}) * 0.5}$$

where:

Profit for the period is the line Profit for the period in RusHydro Group's Consolidated Income Statement, RUB mn.

Non-cash expenses/income – the item Other Non-cash Operating Expense/Income Items (Explanatory Note to RusHydro Group's Consolidated Business Plan, chapters Financial Income and Expenses, Analysis by Segment, Financial Results), RUB mn, includes:

Non-cash expenses include:

- Loss from impairment of fixed assets;
- Loss from impairment of long-term promissory notes;
- Impairment loss on available-for-sale financial assets;

⁹⁴ Line titles may differ from those published in the IFRS financial statements or the business plan, but their meaning and content correspond to those specified herein.

- Loss on revaluation of net assets of a subsidiary acquired exclusively with a view to resale;
- Loss from disposal of fixed assets;
- Balance of income and expenses related to provisioning;
- Discounting costs;
- Inventory impairment provision;
- Foreign exchange losses;
- Other non-cash expenses.

Non-cash income includes:

- Income associated with the pension plan reduction;
- Discounting income;
- Foreign exchange gains;
- Income from revaluation of financial investments;
- Other non-cash income.

Fuel costs is the estimated amount of expenses under the Fuel costs item (Explanatory Note to RusHydro Group's Consolidated Business Plan, Chapter RusHydro Group's Expenses), RUB mn.

Number of shares as at the beginning of the year is the number of shares (in millions) as at the beginning of the year calculated by dividing the Authorized capital line (RusHydro's business plan / RusHydro's pro forma balance sheet / Liabilities / III Capital and reserves) by par value of a share (RUB 1).

Number of shares as at the end of the year is the number of shares (in millions) as at the end of the year calculated by dividing the Authorized capital line (RusHydro's business plan / RusHydro's pro forma balance sheet / Liabilities / III Capital and reserves) by par value of a share (RUB 1).

The calculated indicator is rounded to two decimal places. The rounding is mathematical.

For the actual value calculation, RusHydro Group uses the data from its IFRS consolidated financial statements. Consolidated Statement of Financial Position, Consolidated Profit and Loss Statement, note Information by Segment to RusHydro's audited financial (accounting) statements.

EPS

$$= \frac{\text{Profit for the period} + \text{Non-cash expenses} - \text{Non-cash income} + \text{Fuel costs}}{(\text{Number of shares as at the beginning of the year} + \text{Number of shares as at the end of the year}) * 0.5}$$

where:

Profit for the period (year) is the Profit for the year line in RusHydro Group's Consolidated Profit and Lost Statement template, RUB mn.

Number of shares as at the beginning of the year is the number of shares (in millions) as at the beginning of the year calculated by dividing the Authorized capital line (RusHydro's balance sheet / Liabilities / III Capital and reserves) by par value of a share (RUB 1).

Number of shares as at the end of the year is the number of shares (in millions) as at the end of the year calculated by dividing the Authorized capital line (RusHydro's balance sheet / Liabilities / III Capital and reserves) by par value of a share (RUB 1).

Non-cash expenses/income – the item Other non-cash items of operating income and expenses (Notes Segment information and Finance income, expenses to RusHydro Group's IFRS consolidated financial statements for the reporting period), RUB mn, includes:

Non-cash expenses include:

- Loss from impairment of fixed assets;
- Loss from impairment of long-term promissory notes;
- Impairment loss on available-for-sale financial assets;
- Loss on revaluation of net assets of a subsidiary acquired exclusively with a view to resale;
- Loss from disposal of fixed assets;
- Balance of income and expenses related to provisioning;
- Discounting costs;
- Inventory impairment provision;
- Foreign exchange losses;
- Other non-cash expenses.

Non-cash income includes:

- Income associated with the pension plan reduction;
- Discounting income;
- Foreign exchange gains;
- Income from revaluation of financial investments;
- Other non-cash income.

Fuel costs is the actual expenses under the item Fuel Costs (Note Operating Expenses to RusHydro Group's IFRS consolidated financial statements for the reporting period), RUB mn.

The calculated indicator is rounded to two decimal places. The rounding is mathematical..

2.11.2. Indicator evaluation

The KPI is deemed to meet the established target if its actual value is at least 95% of the target for the reporting period⁹⁵. Otherwise, the indicator is not considered to meet the established target.

⁹⁵ If any additional shares are issued this year in favor of the Russian Federation, the target number of such shares shall be adjusted to factor in such additional shares placed as part of such issue.

APPENDIX No.10 INDEPENDENT ASSURANCE REPORT ON THE FULFILMENT OF THE LONG-TERM DEVELOPMENT PROGRAMME OF RUSHYDRO GROUP FOR 2019



Independent Assurance Report on the Fulfilment of the Long-Term Development Programme of RusHydro Group for 2019

To the Management of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro (PJSC RusHydro):

Introduction

We have been engaged by management of PJSC RusHydro to provide limited assurance on the selected information included in the Report on the Fulfilment of the Long-Term Development Programme of RusHydro Group for 2019.

Selected information

The subject matter of our engagement was actual performance indicators of RusHydro Group (the "Group") set out in the Long-Term Development Programme (the "LTDP") and included in the Report on the Fulfilment of the LTDP for 2019 (the "Selected Information").

The Group's actual performance indicators represent information on the Group's achievement of its key performance indicators under the Group's LTDP, included in Section 12 of the Report on the Fulfilment of the LTDP for 2019.

Reporting Criteria

We assessed the calculation and measurement of the Selected Information using the KPIs Calculation and Measurement Methodology (the "Methodology") included in Appendix 4 of the Group's LTDP for the period from 2018 to 2022¹ and in the Appendix to the Report on the Fulfilment of the LTDP for 2019, taking into account some modifications of the Methodology as described in Section 1 of the Report on the Fulfilment of the LTDP for 2019 (hereinafter jointly – the "Reporting criteria").

Management responsibilities

PJSC RusHydro's management is responsible for:

- designing, implementing and maintaining internal controls over the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- publishing the Methodology and description of the modifications to the Methodology;
- preparing the Selected Information in accordance with the legislative requirements, standards and internal corporate regulations, including the Reporting Criteria;
- assessing and presenting the Selected Information based on these requirements; and
- ensuring that the Selected Information is accurate, complete and fairly presented.

¹ Approved by PJSC RusHydro's Board of Directors on 31 May 2018 (Minutes No. 271) as amended by the resolutions of PJSC RusHydro's Board of Directors on 25 October 2018 (Minutes No. 279), on 28 August 2019 (Minutes No. 294) and on 18 October 2019 (Minutes No. 297).

AO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russian Federation, 125047
T: +7 (495) 967 6000, F: +7 (495) 967 6001, www.pwc.ru

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is prepared in accordance with the Reporting Criteria and whether there are material reasons for deviations of actual indicators from target other than those included in the Selected Information;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to PJSC RusHydro's management.

This report, including our conclusions, has been prepared solely for PJSC RusHydro's management in accordance with the agreement between us, to assist management in reporting on the Group's performance under the LTDP for 2019. We permit this report to be disclosed, in particular in the Annual Reportⁱⁱ of PJSC RusHydro for 2019 to enable management to confirm that they have obtained an Independent Assurance Report in connection with the Selected Information for 2019. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PJSC RusHydro's management for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed the limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, together with the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our limited assurance procedures in the Russian Federation.

Our firm applies International Standard on Quality Control 1 and appropriately maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work Done

We are required to plan and perform our work in order to consider the risks of material misstatement of the Selected Information. For this purpose, our procedures included:

- enquiries of PJSC RusHydro's management;

ⁱⁱ PJSC RusHydro's management is responsible for placing information on PJSC RusHydro's web-site and for accuracy of such information. The scope of our performed work does not include reviewing these matters; consequently, we do not assume any responsibility for any amendments that might have been made to the Selected Information underlying the Independent Limited Assurance Report or any differences between the report issued by us and the information presented on PJSC RusHydro's web-site.



- interviews of the Group's officials responsible for the preparation of the Selected Information and collection of underlying data;
- analysis of the Reporting Criteria and gaining an understanding of the design of the key systems, processes and controls for preparing and reporting the Selected Information;
- assessment of the accuracy of the Selected Information and the reasons for deviations of the Selected Information from target performance indicators in case of non-fulfilment; and
- limited substantive testing of the Selected Information on a sample basis to verify that data have been appropriately measured, recorded, collated and reported in line with the Reporting Criteria.

We have not performed any audit or review procedures in accordance with International Standards on Auditing or International Standards on Review Engagements on the underlying data based on which the Selected Information was prepared.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Reporting and measurement methodologies

The Selected Information and this Independent Report should be read and considered together with the Reporting Criteria as the absence of generally accepted and established practice for measurement and assessment of the Selected Information may lead to the application of different, but acceptable, techniques to calculate and assess key performance indicators, which may affect its comparability with other organisations and prior period information.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information in the attached Report on the Fulfilment of the Group's LTDP for 2019 is not prepared, in all material respects, in accordance with the Reporting Criteria.

23 April 2020

Moscow, Russian Federation

A.S. Ivanov, certified auditor (licence no. 01-000531),

AO PricewaterhouseCoopers Audit

Engaging party - Public joint stock company Federal Hydro-Generating Company - RusHydro

Record made in the Unified State Register of Legal Entities on 26 December 2004 under State Registration Number 104340110494

Taxpayer Identification Number 280302195

60017, Russian Federation, Krasnoyarsk Region, Krasnoyarsk, Dubrovnikogo st. 43, bld. 1

Audit organization:
AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under No. 006.800

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7700051102

Member of Self-regulatory organization of auditors Association «Sodruzhestvo

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations - 12008020036

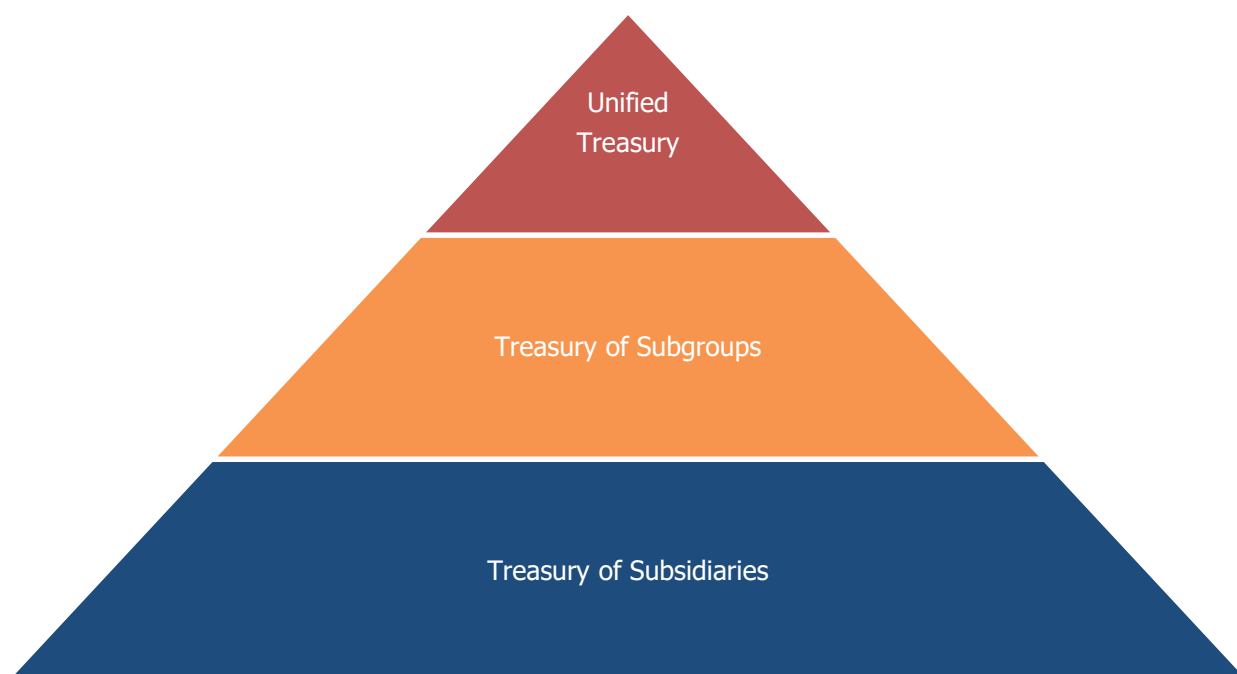
3

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

APPENDIX No.11 INFORMATION CONCERNING ESTABLISHMENT OF UNIFIED TREASURIES IN THE HEAD COMPANIES, SUBSIDIARIES, AND AFFILIATES

Pursuant to the Directives No. 5110 p-P13 and No. 1796p-P13 of the Government of the Russian Federation dated August 8, 2014 and March 26, 2015, respectively, the Board of Directors of PJSC RusHydro (hereinafter- the Company) made a resolution "On the Establishment of a Unified Treasury of PJSC RusHydro, its Subsidiaries, and Affiliates (Minutes No. 203 dated September 15, 2014) and issued an order (Minutes No. 215 dated May 5, 2015) to conduct an annual analysis following the establishment of a Unified Treasury of RusHydro Group. The Unified Treasury (hereinafter - UT) has been functioning as a methodological and information center since June 30, 2015, whose activities are aimed at regulating the work of the UT, optimizing cash flows, and centralizing the management of RusHydro Group's financial risks.

The UT represents a vertically integrated three-level organizational system of RusHydro Group's treasury:



On an annual basis:

- settlement and payment system of RusHydro Group is subject to the inventory check, following which a report on the annual outcomes of RusHydro Group's UT establishment is sent to the Ministry of Finance of the Russian Federation and the Federal Financial Monitoring Service.
- monitoring the level of reliability and financial stability of partner banks within RusHydro Group's system for selecting lenders to place funds with the aim of accreditation of partner banks;
- calculation and approval of risk limits on accredited banks and guarantor banks.

In 2019, work aimed at centralizing risk management, optimization of operational costs of RusHydro Group is continued. Process of accepted guarantees monitoring is automated to secure performance of obligations of RusHydro Group's counterparties.

Since August 2019, the Group has been running a Project to create a centralized Single Treasury, an automated information platform, establishing a unified IT infrastructure to support business processes of the Treasury and Finance functions. The project is planned for completion in 2021.

APPENDIX No.12 INFORMATION ON THE ACTUAL RESULTS OF THE IMPLEMENTATION OF EXECUTIVE ORDERS AND INSTRUCTIONS ISSUED BY THE PRESIDENT OF THE RUSSIAN FEDERATION AND BY THE GOVERNMENT OF THE RUSSIAN FEDERATION IN 2019

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
1	Bx-573.HШ	Office of the Government of the Russian Federation	On consideration of updating the long-term plan for the comprehensive social and economic development of Svobodny of the Amur Region	January 17, 2019.	February 15, 2019.
2	Bx-575.HШ	Office of the Government of the Russian Federation	On providing information	January 17, 2019.	February 11, 2019.
3	Bx-626.HШ	Office of the Government of the Russian Federation	Telegram about conducting a meeting on January 25, 2019 concerning results of work performed in 2018 and priority tasks for 2019	January 18, 2019.	January 24, 2019.
4	Bx-659.HШ	Office of the Government of the Russian Federation	On providing information on graduates of the federal program "Training and retraining of professional managers reserve (2010-2021)"	January 18, 2019.	February 5, 2019.
5	Bx-1025.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On providing information	January 25, 2019.	February 7, 2019.
6	Bx-1116.HШ	Office of the Government of the Russian Federation	On providing information	January 28, 2019.	February 4, 2019.
7	Bx-1395.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On sending information	January 31, 2019.	February 15, 2019.
8	Bx-1840.HШ	Office of the Government of the Russian Federation	On providing information	February 6, 2019.	February 14, 2019.
9	Bx-1957.HШ	Office of the	On presenting a report concerning	February 7, 2019.	February 12, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
		Government of the Russian Federation	implementation of actions on completion of Cheboksarskaya HPP construction		
10	Bx-2170.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On sending a report of the Government of the Russian Federation on issue of compensation of shortfall in income of JSC DGK	February 11, 2019.	February 15, 2019.
11	Bx-2163.HШ	Office of the Government of the Russian Federation	On presentation of plan-schedule of engineering subdivisions placement on the Russky Island	February 11, 2019.	March 1, 2019.
12	Bx-2825.HШ	Office of the Government of the Russian Federation	On sending information concerning the project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines"	February 21, 2019.	February 28, 2019.
13	Bx-2874.HШ	Office of the Government of the Russian Federation	On providing information on making changes to exclude excessive requirements to designing, construction and operation of hydropower facilities	February 21, 2019.	February 26, 2019.
14	Bx-3010.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On providing information on preparation of a report to the President of the Russian Federation on the main results of activity in 2018 on the territory of the Far Eastern Federal District	February 25, 2019.	April 1, 2019.
15	Bx-3785.HШ	Office of the Government of the Russian Federation	On providing a report to the Government of the Russian Federation on annual qualification upgrade	March 7, 2019.	March 25, 2019.
16	Bx-4808.HШ	Office of the Government of the Russian Federation	On conducting a meeting on March 27, at 6.30 p.m. with D. Kozak concerning the issue of price setting on electric energy for the new generating object in the Primorsky Territory	March 26, 2019.	March 27, 2019.
17	Bx-4836.HШ	Office of the Government of the Russian Federation	On providing agreed suggestions on the report of the Federal Anti-Monopoly Service of Russia (dated March 1, 2019 No. VK/16210-Pr/19)	March 26, 2019.	April 1, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
18	Bx-4837.HШ	Office of the Government of the Russian Federation	On providing the agreed report (Ministry of Energy of Russia dated February 7, 2019 No. AN-1141/09)	March 26, 2019.	April 9, 2019.
19	Bx-4838.HШ	Office of the Government of the Russian Federation	On providing agreed suggestions to the Government of the Russian Federation on the report of the Ministry of Finances of Russia (dated February 15, 2019 No. 01-02-2/19-9644)	March 26, 2019.	April 15, 2019.
20	Bx-4857.HШ	Office of the Government of the Russian Federation	On providing information on financing of the investment project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines"	March 27, 2019.	April 30, 2019.
21	Bx-4979.HШ	Office of the Government of the Russian Federation	On providing agreed suggestions in accordance with the order of the Ministry of Energy	March 28, 2019.	April 1, 2019.
22	Bx-5088.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On providing the position of PJSC RusHydro for preparation of the report to the Control Directorate of the President about alternative options working out of energy supply to the region within the frames of actions on adjustment of the Scheme and program of electric energy development of the Kamchatka Territory	March 29, 2019.	April 12, 2019.
23	Bx-5072.HШ	Office of the Government of the Russian Federation	On providing information for the report to the President of the Russian Federation	March 29, 2019.	April 9, 2019.
24	Bx-5117.HШ	Office of the Government of the Russian Federation	On providing the minutes on project implementation "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines"	April 1, 2019.	May 28, 2019.
25	Bx-5866.HШ	Office of the Government of the Russian Federation	On providing a report in compliance with Clause 3 of the order "On functioning of the integrated power grid of the Russian Federation"	April 11, 2019.	April 30, 2019.
26	Bx-6260.HШ	Office of the Government of the Russian Federation	On providing a position on the use of available remaining balance of unused contributions to the authorized capital of PJSC RusHydro for the	April 18, 2019.	April 23, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
			implementation of investment projects		
27	Bx-6264.HШ	Office of the Government of the Russian Federation	On providing a position on energy saving of Chaun-Bilibinsky electric generation system of the Chukotka Autonomous District	April 18, 2019.	April 19, 2019.
28	Bx-6269.HШ	Office of the Government of the Russian Federation	On follow-up revision of the order of the Government of the Russian Federation on approval of action plan on implementation of Concept of the Russky Island development	April 18, 2019.	May 14, 2019.
29	Bx-7141.HШ	Office of the Government of the Russian Federation	On consideration of additions to the order of the Government of the Russian Federation	May 6, 2019.	May 13, 2019.
30	Bx-7142.HШ	Office of the Government of the Russian Federation	On providing agreed suggestions to the Government of the Russian Federation in accordance with Clause 49 of the Regulation of the Government of the Russian Federation (report dated April 16, 2019 No. 01-02-02/19-26857)	May 6, 2019.	May 21, 2019.
31	Bx-7215.HШ	Office of the Government of the Russian Federation	On presenting the position on technological connection to "Far East Hectare" electric grids	May 7, 2019.	May 14, 2019.
32	Bx-7216.HШ	Office of the Government of the Russian Federation	On providing information on making changes to exclude excessive requirements to designing, construction and operation of hydropower facilities	May 7, 2019.	May 16, 2019.
33	Bx-7330.HШ	Office of the Government of the Russian Federation	On consideration of consolidation of electric grid assets	May 13, 2019.	May 21, 2019.
34	Bx-7405.HШ	Office of the Government of the Russian Federation	On conducting a meeting on May 17, 2018 at 1.00 p.m. concerning dividends paying out according to the results of 2018 of PJSC RusHydro and JSC SO UES	May 14, 2019.	May 16, 2019.
35	Bx-7914.HШ	Office of the Government of the	On the project of plan-schedule of placement of engineering subdivisions and research and	May 22, 2019.	May 24, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
		Russian Federation	development centres on the Russky Island		
36	Bx-8130.HШ	Administration of the President of the Russian Federation	On participation in "WEC patrons" program	May 27, 2019.	May 29, 2019.
37	Bx-8210.HШ	Office of the Government of the Russian Federation	On providing suggestions concerning decrease of tariffs in the Zabaikalye Territory	May 28, 2019.	May 31, 2019.
38	Bx-9147.HШ	Office of the Government of the Russian Federation	On providing the report draft	June 13, 2019.	June 18, 2019.
39	Bx-9402.HШ	Office of the Government of the Russian Federation	On suggestions working out on further implementation of the project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines" (construction stage No. 1)	June 18, 2019.	June 27, 2019.
40	Bx-9403.HШ	Office of the Government of the Russian Federation	On providing the suggestions concerning technological connection to "Far East Hectare" electric grids	June 18, 2019.	June 26, 2019.
41	Bx-9459.HШ	Office of the Government of the Russian Federation	On presentation of suggestions on implementation of the solution about necessity of CHPP construction in Pevek	June 19, 2019.	June 24, 2019.
42	Bx-9735.HШ	Office of the Government of the Russian Federation	On presenting a report on anti-corruption management	June 25, 2019.	July 8, 2019.
43	Bx-10250.HШ	Office of the Government of the Russian Federation	On submitting a report on technological connection to "Far East Hectare" electric grids	July 3, 2019.	July 5, 2019.
44	Bx-10350.HШ	Office of the Government of the Russian Federation	On execution of Clause 8 of the Section I of the order of the Government of the Russian Federation on implementation of construction project of the new CHPP in Pevek	July 4, 2019.	July 5, 2019.
45	Bx-10351.HШ	Office of the Government of the	On providing information on energy supply to the Chukotka Autonomous District	July 4, 2019.	July 8, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
		Russian Federation			
46	Bx-10462.HW	Office of the Government of the Russian Federation	On sending information on execution of Clause 2 section III of the order of the Government of the Russian Federation No. DK-P9-250pr concerning financing the investment project "Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines"	July 5, 2019.	August 15, 2019.
47	Bx-10545.HW	Office of the Government of the Russian Federation	On providing information for the project on physical culture and popular sport development in the Russian Federation	July 8, 2019.	July 11, 2019.
48	Bx-11615.HW	Office of the Government of the Russian Federation	On sending agreed suggestions on technological connection to "Far East Hectare" electric grids	July 24, 2019.	July 26, 2019.
49	Bx-12179.HW	Office of the Government of the Russian Federation	On energy saving of the Chukotka Autonomous District by the order of the Government of the Russian Federation No. DK-P9-4921	August 1, 2019.	August 5, 2019.
50	Bx-12180.HW	Office of the Government of the Russian Federation	On organization of centralized energy supply to Krasny Yar, Sobolinskoe, Yasenevoe and Olon of the Primorsky Territory by the order of the Government of the Russian Federation 3 DK-P9-573	August 1, 2019.	August 12, 2019.
51	Bx-12501.HW	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On considering application of Khabarovsk Territory Governor S. Furgal concerning gas supply of the region	August 7, 2019.	August 21, 2019.
52	Bx-12981.HW	Office of the Government of the Russian Federation	On preserving the bridge across the Yenisei River in the area of the Sayano-Shushenskaya HPP	August 15, 2019.	August 21, 2019.
53	Bx-13133.HW	Office of the Government of the Russian Federation	On providing agreed suggestions on implementation of the project of construction of Single-Circuit 110 kV Pevek-Bilibino Overhead	August 16, 2019.	August 22, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
			Lines		
54	Bx-13502.HШ	Office of the Government of the Russian Federation	On sending the materials for reworking of energy supply to the Chukotka Autonomous District	August 23, 2019.	August 27, 2019.
55	Bx-14441.HШ	Office of the Government of the Russian Federation	On suggestions concerning implementation of construction project of the new CHPP in Pevek	September 9, 2019.	September 13, 2019.
56	Bx-14442.HШ	Office of the Government of the Russian Federation	On technological connection to electric grids of consumers on the "Far East Hectare" program	September 9, 2019.	September 12, 2019.
57	Bx-14535.HШ	Administration of the President of the Russian Federation	On considering the report of the Government of the Russian Federation "On actions of energy supply provision to the Chukotka Autonomous District" and provision of position	September 10, 2019.	September 24, 2019.
58	Bx-14983.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting concerning implementation progress of the federal project "Health Improvement of Volga" in constituent entities of the Russian Federation	September 17, 2019.	October 22, 2019.
59	Bx-14984.HШ	Office of the Government of the Russian Federation	On state support of social and economic development of the Mari El Republic	September 17, 2019.	October 17, 2019.
60	Bx-15211.HШ	Office of the Government of the Russian Federation	On the project of action plan with the results of the conducted analysis of the active legislation	September 20, 2019.	October 7, 2019.
61	Bx-15306.HШ	Office of the Government of the Russian Federation	On presentation of position concerning organization of centralized energy supply to Krasny Yar, Sobolinskoe, Yasenevoe and Olon of the Primorsky Territory	September 23, 2019.	September 26, 2019.
62	Bx-15311.HШ	Office of the Government of the Russian Federation	On implementation of plan-schedule of engineering subdivisions placement on the Russky Island	September 23, 2019.	October 1, 2019.
63	Bx-15844.HШ	Office of the	On providing information on execution of the	October 1, 2019.	October 18, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
		Government of the Russian Federation	order of the Government of the Russian Federation "On the National Program of Anti-Corruption Management"		
64	Bx-15942.HW	Office of the Government of the Russian Federation	On providing the information on submission of the federal property to the ownership of the Primorsky Territory	October 2, 2019.	October 9, 2019.
65	Bx-16010.HW	Office of the Government of the Russian Federation	On consideration of application of the non-governmental organization "All-Russian Electric Trade Union"	October 3, 2019.	October 25, 2019.
66	Bx-16005.HW	Office of the Government of the Russian Federation	On presentation of suggestions by the order of the Government of the Russian Federation "On Expediency of Changing the Reservoir Water Surface of Cheboksarskaya HPP"	October 3, 2019.	November 1, 2019.
67	Bx-16125.HW	Office of the Government of the Russian Federation	On presentation of suggestions by the order of the Government of the Russian Federation "On Expediency of Changing the Reservoir Water Surface of Cheboksarskaya HPP"	October 4, 2019.	November 1, 2019.
68	Bx-16274.HW	Office of the Government of the Russian Federation	On consideration of application of the Association "Community of Energy Consumers" concerning execution of independent audit of Artemovskaya CHPP-2 construction project	October 8, 2019.	November 5, 2019.
69	Bx-16415.HW	Office of the Government of the Russian Federation	On sending the minutes of the meeting concerning extension of action of levelling mechanism of tariffs for electric energy in the territory of the Far Eastern Federal District	October 10, 2019.	October 24, 2019.
70	Bx-16443.HW	Office of the Government of the Russian Federation	On sending the minutes of the meeting of the Government Commission concerning development of electric power industry	October 10, 2019.	November 1, 2019.
71	Bx-16567.HW	Office of the Government of the Russian Federation	On follow-up revision of the project "On making changes in some acts of the Government of the Russian Federation on separate issues of consolidation of objects of electric grid household	October 14, 2019.	October 30, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
			in territorial grid organizations”		
72	Bx-16846.HШ	Office of the Government of the Russian Federation	On presentation of position concerning development of project documentation on construction completion of Cheboksarsky hydropower station	October 17, 2019.	October 18, 2019.
73	Bx-17207.HШ	Office of the Government of the Russian Federation	On implementation of agreements achieved during the 17 th session of the Russian-Bulgarian Intergovernmental Commission on Economic and Scientific-Technical Cooperation	October 24, 2019.	November 29, 2019.
74	Bx-17456.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On alternative options working out of energy supply to the Kamchatka Territory	October 29, 2019.	November 12, 2019.
75	Bx-17893.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting concerning implementation of the investment project “Three volcanoes” Park” in the Kamchatka Territory	November 5, 2019.	November 19, 2019.
76	Bx-18137.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On considering the materials about allocation of additional monetary funds to the Chukotka Autonomous District for implementation of the investment project on reclamation of Baimsky ore zone	November 8, 2019.	November 18, 2019.
77	Bx-18254.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On presentation of position concerning CHPP construction in Sovetskaya Gavan	November 11, 2019.	November 19, 2019.
78	Bx-18255.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting concerning implementation of the project “Construction of Two Single-Circuit 110 kV Pevek-Bilibino Overhead Lines” and construction of other engineering infrastructure facilities for provision	November 11, 2019.	December 6, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
			of energy supply to the Chukotka Autonomous District		
79	Bx-18461.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting with Yu. Trutnev concerning energy supply of consumers and active investment projects	November 14, 2019.	November 22, 2019.
80	Bx-18826.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting concerning the projects of the federal law, sent for improvement of state regulation of prices, legal position of natural monopolies and investment activity carrying out by subjects of natural monopolies	November 20, 2019.	November 25, 2019.
81	Bx-19248.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On providing the information on running of heating period in Deputatsky	November 27, 2019.	December 4, 2019.
82	Bx-19297.HШ	Office of the Government of the Russian Federation	On package of measures aimed at the increase of market value of RusHydro Group for the period up to 2021	November 27, 2019.	December 13, 2019.
83	Bx-20211.HШ	Office of the Envoy from the President of the Russian Federation in the Far Eastern Federal District	On providing the information on the stated and prognosticative shortfall in incomes of the enterprise connected with the change of price for gas, actions taken to pay for the contracted volumes of gas	December 12, 2019.	December 23, 2019.
84	Bx-20488.HШ	Office of the envoy from the President of the Russian Federation in the Far Eastern Federal District	On conducting the meeting on December 25, 2019 concerning the autumn and winter period of 2019-2020 going through by the subjects of the Far Eastern Federal District	December 17, 2019.	December 23, 2019.
85	Bx-20906.HШ	Administration of the President of the Russian Federation	On planning a meeting conduction to discuss creation of non-commercial organization in the form of a fund	December 23, 2019.	December 26, 2019.

No.	Registration number	The Body that issued Executive Order / Instruction	Brief content of the Executive Order / Instruction	Date of issue of the Executive Order / Instruction	Date of execution of the Executive Order / Instruction
86	Bx-20866.HШ	Office of the Government of the Russian Federation	On sending the minutes of the meeting with the Deputy Chairman of the Government D. Kozak On implementing norms of Federal Law No. 522-FZ dated December 27, 2018 and draft regulation of the Government of the Russian Federation "On Making Changes in Some Acts"	December 23, 2019.	December 27, 2019.

APPENDIX No.13 INFORMATION ABOUT LEGAL ENTITIES CONTROLLED BY THE COMPANY THAT ARE OF MATERIAL SIGNIFICANCE⁹⁶

In the IFRS financial statements of RusHydro Group, information about material subsidiaries is disclosed by particular segments arranged into groups by activity areas⁹⁷. RusHydro Group performs its activities in three main reporting segments, one of which is represented by the parent company of the Group, RusHydro.

1. Joint-Stock Company RAO ES East (JSC RAO ES East)

The role performed for RusHydro Group and key activity areas:

The Company owns equity stakes in electricity companies operating in the Integrated Energy System of the East (Primorye, Khabarovsk Territory, Amur Region, Jewish Autonomous Region, and the south of Yakutia) and in isolated energy systems (Yakutia, Sakhalin Region, Magadan Region, and Kamchatka Territory), and implements investment projects of RusHydro Group in the Far Eastern Federal District (Vostochnaya TPP, off-site facilities of Yakutsk GRES-2, Sakhalin GRES-2, CHPP in Sovetskaya Gavan, etc.).

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro owns 84.39% of the voting shares of JSC RAO ES East, and 99.98% of voting shares are consolidated in the ownership of RusHydro Group;
- RusHydro exercises the powers of the sole executive body of JSC RAO ES East;
- the Board of Directors of JSC RAO ES East is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of the Group:

In its activity, JSC RAO ES East interacts with RusHydro, JSC MC HydroOGC (which renders agency services for the investment projects to JSC RAO ES East), and electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East"⁹⁸.

2. Public Joint-Stock Company Far East Electricity Company (PJSC FEEC/DEK)

The role performed for RusHydro Group and key activity areas:

The share of PJSC FEEC in the consolidated proceeds of RusHydro Group is 20.55%.

⁹⁶ 1There was no change in material control over significant controlled legal entities.

⁹⁷ 2More details on significant legal entities is given in the IFRS statements posted on the Company website.

⁹⁸ This segment consists of JSC RAO ES of the East and its subsidiaries that generate, distribute, and market electricity and heat mainly in the Far East, as well as transport, construction, repair, and other companies rendering serving functions.

The Company is the main guaranteeing supplier of electricity for the public and enterprises of nonprice zone II of the wholesale electricity market and has the status of a Single Purchaser performing the function of purchase and sale of electricity (capacity) to participants of the wholesale market of non-price zone II.

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro controls PJSC FEEC through a controlled organization, JSC RAO ES East;
- JSC RAO ES East owns 51.03% of voting shares of PJSC FEEC, and 52.16% of voting shares are consolidated in the ownership of RusHydro Group;
- JSC ESC RusHydro, 100% of whose voting shares are owned by RusHydro Group, exercises the powers of the sole executive body of the Company;
- Eight members of the Board of Directors of PJSC FEEC out of 15 were elected by the votes of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, PJSC FEEC deals with electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East".

3. Joint-Stock Company Far East Generating Company (JSC FEGC /DGK)

The role performed for RusHydro Group and key activity areas:

The share of PJSC FEEC in the consolidated proceeds of RusHydro Group is 6.60%.

The Company produces heat and electricity and provides centralized heat supply for consumers in areas where power plants are located in the Khabarovsk and Primorsky Territories, Amur Region, Jewish Autonomous Region, and the southern region of the Republic of Sakha (Yakutia). JSC FEGC is also assigned the function of heat sales to end consumers.

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro controls PJSC FEGC through a controlled organization, PJSC FEEC;
- PJSC FEEC owns 100% – 1 share of voting shares of JSC FEGC, and 100% of voting shares are consolidated in the ownership of RusHydro Group;
- The Board of Directors of JSC FEGC is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, JSC FEGC deals with electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East".

4. Public Joint-Stock Company Yakutskenergo (PJSC Yakutskenergo)

The role performed for RusHydro Group and key activity areas:

The share of PJSC Yakutskenergo in the consolidated proceeds of RusHydro Group is 7.02%.

The Company produces electricity and heat and provides the functions of the guaranteeing supplier of electricity in the Republic of Sakha (Yakutia).

Mechanisms ensuring accountability and controllability within the Group:

- JSC RAO ES East owns 49.37% of voting shares of PJSC Yakutskenergo;
- RusHydro owns 29.80% of voting shares of PJSC Yakutskenergo;
- 79.17% of voting shares are consolidated in the ownership of RusHydro Group;
- The Board of Directors of PJSC Yakutskenergo is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, PJSC Yakutskenergo deals with electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East".

5. Public Joint-Stock Company Krasnoyarskenergosbyt (PJSC Krasnoyarskenergosbyt)

The role performed for RusHydro Group and key activity areas:

The share of PJSC Krasnoyarskenergosbyt in the consolidated proceeds of RusHydro Group is 7.99%.

The Company is the main guaranteeing supplier of electricity for the public and enterprises on the territory of the Krasnoyarsk Territory. PJSC Krasnoyarskenergosbyt also offers services for the sale, maintenance, and repair of energy accounting meters, high-voltage testing of electrical equipment, and energy audit of facilities, and renders services under agency contracts. Starting December 1, 2009, the Company renders services for management of multi-unit residential buildings.

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro controls PJSC Krasnoyarskenergosbyt through the controlled companies JSC ESC RusHydro and JSC Hydroinvest;
- JSC ESC RusHydro owns 66.33% of voting shares of PJSC Krasnoyarskenergosbyt, and 69.4% of voting shares are consolidated in the ownership of RusHydro Group;
- JSC ESC RusHydro, 100% of whose voting shares are owned by RusHydro Group, exercises the powers of the sole executive body of the Company;
- seven out of nine members of the Board of Directors of Krasnoyarskenergosbyt were elected by the votes of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, PJSC Krasnoyarskenergosbyt interacts with electricity companies of the Group, including JSC ESC RusHydro, which organizes electricity sales in RusHydro Group.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of ESC RusHydro"⁹⁹.

6. Joint-Stock Company Zagorskaya PSHPP-2 (JSC Zagorskaya PSHPP-2)

The role performed for RusHydro Group and key activity areas:

The share of JSC Zagorskaya PSHPP-2 in the value of consolidated assets of RusHydro Group is 6.54%.

The Company implements measures for the organization of construction of the Zagorskaya PSHPP-2.

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro owns 100% of voting shares of JSC Zagorskaya PSHPP-2;
- JSC MC HydroOGC, 100% of whose voting shares are owned by RusHydro, exercises the powers of the sole executive body of the Company;
- The Board of Directors of JSC Zagorskaya PSHPP-2 is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

⁹⁹ This segment consists of the Group's subsidiaries selling electricity to end consumers. All companies in this segment, except for JSC ESC RusHydro, have the status of guaranteed suppliers, that is, suppliers who are obliged to sign contracts for the supply of electricity with all end consumers within their region subject to an respective application.

In its activity, JSC Zagorskaya PSHPP-2 interacts with JSC MC HydroOGC, which performs the functions of the sole executive bodies of the majority of controlled companies of RusHydro Group that are customers of construction, and with design organizations of RusHydro Group.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in "Other segments".

7. Joint Stock Company Far-Eastern Grids Company (JSC FEGrC)

The role performed for RusHydro Group and key activity areas:

The share of PJSC FEGrC in the value of consolidated assets of RusHydro Group is 5.23%.

The company is conducting operations within the United Power System of the East by transmitting electricity through power distribution networks in the Amur Region, Khabarovsk Territory, Jewish Autonomous Region, Primorsky Territory, and the southern region of Sakha Republic (Yakutia).

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro controls PJSC FEGrC through a controlled organization, PJSC FEEC;
- PJSC FEEC owns 100% of voting shares of JSC FEGrC;
- The Board of Directors of JSC FEGrC is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, JSC FEGrC deals with electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East".

8. Public Joint Stock Company of energy and electrification Kamchatskenergo (PJSC Kamchatskenergo)

The role performed for RusHydro Group and key activity areas:

The share of PJSC Kamchatskenergo in the consolidated proceeds of RusHydro Group is 5.33%.

PJSC Kamchatskenergo has been assigned the status of a guaranteeing supplier on the territory of the Krasnoyarsk Territory. The company implements its activities within an isolated electric power system. The main market for the products of PJSC Kamchatskenergo limited by the Company's infrastructure capacity the territory of the Kamchatka territory within the Central energy hub.

Mechanisms ensuring accountability and controllability within RusHydro Group:

- RusHydro controls PJSC Kamchatskenergo through a controlled organization, JSC RAO ES East;
- JSC RAO ES East owns 84.77% of voting shares of PJSC Kamchatskenergo;
- RusHydro owns 13,93% of voting shares of PJSC Kamchatskenergo;
- 98.75% of voting shares are consolidated in the ownership of RusHydro Group;
- The Board of Directors of PJSC Kamchatskenergo is entirely made up of representatives of RusHydro Group.

Information about functional relations between key companies of RusHydro Group:

In its activity, PJSC Kamchatskenergo deals with electricity companies of the Group in the Far Eastern Federal District.

Supplementary information:

In the IFRS financial statements of RusHydro Group, the Company is placed in the segment "Subgroup of RAO ES East".

APPENDIX No.14 LIST OF THE MOST SIGNIFICANT TRANSACTIONS CARRIED OUT BY THE COMPANY AND OTHER MAJOR CONTROLLED LEGAL ENTITIES FOR THE LAST YEAR

Significant Transactions of the Company

The criteria for classifying the Company's transactions as significant are defined in sub-clause 8.2 of Article 8 of the Company's Charter. In 2019, RusHydro committed no significant transactions as specified in sub-clause 8.2. of the Charter.

Significant Transactions of Controlled Legal Entities

The criteria for the "most significant transactions" of major controlled legal entities are not defined in their Charters. Since sub-clause 8.2. of Article 8 of the Company's Charter, in relation to significant transactions of the Company, established the criterion of their assignment to significant category in the amount of 10 (Ten) and more percent of the Company's book value, in relation to the controlled legal entities, in order to disclose these data, the same criterion is applied and the transactions of major controlled legal entities (except for intragroup transactions) are given as significant, with their price exceeding 10 (ten) or more percent of the book value of the assets of the respective entity on the last reporting date preceding the date of the transaction.

The entities controlled by PJSC RusHydro and significant for it (from January 1, 2019 up to December 31, 2019):

- Full corporate name: Joint-Stock Company RAO Energy Systems of the East
- Full corporate name: Public Joint-Stock Company Far Eastern Energy Company
- Full corporate name: Joint-Stock Company Far Eastern Generating Company
- Full corporate name: Public Joint-Stock Company Yakutskenergo
- Full corporate name: Public Joint-Stock Company Krasnoyarskenergosbyt
- Full corporate name: Joint-Stock Company Zagorskaya PSHPP-2

- Full corporate name: Joint-Stock Company Far Eastern Distribution Company¹⁰⁰
- Full corporate name: Public Joint-Stock Company of Power and Electrification Kamchatskenergo¹⁰¹

From January 1, 2019 up to December 31, 2019 among controlled legal entities having significant meaning for PJSC RusHydro such transactions were performed by JSC DGK, PJSC FEGrC and PJSC Krasnoyarskenergosbyt:

Ser. No.	Type and Subject of the Transaction	Parties to the Transaction	Content of a transaction, including civil rights and obligations, the establishment, modification of which or termination a transaction is aimed at	Deadline for the fulfillment of obligations under the transaction, parties and beneficiaries under the transaction, amount of the transaction in money terms and as a percentage of the value of the issuer's assets	The value of assets of a controlled entity significant for PJSC RusHydro at the end of the reporting period (quarter, year) preceding the transaction (date of contract) and for which the accounting (financial) statements were prepared in accordance with the legislation of the Russian Federation	Date of the transaction (contract)	Information about the approval of the transaction by PJSC RusHydro	Transaction category with regard to a controlled entity significant for PJSC RusHydro	The management body of the controlled entity significant for PJSC RusHydro, which made the decision to approve the transaction	Date of the decision to approve the transaction	Date and number of the Minutes of Meeting (Session) of the authorized management body of the controlled entity significant for PJSC RusHydro, at which the decision was made to approve the transaction
1	Agreement on opening of the revolving	PJSC Moscow Credit Bank	The Creditor grants the Borrower the revolving credit line	Limit validity period from August 12, 2019 up to August 12, 2026	RUB 84,843,953 as of June 30,	August 12, 2019.	Did not require	Transaction, price of which	Board of Directors	August 8,	Minutes No. 3 dated August

¹⁰⁰ JSC FEGrC became significant controlled legal entity for PJSC RusHydro from March 14, 2019. Information on occurrence of this event is disclosed at: <http://www.e-disclosure.ru/portal/event.aspx?EventId=RRbYHW9kW02oMrNhxGO5nQ-B-B>

¹⁰¹ PJSC Kamchatskenergo became significant controlled legal entity for PJSC RusHydro from June 06, 2019. Information on occurrence of this event is disclosed at: <http://www.e-disclosure.ru/portal/event.aspx?EventId=HCo2a1wIQEWLeHznv6qKRw-B-B>

	credit line	(Creditor) and JSC DGK (Borrower).	for financing current operating activities, investment activities and refinancing of existing credits and loans for the period up to August 12, 2026. Interest rate for using credit funds: key rate of the Bank of Russia +2.9% (bank margin)	(both dates inclusive) Transaction size in money terms and as a percentage of the value of the issuer's assets: RUB 10,000,000,000 (Ten billion), 11.79% of the value of the issuer's assets as of June 30, 2019	2019		consent	exceeds 10 (Ten) percent of the book value of the assets of the Company on the last reporting date		2019.	8, 2019
2 102	General Terms Agreement No. 127-k-19 on opening of the revolving credit line with differentiated interested rate	PJSC FEGrC Russian Regional Development Bank (JSC)	For financing current operating activities, investment activities and refinancing of existing credits and loans	deadline for the fulfillment of obligations under the transaction: November 15, 2026; parties to the transaction: PJSC FEGrC, Russian Regional Development	RUB 46,683,905,000 as of September 30, 2019	November 15, 2019.	Did not require consent	Related transactions , price of which exceeds 10 (Ten) percent of the book value of the assets of the Company on the last reporting	The transaction is concluded within the volume of attraction of the Borrowing Plan for 2019,	-	-

¹⁰² Transaction, indicated in Clause 2 and Sub-Clause 2.1. are mutual and cumulatively amount to 19.2% of the book value of the assets of PJSC FEGrC as of September 30, 2019.

				<p>Bank (JSC)</p> <p>sum of transaction: RUB 4.5 bn;</p> <p>9.6% of book value of the assets of PJSC FEGrC as of September 30, 2019</p>				date	<p>approved by the Board of Directors of PJSC FEGrC (minutes No. 334 dated December 14, 2018), as well as taking into account announced results of the contest committee according to the results of the contest procedure on selection of the</p>	
--	--	--	--	---	--	--	--	------	--	--

									credit organization (minutes No. DEK-58.K-VP dated October 24, 2019)		
2.1	General Terms Agreement No. 128-k-19 on opening of the revolving credit line with differentiated interested rate	PJSC FEGrC Russian Regional Development Bank (JSC)	For financing current operating activities, investment activities and refinancing of existing credits and loans	deadline for the fulfillment of obligations under the transaction: November 15, 2026; parties to the transaction: PJSC FEGrC, Russian Regional Development Bank (JSC) sum of transaction: RUB 4.5 bn; 9.6% of value of the	RUB 46,683,905,000 as of September 30, 2019	November 15, 2019.	Did not require consent		The transaction is concluded within the volume of attraction of the Borrowing Plan for 2019, approved by the Board of Directors of PJSC FEGrC (minutes No. 334	-	-

				assets of PJSC FEGrC as of September 30, 2019						dated December 14, 2018), as well as taking into account announced results of the contest committee according to the results of the contest procedure on selection of the credit organization (minutes No. DEK-58.K-VP dated October	
--	--	--	--	---	--	--	--	--	--	--	--

									24, 2019)		
3	Addendum No. 24 to the Sales and Purchase Agreement of electric power No. 450 dated August 21, 2017	The Buyer - PJSC Krasnoyarsk energosbyt The Seller - LLC RUSENERGO SBYT SIBIR	Changes are made to the clauses of the Agreement regulating the cost and term of services rendering	The Agreement is concluded for the period from January 1, 2018 up to December 31, 2020, limit amount of the transaction RUB 622,374,081 (Six hundred twenty two million three hundred seventy four thousand eighty one) 96 kopecks, including VAT RUB 101,118,230.32 which amounts to 14.2% of the book value of the assets as of September 30, 2019	RUB 4,731,705 as of September 30, 2019	December 31, 2019.	Did not require consent	Transaction, price of which exceeds 10 (Ten) percent of the book value of the assets of the Company on the last reporting date	Board of Directors	December 30, 2019	Minutes No. 181 dated December 31, 2019

APPENDIX No.15 ACCOUNTING STATEMENTS AND THE INDEPENDENT AUDITOR'S AUDIT REPORT AS OF DECEMBER 31, 2019 (IN ACCORDANCE WITH RAS)



PJSC «RusHydro»

Financial statements and
Independent Auditor's report

31 December 2019

Translation from Russian original

Content

INDEPENDENT AUDITOR'S REPORT FINANCIAL STATEMENTS

BALANCE SHEET	1
STATEMENT OF FINANCIAL RESULTS	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	6
I. General information	8
1.1 Information about the Company	8
1.2 The Company's operating environment.....	9
II. Accounting policies	12
2.1 Basis of presentation	12
2.2 Assets and liabilities denominated in foreign currency	12
2.3 Accounting for assets and liabilities	12
2.4 Property, plant and equipment and construction-in-progress	13
2.5 Investments	14
2.6 Inventories	16
2.7 Expenses of future periods.....	16
2.8 Accounts receivable	16
2.9 Cash equivalents and presentation of cash flows in the statement of cash flows	17
2.10 Share capital, additional and reserve capital.....	17
2.11 Loans and bank credits received.....	17
2.12 Estimated liabilities, contingent liabilities and contingent assets.....	18
2.13 Revenue recognition	18
2.14 Recognition of expenses	18
2.15 Changes in the accounting policies	19
III. Disclosure of material indicators	20
3.1 Non-current assets (Section I of the balance sheet)	20
3.1.1 Property, plant and equipment (line 1151 of the balance sheet), construction-in-progress (line 1152 of the balance sheet)	20
3.1.2 Long-term investments (line 1170 of the balance sheet)	24
3.1.3 Other non-current assets (line 1190 of the balance sheet).....	29
3.2 Current assets (Section II of the balance sheet)	29
3.2.1 Inventories (line 1210 the balance sheet).....	29
3.2.2 Accounts receivable (line 1230 of the balance sheet)	30
3.2.3 Short-term investments (Line 1240 of the balance sheet).....	35
3.2.4 Cash and cash equivalents (line 1250 of the balance sheet)	37
3.3 Equity and reserves (Section III of the balance sheet)	39
3.3.1 Share capital (line 1310 of the balance sheet).....	39
3.3.2 Revaluation of non-current assets (line 1340 of the balance sheet).....	40

3.3.3	Additional paid-in capital (line 1350 of the balance sheet)	40
3.3.4	Reserve capital (line 1360 of the balance sheet)	40
3.4	Non-current liabilities (Section IV of the balance sheet)	41
3.4.1	Long-term borrowings (line 1410 of the balance sheet)	41
3.4.2	Other non-current liabilities (line 1450 of the balance sheet)	43
3.5	Current liabilities (Section V of the balance sheet)	43
3.5.1	Short-term borrowings (line 1510 of the Balance sheet)	43
3.5.2	Accounts payable (line 1520 of the balance sheet)	43
3.5.3	Estimated liabilities (line 1540 of the balance sheet)	44
3.6	Off-balance-sheet valuables	44
3.6.1	Leased property, plant and equipment	44
3.6.2	Collateral for liabilities and payments received	45
3.6.3	Collateral for liabilities and payments issued	46
3.6.4	Non-deliverable forward contract for shares	47
3.7	Income and expenses on operating activities (statement of financial results)	48
3.7.1	Revenue (line 2110 of the statement of financial results)	48
3.7.2	Cost of sales (line 2120 of the statement of financial results)	48
3.8	Other income and expenses (line 2340 and line 2350 of the statement of financial results)	49
3.9	Taxes	49
3.10	Dividends	51
3.11	Earnings per share	52
3.12	Related Parties	52
3.12.1	Controlling entity	52
3.12.2	Sales to related parties	52
3.12.3	Purchases from related parties	53
3.12.4	Settlements with non-state pension fund	53
3.12.5	Settlements with related parties	54
3.12.6	Related parties' debt within investments	54
3.12.7	Income from investments in other companies (related parties)	55
3.12.8	Remuneration to key management personnel	55
3.12.9	Cash flows between the Company and subsidiaries/associates	56
3.13	Segment Information	56
3.14	Contingent liabilities	57
3.15	Financial risk management	57
3.16	Subsequent events	60



Independent Auditor's Report

To the Shareholders and Board of Directors of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro (PJSC RusHydro):

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PJSC RusHydro (the "Company") as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the reporting rules established in the Russian Federation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2019;
- the statement of financial results for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the balance sheet and statement of financial results, which include significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

AO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russian Federation, 125047
T: +7 (495) 967 8000, F: +7 (495) 967 6001, www.pwc.ru

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Emphasis of matter

We draw attention to Note 2.5 Investments and Note 3.1.2 Long-term investments (balance sheet line 1170) to the balance sheet and statement of financial results which describe the reasons for departure from accounting rules in respect of non-revaluation of quoted financial investments in shares of AO RAO ES of East which previously had current market value, at their last available market value, PAO Yakutskenergo, PAO Far East Energy Company and PAO Kamchatskenergo at their current market values. As of 31 December 2019 the amount of unrecognised decrease in the market value as compared to the carrying value of these investments is Russian Roubles ("RUB") 6,656 million, as of 31 December 2018 – RUB 6,670 million. Our opinion is not modified in respect of this matter.

Our audit approach

Overview

Materiality	<ul style="list-style-type: none">Overall materiality: RUB 2,540 million, which represents 5% of the average profit before tax for the last three years.
Key audit matter	<ul style="list-style-type: none">Impairment assessment of financial investments and accounts receivable from subsidiaries and other related parties

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of the concept of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Overall materiality	RUB 2,540 million
How we determined it	5% of the average profit before tax for the last three years
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the accompanying financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Impairment assessment of financial investments and accounts receivable from subsidiaries and other related parties</p> <p>See paras 2.5, 2.8, 3.1.2, 3.2.2, 3.2.3, 3.12.5 and 3.12.6 of the explanatory notes to the balance sheet and income statement.</p> <p>At 31 December 2019, the aggregate carrying amount of the Company's equity and debt investments in its subsidiaries and other related parties was RUB 383,693 million (net of the impairment provision of RUB 37,958 million), or 36% of the total value of Company's assets.</p> <p>At 31 December 2019, the carrying amount of accounts receivable from subsidiaries and other related parties was RUB 127,727 million (net of the doubtful debt provision of RUB 5,099 million), or 12% of the total value of Company's assets.</p> <p>As part of the annual reporting process the Company performs a comprehensive analysis of all investments that are not carried at their current market value and of accounts receivable from related parties (primarily in the form of interest-free loans and bills) as at the</p>	<p>Our audit procedures aimed at analysing the impairment testing by the management of Company's financial investments and accounts receivable from related parties, included:</p> <ul style="list-style-type: none"> • understanding of how estimates in accounting and financial statements were calculated; • review of the methodology used by Company's management for the impairment test purposes; • review of reasonableness of accounting estimates made by the management and management's position on whether there are indicators of assets' potential impairment; • review on a test basis of key assumptions and source data used in the impairment tests and their compliance with the approved budgets and business plans, external

TRANSLATOR'S EXPLANATORY NOTE. This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Key audit matter	How our audit addressed the Key audit matter
<p>reporting date, to identify any indications of impairment and its amount.</p> <p>The Company decides on the need to recognise impairment of the above assets following the results of the comprehensive analysis of the current and expected financial position of the related party taking into account impairment criteria established in PBU 19/02 "Accounting for Investments", and the assessment of the debtor's solvency, individual specifics, payment dynamics and other factors.</p> <p>We focused on the impairment assessment of investments in and receivables from related parties due to significance of their carrying value and because the assessment process is complicated and requires significant management's judgements, and impairment provisions for investments and doubtful debts can be significant.</p>	<p>available and reliable information and our expert knowledge of industry specifics;</p> <ul style="list-style-type: none"> • review of the collectability analysis performed by management taking into account the solvency analysis of contractors as at the reporting date and other factors considered by management; • review on a test basis of the calculation accuracy and appropriateness of presentation in the financial statements of impairment provisions for investments and doubtful debts; • receipt and analysis of management's written representations related to performed impairment testing of these assets. <p>Following the results of our procedures, we believe that estimates and judgements made by management with regard to the impairment of investments and accounts receivable of related parties are relevant for the purposes of the attached financial statements.</p> <p>Acceptability of the current estimates made by the Company management for the purpose of the financial statements for the year ended 31 December 2019 does not guarantee that future events that are inherently uncertain would not lead to a significant change in these estimates.</p> <p>In addition, we verified compliance of disclosures in paras 2.5, 2.8, 3.1.2, 3.2.2, 3.2.3, 3.12.5 and 3.12.6 of the explanatory notes to the balance sheet and income statement, with the disclosure requirements as per PBU 1/2008 "Accounting Policy of an Entity", PBU 4/99 "Accounting Reports of an Entity" and PBU 19/02 "Accounting for Investments".</p> <p>Our procedures have not identified any findings that evidence that there is a need for any significant adjustments to these financial statements.</p>

TRANSLATOR'S EXPLANATORY NOTE. This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Other information

Management is responsible for the other information. Other information includes PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020, but does not include the financial statements and our auditor's report thereon. PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above, when it is made available to us, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the reporting rules established in the Russian Federation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

TRANSLATOR'S EXPLANATORY NOTE. This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

v



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the accompanying financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report, is Alexey Sergeevich Ivanov.

27 February 2020
Moscow, Russian Federation

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

vi



A. S. Ivanov, certified auditor (licence No. 01-000531), AO PricewaterhouseCoopers Audit

Audited entity: Public Joint Stock Company Federal Hydro-Generating Company – RusHydro

Record made in the Unified State Register of Legal Entities on 26 December 2004 under State Registration Number 1042401610494

Taxpayer Identification Number 2460066195

660017, Russian Federation, Krasnoyarsk Region, Krasnoyarsk, Dabrovinskogo str. 43, bld. 1

Independent auditor:
AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under No. 008.650
Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705051102

Member of Self-regulatory organization of auditors Association «Sodruzhestvo»

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 12005020338

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

vii

BALANCE SHEET as at 31 December 2019

Organisation Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)
 Taxpayer identification number
 Type of activity Electricity generation by hydroelectric power plants
 Form of incorporation/form of ownership
Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: thousands of RR
 Address: 43 Dubrovinskogo Street, bld. 1, Krasnovarsk, the Krasnovarsk Territory, Russia, 660017

	CODES
Form on OKUD	0710001
Date (year, month, day)	2019/12/31
OKPO	75782411
INN	2460066195
OKVED	35.11.2
OKOPF/OKFC	12247 / 41
OKEI	384

Financial statements are subject to mandatory audit YES NO

Name of Audit organization

INN 7705051102

Main state registration number of the auditing organization

OGRN 1027700148431

Note	Narrative	Line code	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	722,525	1,069,881	1,266,689
	Results of research and development	1120	1,445,577	1,097,117	919,865
3.1.1	Property, plant and equipment, incl:	1150	439,267,950	419,083,577	419,635,709
	fixed assets	1151	407,318,930	386,400,848	382,007,571
	construction in process	1152	31,949,020	32,682,729	37,628,138
3.1.2	Financial investments, incl:	1170	376,472,666	343,606,030	312,146,649
	investments in subsidiaries, associates and other entities	1171	312,802,040	277,477,592	256,729,188
	loans issued	1172	65,670,626	66,128,438	55,419,461
3.1.3	Other non-current assets	1190	3,155,715	2,629,344	4,222,555
	Total Section I	1100	823,064,433	767,485,949	738,193,567
	II. CURRENT ASSETS				
3.2.1	Inventories	1210	4,905,504	4,764,580	4,257,789
3.9	Value added tax on goods purchased	1220	21,763	19,196	29,896
3.2.2	Accounts receivable, incl:	1230	166,311,613	185,769,592	177,307,580
	accounts receivable (payments expected later than 12 months after the reporting date), incl:	1231	56,588,545	53,686,557	54,712,960
	buyers and customers	1231.1	34,457	40,851	34,048
	advances issued	1231.2	16,324,465	16,452,861	19,816,663
	promissory notes	1231.3	30,104,837	30,974,036	29,930,792
	loans issued	1231.4	589,251	440,946	2,600,411
	other debtors	1231.5	9,535,535	5,777,843	2,329,048
	accounts receivable (payments expected within 12 months after the reporting date), incl:	1232	109,723,068	132,083,035	122,594,620
	buyers and customers	1232.1	7,607,953	6,878,677	6,726,244
	advances issued	1232.2	8,805,211	7,058,892	4,275,517
	promissory notes	1232.3	1,810,654	2,342,791	2,384,784
	loans issued	1232.4	88,020,215	94,181,128	64,331,469
	other debtors	1232.5	3,279,035	21,621,547	44,876,608
3.2.3	Financial investments (excl. cash equivalents), incl:	1240	51,716,177	35,770,730	12,449,757
	bank deposits	1241	46,495,823	29,585,000	163,000
	loans issued	1242	5,220,354	5,584,677	11,685,704
	promissory notes	1243	-	601,053	601,053
3.2.4	Cash and cash equivalents	1250	16,163,423	42,970,607	50,926,567
	Other current assets	1260	11,220	25,926	11,321

TRANSLATOR'S EXPLANATORY NOTE: This version of our reporting accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

	Total Section II	1200	241,129,700	269,320,631	244,984,930
	TOTAL	1600	1,064,194,133	1,036,806,580	983,178,497

Form 07/10001 p. 2

Note	Narrative	Line code	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
1	2	3	4	5	6
	EQUITY AND LIABILITIES				
	III. CAPITAL AND RESERVES				
3.3.1	Charter capital	1310	426,288,814	426,288,814	426,288,814
3.3.2	Revaluation of non-current assets	1340	52,298,157	52,436,936	52,605,898
3.3.3	Additional capital (excl. revaluation)	1350	58,424,543	58,424,543	58,424,543
3.3.4	Reserve capital	1360	17,015,104	15,178,623	13,371,392
	Retained earnings (loss), incl.:	1370	319,954,422	298,876,855	274,993,504
	undistributed profit of previous years	1371	281,309,584	262,151,035	238,844,895
	undistributed profit of the current year	1372	38,644,838	36,725,620	36,148,609
	Total Section III	1300	873,979,040	851,205,771	825,684,149
	IV. LONG-TERM LIABILITIES				
3.4.1	Borrowings and bank loans	1410	120,575,391	128,176,628	71,698,212
3.9	Deferred tax liabilities	1420	21,664,604	18,308,210	17,113,048
3.4.2	Other liabilities	1450	2,798,906	2,840,292	4,284,143
	Total Section IV	1400	145,038,901	150,325,130	93,075,403
	V. SHORT-TERM LIABILITIES				
3.5.1	Borrowings and bank loans	1510	24,003,951	19,768,889	50,257,354
3.5.2	Accounts payable, incl.:	1520	17,026,460	11,702,866	10,563,236
	suppliers and contractors	1521	3,387,878	4,978,070	4,040,338
	payables to employees	1522	190,949	210,649	244,324
	payables to state non-budgetary funds	1523	224,962	143,631	133,808
	taxes payable	1524	5,347,132	5,407,731	5,241,815
	dividends payable	1525	139,385	143,159	140,728
	payables in respect of shares issued	1526	7,000,092	-	-
	other creditors	1527	736,062	819,626	762,223
	Income of future periods	1530	58,033	62,909	66,749
3.5.3	Estimated liabilities	1540	3,150,002	2,863,434	2,976,494
	Other liabilities	1550	937,746	877,581	555,112
	Total Section V	1500	45,176,192	35,275,679	64,418,945
	TOTAL	1700	1,064,194,133	1,036,806,580	983,178,497

Chairman of Management Board – General Director

N. G. Shulginov
(clarification of signature)

Chief accountant

Y. G. Medvedeva
(clarification of signature)

27 February 2020

TRANSLATOR'S EXPLANATORY NOTE: This version of our reporting accompanying accounts is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

STATEMENT OF FINANCIAL RESULTS
for the year ended 31 December 2019

Organisation Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)
 Taxpayer identification number
 Type of activity Electricity generation by hydroelectric power plants
 Form of incorporation/form of ownership
Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: thousands of RR

CODES	
Form on OKUD	0710002
Date (year, month, day)	2019/12/31
OKPO	75782411
INN	2460066195
OKVED	35.11.2
OKOPF/OKFC	12247 / 41
OKEI	384

Note	Narrative	Line code	Year ended 31 December 2019	Year ended 31 December 2018
1	2	3	4	5
3.7.1	Revenue	2110	155,180,091	162,813,264
3.7.2	Cost of sales	2120	(93,884,445)	(96,846,861)
	Gross profit	2100	61,295,646	65,966,403
	Profit from sales	2200	61,295,646	65,966,403
3.12.7	Income from participation in other companies	2310	609,121	828,956
	Interest income	2320	10,506,404	8,213,050
	Interest expense	2330	(8,770,597)	(7,772,051)
3.8	Other income	2340	8,946,862	14,839,431
3.8	Other expense	2350	(19,861,099)	(31,978,038)
	Profit before tax	2300	52,726,337	50,097,751
3.9	Current income tax, incl.:	2410	(11,296,863)	(11,044,024)
	permanent tax liabilities	2421	3,105,893	3,195,703
	Change in deferred tax liabilities	2430	(2,384,571)	(2,308,805)
	Change in deferred tax assets	2450	28,177	113,643
	Other	2460	(428,242)	(132,945)
	Net profit	2400	38,644,838	36,725,620
	Gain or loss from other operations not included in the net profit of the period	2520	-	-
	Total financial result for the period	2500	38,644,838	36,725,620
	REFERENCE			
3.11	Basic earnings per share, RR	2900	0,0897	0,0862

Chairman of Management Board – General Director _____

N. G. Shulginov
(clarification of signature)

Chief accountant _____

Y. G. Medvedeva
(clarification of signature)

27 February 2020

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports/financial statements is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2019

Organisation Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)
 Taxpayer identification number _____
 Type of activity Electricity generation by hydroelectric power plants
 Form of incorporation/form of ownership Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: thousands of RR

Form on OKUD		0710004
Date (year, month, day)	OKPO	2019/12/31
	INN	75782411
	OKVED	2460066195
	OKOPF/OKFC	35.11.2
	OKEI	12247 / 41
		384

I. Changes in equity

Narrative	Line code	Share capital	Additional capital	Reserve capital	Retained earnings	Total
1	2	3	4	5	6	7
Equity as of 31 December 2017 for 2018	3100	426,288,814	111,030,439	13,371,392	274,993,504	825,684,149
Increase of equity, including:	3210	-	-	-	36,747,298	36,747,298
net profit	3211	-	-	-	36,725,620	36,725,620
additional shares issue	3214	-	-	x	x	-
other	3217	-	-	x	21,678	21,678
Decrease of equity, including:	3220	-	-	-	(11,225,676)	(11,225,676)
dividends	3227	x	x	x	(11,225,676)	(11,225,676)
other	3228	-	-	x	-	-
Additional capital change	3230	x	(168,960)	x	168,960	x
Reserve capital change	3240	x	x	1,807,431	(1,807,431)	x
Equity as of 31 December 2018 for 2019	3200	426,288,814	110,861,479	15,178,823	298,876,655	851,205,771
Increase of equity, including:	3310	-	-	-	38,691,783	38,691,783
net profit	3311	-	-	-	38,644,838	38,644,838
additional shares issue	3314	-	-	x	x	-
other	3317	-	-	x	46,945	46,945
Decrease of equity, including:	3320	-	-	-	(15,918,514)	(15,918,514)
dividends	3327	x	x	x	(15,918,514)	(15,918,514)
other	3328	-	-	x	-	-
Additional capital change	3330	x	(140,779)	x	140,779	x
Reserve capital change	3340	x	x	1,836,281	(1,836,281)	x
Equity as of 31 December 2019	3300	426,288,814	110,720,700	17,015,104	319,954,422	873,979,040

III. Net assets

Narrative	Line code	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
1	2	3	4	5
Net assets	3600	874,035,715	851,264,699	825,745,329

Chairman of Management Board – General Director _____

N. G. Shulginov
(clarification of signature)

Chief accountant _____

Y. G. Medvedeva
(clarification of signature)

TRANSLATOR'S EXPLANATORY NOTE: This version of our reporting accompanying accounts is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

27 February 2020

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying accounts is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

5

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

Organisation Public joint stock company Federal Hydro-Generating Company - RusHydro (PJSC RusHydro)
Taxpayer identification number
Type of activity Electricity generation by hydroelectric power plants
Form of incorporation/form of ownership Public joint-stock company/mixed Russian ownership with a federal ownership share
Measurement unit: thousands of RR

	CODES
Form on OKUD	0710005
Date (year, month, day)	2019/12/31
OKPO	75782411
INN	2480088195
OKVED	35.11.2
OKOPF/OKFC	12247 / 41
OKEI	384

Note	Narrative	Line code	For 2019	For 2018
1	2	3	4	5
	Cash flows from operating activities			
	Receipts, including:	4110	156,379,288	172,150,669
	sales of products, goods, work and services	4111	153,823,744	161,297,279
	lease payments, license payments, royalties, commissions and other payments	4112	76,519	94,554
3.2.4	other receipts	4119	2,479,025	10,758,836
	Payments including:	4120	(104,334,980)	(105,843,067)
	to suppliers (contractors) – raw materials, works and services	4121	(58,133,991)	(60,098,235)
	wages and salaries	4122	(7,905,598)	(7,434,559)
	interest on debt liabilities	4123	(8,779,770)	(8,404,412)
	corporate income tax	4124	(10,283,801)	(11,343,407)
3.2.4	other payments	4129	(19,231,820)	(18,562,454)
	Net cash flows from operating activities	4100	52,044,308	66,307,602
	Cash flows from investing activities			
	Receipts, including:	4210	51,537,883	13,385,442
	sale of non-current assets (except for investments)	4211	9,022	20,445
	sale of shares of other organisations (ownership interest)	4212	6,427,445	938,998
	from return of loans, sales of debt securities (chase of possession of cash from third parties)	4213	37,800,345	6,925,316
	dividends, interests from long term financial investments and receipts from participation in other entities	4214	7,501,071	5,500,653
3.2.4	other receipts	4219	-	-
	Payments, including:	4220	(118,151,001)	(102,186,109)
	purchase, construction, modernisation, reconstruction and preparation for the use of non-current assets	4221	(38,613,829)	(16,096,331)
	related to purchase of shares of other organisations (ownership interest)	4222	(31,607,888)	(14,916,732)
	purchase of debt securities (chase of possession of cash from third parties), loans issued	4223	(31,475,029)	(39,648,282)
	borrowing costs included in the cost of the investment assets	4224	(1,522,814)	(2,082,764)
3.2.4	other payments	4229	(16,931,441)	(29,422,000)
	Net cash flows from investing activities	4200	(66,613,118)	(88,780,667)

Form No. 0710005, p 2.

Note	Narrative	Line code	For 2019	For 2018
1	2	3	4	5
	Cash flows from financing activities			
	Receipts, including:	4310	44,278,953	78,436,412

TRANSLATOR'S EXPLANATORY NOTE: This version of our reporting accompanying accounts is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

	borrowings and bank loans	4311	37,278,861	78,436,412
	issue of shares, increase in ownership interest	4313	7,000,092	-
	Payments, including:	4320	(54,518,165)	(64,174,272)
	dividends and other distributions to owners	4322	(15,847,277)	(11,135,333)
	redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(38,669,069)	(53,036,967)
3,2.4	other payments	4329	(1,819)	(1,972)
	Net cash flows from financing activities	4300	(10,239,212)	14,262,140
	Net cash flows for the reporting period	4400	(24,808,022)	(8,210,925)
3,2.4	Cash and cash equivalents at the beginning of the reporting period	4450	42,970,607	50,928,587
3,2.4	Cash and cash equivalents at the end of the reporting period	4500	18,163,423	42,970,607
	Foreign exchange rate difference	4490	638	252,945

Chairman of Management Board – General Director

N. G. Shulginov
(clarification of signature)

Chief accountant

Y. G. Medvedeva
(clarification of signature)

27 February 2020

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

I. General information

1.1 Information about the Company

Principal activities of public joint stock company Federal Hydro Generating Company - RusHydro (PJSC RusHydro, hereinafter - the Company) are the generation of electricity (power). The Federal Agency for State Property Management is the Company's major shareholder.

The Company's registered address is: 43, Dubrovinskogo str., bld. 1, Krasnoyarsk, Krasnoyarsk Territory, Russian Federation, 660017. The Company's postal address: 7, Malaya Dmitrovka str., Moscow, Russian Federation, 127006.

As of 31 December 2019 the Company employed 5,531 people (as of 31 December 2018 – 5,538 people, as of 31 December 2017 – 5,547 people).

The Company's shares are traded on MOEX stock exchange (<http://moex.com>). American depositary receipts, each of which corresponds to 100 ordinary shares of the Company are traded on the Main Market of London Stock Exchange and over-the-counter market of the USA.

As of 31 December 2019 the ownership share of the Russian Federation in the Company's share capital amounted to 60.56% excluding the actual additional placement of the Company's shares as part of the current additional issue (see para 3.3.1 of the Explanatory Notes) (as of 31 December 2018 – 60.56%, as of 31 December 2017 – 60.56%). As of 31 December 2019, the ownership share of the Russian Federation in the Company's share capital amounted to 61.20% inclusive of the additional placement of the Company's shares.

As of 31 December 2019 the Company has 22 branches registered in the Russian Federation, including: branch Bureyskaya GES, branch Volzhskaya GES, branch Votkinskaya GES, Dagestan branch, branch Zhigulevskaya GES, branch Zagorskaya GAES, branch Zeiskaya GES, Kabardino-Balkarsky branch, branch Kamskaya GES, Karachaevo-Cherkessky branch, branch Cascade of Verkhne-Volzhsky GES, branch Cascade of Kuban GES, branch Corporate Energy University, branch Nizhegorodskaya GES, branch Novosibirskaya GES, branch Saratovskaya GES, branch Sayano-Shushenskaya GES named after P.S. Neporozhny, Severo-Osetinsky branch, branch Cheboksarskaya GES, Primorsky branch, Yakutskbranch, Khabarovsk branch.

Membership of the Company's Board of directors as of 31 December 2019 is as follows:

- Trutnev Yuri Petrovich, Chairman of the Board of Directors, Deputy Prime Minister - Plenipotentiary Representative of RF President in the Far Eastern Federal District;
- Avetisyan Artem Davidovich, head of "New business" stream of autonomous non-profit organization "Agency of strategic initiatives for promotion of new projects";
- Bystrov Maxim Sergeevich, Chairman of the Management Board NP Market Council responsible for organization of effective system of energy power and capacity wholesale and retail;
- Grachev Pavel Sergeevich, General Director of PJSC "Polyus", General Director of LLC "Polyus";
- Kuznetsov Lev Vladimirovich, First Deputy Chairman of the Board of Directors of Intergeo Management company LLC»;
- Livinskiy Pavel Anatolyevich, Chairman of the Board of Directors and General Director of PJSC "Rosseti";
- Manevich Yuri Vladislavovich, Deputy Minister of energy of the Russian Federation;
- Pivovarov Vyacheslav Victorovich, Chief Executive Officer, LLC Altera Capital;
- Rasstrigin Mikhail Alekseevich, Depute Minister of Economic Development of the Russian Federation;
- Rogalev Nikolay Dmitrievich, rector of the Federal State Budget Educational Institution of Higher Education "National Research University "MEI";
- Chekunkov Alexey Olegovich, General Director of JSC " Fund for the development of the Far East and Arctic's;
- Shishkin Andrey Nikolaevich, Vice President for power and localisation PJSC Rosneft; member of Board of PJSC "NK "Rosneft", Chief Executive Officer and Chairman of the Management Board PJSC ANK "Bashneft", General Director of LLC "RN-Aktiv";

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

- Shulginov Nikolay Grigoryevich, Chairman of Management Board, General Director, PJSC RusHydro.

By the decision of the Annual General Meeting of Shareholders dated 02 July 2019 (protocol No.18) Kuznetsov Lev Vladimirovich, Manevich Yuri Vladislavovich, Chekunkov Alexey Olegovich were elected members of Board of Directors, and the powers of Sergey Ivanov, Vyacheslav Kravchenko, and Sergey Shishin were terminated.

As of 31 December 2019 the Company's Management Board includes:

- Shulginov Nikolay Grigoryevich, Chairman of the Management Board, General director,
- Bogush Boris Borisovich, First Deputy General Director, Chief engineer,
- Kazachenkov Andrey Valentinovich, First Deputy General Director,
- Kirov Sergey Anatolyevich, First Deputy General Director,
- Khmarin Victor Victorovich, Deputy General Director.

In 2019 there was no change in the composition of the Company's Management Board. The Company's Board of Directors elected Khmarin Victor Victorovich member of the Management Committee effective from 16 January 2019 (minutes No.281 of 27 December 2018). The Company's Board of Directors terminated the authority of Markin Vladimir Ivanovich (minutes No.283 of 21 February 2019) and Rizhinashvili George Ilyich (minutes No.302 of 26 December 2019).

As of 31 December 2019 members of the Company's Internal Audit Commission included:

- Annikova Natalia Nikolaevna,
- Zobjkova Tatiana Valentinovna, Department Division Head, Russian Ministry of Energy,
- Denis Sergeevich Konstantinov, Referent of the Department, Ministry of Economic Development of the Russian Federation,
- Repin Igor Nikolaevich, Deputy Executive Director, Investor protection association,
- Simochkin Dmitry Igorevich, Depute of head of Department of Federal Property Management Agency.

The above members of the Revision Group were elected by the decision of the Annual General Meeting of Shareholders dated 02 July 2019 (protocol No.18).

1.2 The Company's operating environment

The Russian economy displays certain characteristics of an emerging market. It is particularly sensitive to oil and gas price fluctuations. The legal, tax and customs frameworks continue to develop and are subject varying interpretation. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals. Firm oil prices, low unemployment and rising wages supported a modest growth of the economy in 2019.

This operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future impact of the current economic situation is difficult to predict, and the current expectations and assessments by management may differ from any actual results.

Developing capacity and power wholesale and retail markets possess higher level of risks than developed markets of other products and services. The Company's operations are exposed to financial, legal, country, regional, reputation and other risks.

The Company's risk management policy specifies the continuous efforts to identify risks, assess them and control and also develop and implement actions for addressing the risks, business continuity management in accordance with international and national standards of risk management (GOST R ISO 31000-2010, ISO 31000-2018, COSO ERM 2017 etc.), Code of corporate governance Central Bank of RF, methodological recommendations of the Federal Property Management Agency and the Ministry of Finance of the Russian Federation in the field of risk management and internal control.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Financial risks

Financial risk includes market risk (currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Financial position of the Company, its liquidity, sources of financing, performance results do not depend significantly on changes of rate of exchange and changes of interest rates.

Information about the Company's exposure to financial risks, their reasons and risk management tools is presented in paragraph 3.15 of the Explanatory Notes.

Legal risks

The reasons for legal risks are associated with potential changes in legal and regulatory base including currency and customs regulations, tax legislation and others.

Legal risks in domestic market related to regulation of electricity generation and its sale/purchase, which represent the Company's principal activities, can significantly impact the Company's financial position.

The Company manages these risks by developing a Company-friendly legal framework for operations of the electricity and capacity market. To accomplish this task the Company participates in the processes undertaken by the Russian Ministry of Energy, the NP Market Council and FTS in the area of developing the electric power industry regulations, and carries out continuous monitoring of changes in the legislation.

Legal risks in external market related to currency and customs regulation are insignificant due to insignificant volume of foreign trade transactions the Company participates in, which are managed through legal support and control of these transactions and liability insurance.

Country and regional risks

The reasons for country and regional risks are associated with political and economic situation, the geographic features of the country or the region where the entity operates and (or) is registered as a taxpayer.

Exposure to the country risk can be indirectly assessed, subject to some assumptions, based on the credit rating (the business exposure to political risks is not taken into account). At the end of 2019, Russia's foreign currency obligations were rates as follows: BBB- (Standard & Poor's), Ba1 (Moody's) and BBB- (Fitch). At the same time these three international agencies improved the outlook for Russia's sovereign rating to: stable (Moody's) and positive (Standard & Poor's and Fitch). According to analysts, 'external risks' to Russia have decreased and the Russian economy continuous adjustment to lower feedstock prices.

Also in 2019 international rating agencies raised the long-term credit rating of the Company as follows: Moody's improved the rating to Ba1 with stable outlook, Standard & Poor's – to BB+ with positive outlook, Fitch confirmed the rating at BB+ and revised the outlook from negative to stable.

Russian economy is vulnerable to market downturns and global economic slowdown. At the moment investor's comprehension of the country risks reduces the net volume of foreign investment in Russia and has a negative influence on the Russian economy. As well as Russia produces and exports large amounts of gas and oil, the Russian economy is especially vulnerable to the changes of international prices of energy resources; the reduction of gas and oil prices significantly affects the Russian economy development. These events may restrict the access of the Company to the capital and have an adverse impact on consumer purchasing power.

In the crisis environment experienced by the financial market and reduction of manufacturing output there is a risk of decrease in electricity demand that may result in reduction of sales and decrease in the Company's revenue and also a risk of increase in accounts receivable due to non-payments by the consumers of electricity.

The management believes that it has been taking all necessary measures to mitigate the impact of these events on its activities: optimization of leverage, optimisation of the obtained borrowed funds, increase turnover of current assets, assessment of the buyers' solvency, diversification of resources use and others.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Due to enhancement of the state control over energy industry the Company pays considerable attention to transparency and confidence of control procedures relating to budget funds expenditure within the Company's and subsidiaries' investment programmes and also develops and improves the corporate internal control system and risk management.

The Russian regions where the Company performs its operations are characterised by peaceful political situation. Probability of war conflicts, strikes, introduction of the state of emergency in these regions is low except for entities located in North-Caucasus Federal District.

However, changes in the Company's business environment in Russia and in the regions of the Company's presence, the nature and frequency of such changes and related risks are hard to predict and so are their effects on the Company's operations in the future. Such risks are largely beyond the Company's control due to their global scale. If the situation is destabilised in Russia or in any Russian regions, the Company will implement crisis management strategies to minimise the risk of the negative effect of the situation on the Company to the fullest extent possible.

To manage the risks the Company is implementing a complex action plan to enhance safety of the Company's facilities under which the existing plan on ensuring safety at the power plants, including those under construction is amended.

Reputation risks

Reputation risks are associated with negative perception of the quality of Company's products, works, services sold, the ability to meet the deadlines for payment discipline, work performance, etc.

The Company assesses its exposure to these risks as low due to the fact that the Company sells electricity and capacity in the wholesale market and has high and sustainable reputation in the market.

To manage these risks the Company analyses key indicators of reputation risks based on the forecast of changes in the share of positive references of the Company in mass media, control over compliance with production discipline, cooperating actively with all stakeholders to maintain high reputation. The company organizes public events jointly with interested parties; special events for mass media, analytics and investors. Also, the Company regularly updates information on official Internet sources and prepares official comments on key activities questions.

Besides the Company takes measures to prevent corruption. Anti-corruption policy, the code of conduct, regulations on the procedure of the employer's notification about inducement of personnel to unlawful acts, gifts, conflict of interests arrangement procedures etc. are adopted by the Company. The "Trust line" acts on an on-going basis.

The Company works closely with Ministry of energy, Federal tax service, Federal financial monitoring service within the anti-corruption and control of fraud activities.

Other risks

To manage the risks the Company focuses on other operating risks including risk of capital construction, industry risk, production risk, risk of hydraulicity, risks associated with compliance with legislation on labour safety, risks of industrial safety, environmental risks and risks associated with the third parties' activities and others.

The reasons for these risks are associated with the industry-specific factors that are relevant to the operations, condition of property, plant and equipment. There is an exposure to these risks, degree of possibility of events is at statistically average or low levels. On a permanent basis, the Company implements actions for monitoring the risks and decreasing the probability of their occurrence and severity of the potential adverse consequences including assignment of responsibility, control, diversification and insurance.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

II. Accounting policies

These statutory financial statements have been prepared on the basis of the following accounting policies:

2.1 Basis of presentation

The Company's statutory financial statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation provided for by the Federal Law "On Accounting" and "Regulation on Accounting and Reporting in the Russian Federation" as well as other accounting regulations approved by the Russian Ministry of Finance, subject to the rules and assumptions described in the Company's accounting policies.

Assets are valued at actual costs, excluding fixed assets of subsidiaries and dependent companies (hereinafter referred to as "SDCs") received in 2008 in connection with the merger of SDCs into the Company, Financial investments, for which the current market value is determined, assets, for which, in accordance with established procedure, reserves were created to reduce their value (impairment).

2.2 Assets and liabilities denominated in foreign currency

Business transactions in foreign currencies were recorded using the official Rouble exchange rate as of the date of the relevant transaction. Cash on hand and in bank accounts (bank deposits), cash and payment documents, accounts receivable (except for advances received and issued and prepayments) including loans receivable and payable, denominated in foreign currencies are recorded in the financial statements in the amounts calculated based on the official currency exchange rates effective as of the reporting date. The exchange rates were as follows: USD 1 = RUB 61.9057 as of 31 December 2019 (31 December 2018: USD 1 = RUB 69.4706, 31 December 2017: USD 1 = RUB 57.6002), EUR 1 = RUB 69.3406 as of 31 December 2019 (31 December 2018: EUR 1 = RUB 79.4605, 31 December 2017: EUR 1 = RUB 68.8668) and CNY 1 = RUB 8.85937 as of 31 December 2019 (31 December 2018: CNY 1 = RUB 10.0997).

Exchange differences arising during the year from translation (including those as of the reporting date) of foreign currency-denominated assets and liabilities payable in foreign currencies or Russian roubles were reported in the statement of financial results as other income or expenses.

2.3 Accounting for assets and liabilities

In the balance sheet investments, accounts receivable and accounts payable, including bank credits and estimated liabilities, are treated as short-term if the term of their circulation (maturity) does not exceed 12 months after the reporting date. Other assets and liabilities are recognised as long-term. Interest on loans issued and other investments are recorded in the balance sheet line 1230 "Accounts receivable"; interest on bank credits and loans received are recorded in the balance sheet line 1510 "Borrowings".

Advances to the suppliers of equipment and capital construction contractors are recognised in line 1230 "Accounts receivable".

Advances issued and received are recorded in the balance sheet including VAT. VAT on advances issued and received is recognised on a gross basis in the balance sheet line 1260 "Other current assets", 1450 "Other liabilities" and 1550 "Other liabilities", respectively.

Deferred tax asset and deferred tax liability are recognized on the balance sheet on a net basis.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

2.4 Property, plant and equipment and construction-in-progress

Property, plant and equipment are accounted for in accordance with the Russian Accounting Regulation "Accounting for property, plant and equipment" (RAR 6/01).

Property, plant and equipment include land, buildings, facilities, machinery, equipment, transport vehicles and other assets whose useful lives are over 12 months.

Property, plant and equipment are recognised at their historical cost equal to actual acquisition (construction, production) cost. At the same time, fixed assets received in 2008 in connection with the merger of a number of subsidiaries and affiliates to the Company, are accounted for at their market value determined by an independent appraiser.

The acquired property, plant and equipment with historical cost of below RUB 40 thousand per unit are accounted for within inventories.

Real property assets which have been constructed, put into operation and are actually used but the title to which was not registered under the procedure established by the effective legislation are accounted for within property, plant and equipment in a separate line.

Property, plant and equipment are recognised on the balance sheet at historical cost less depreciation, while fixed assets received in 2008 due to the merger of a number of subsidiaries and affiliates to the Company are depicted at historical cost less depreciation accumulated from the time of independent valuation in order to merge with the subsidiaries.

The Company does not perform the revaluation of property, plant and equipment items.

Useful lives of the acquired property, plant and equipment including those which had been in operation before the acquisition, received as a contribution to the share capital or under legal succession in connection with restructuring, are established by the review committee for commissioning of a facility based on the Classification of the Company's property, plant and equipment when PP&E item is initially recognised. Useful lives of assets which were in use in prior periods are determined with consideration to the number of years (months) they were used by the previous owner.

The adopted standard useful lives by groups of property, plant and equipment in accordance with the Classification of the Company's property, plant and equipment are presented below.

Property, plant and equipment group	Useful lives of property, plant and equipment (years) on the balance sheet
Facilities and transmission equipment	3 to 100
Machinery and equipment	1 to 40
Buildings	7 to 75
Other	1 to 20

Depreciation of property, plant and equipment is accrued on a straight-line basis proceeding from their historical values and depreciation rates calculated based on their useful lives.

Depreciation is not accrued on:

- land plots and natural resources;
- fully depreciated assets that are still on the balance sheet
- assets that are temporarily shutdown for more than three months and during the restoration period which exceeds twelve months.

Gains and losses on disposal of property, plant and equipment are recorded in the statement of financial results within other income and expenses.

Construction-in-progress includes real estate assets under construction, which have not been put into operation, equipment to be installed and other investments in non-current assets which are not included in PP&E. Equipment which does not require installation, stored in the warehouse and intended for assets under construction are recorded within construction-in-progress in a separate line.

These items are recognised in the balance sheet line 1150 "Property, plant and equipment".

Interest on borrowings raised for the purposes directly related to acquisition, construction and/or manufacture of investment assets, accrued prior to initial recognition of the assets is included in

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

their historical cost; that accrued after the initial recognition of the assets are recognised in the statement of financial results within other expenses.

Interest on borrowings raised for the purposes not related to acquisition, construction and/or manufacture of investment assets, but actually used to purchase the investment assets are included in the cost of investment assets in proportion to the share of the above borrowings in total amount of borrowings raised for the purposes not related to acquisition, construction, manufacture of investment assets.

Leased PP&E items are recognised in off-balance-sheet accounts at cost specified in the lease agreement/determined based on the acceptance certificate. If the lease agreement and acceptance certificate does not specify the cost of these assets, property, plant and equipment with respect to the land that has cadastral value, it is recorded at its cadastral value.

2.5 Investments

Investments are accounted for in accordance with the Russian Accounting Regulation "Accounting for investments" (RAR 19/02), taking into account the rules adopted by the Company for reflecting financial investments in subsidiaries that have a current market value at the reporting date or earlier.

Investments include:

- contributions to the share capital of other entities (including subsidiaries);
- debt securities (including bonds, promissory notes);
- deposits in credit institutions except for short-term deposits classified as cash equivalents (paragraph 2.9 of the Explanatory Notes);
- interest-bearing loans issued to other entities;
- government and municipal securities and other investments.

The initial cost of financial investments purchased at a charge is the sum of the Company's actual expenses for their acquisition.

The Company's actual costs to purchase investments represent the historical cost of investments purchased at a charge.

The historical cost of investments in the Company's share capital is presented by their monetary value agreed by the Company's founders, if not specified otherwise by the Russian legislation.

The historical cost of financial investments in the form of contributions to the share capital obtained as a result of conversion of the Company held shares (equity stakes) of entities reorganized in the form of mergers, acquisitions and transformations, is the sum of carrying amounts of shares (equity stakes) of such entities as per the accounting records as of the date of completion of the reorganization.

Difference between the historical cost and nominal value of debt securities for which current market value is not determinable, is recorded on a straight-line basis during the period of their circulation and is recognised in the Company's financial results within other income (expenses). When investments for which current market value is not determinable are disposed, they are carried at book value of each unit of these investments except for issuance securities (shares, bonds) which are disposed under FIFO; when investments for which current market value is determinable under the established procedure are disposed - based on the latest valuation.

The Company discloses information about measurement at discounted value, the amount of the discounted value of debt securities of other related parties and loans issued to them.

Income and expenses associated with investments are reported within other income or expenses. Interest on loans issued and other income claims from investments are recognised in the balance sheet line 1230 "Accounts receivable".

Investments, the current market value of which can be determined under the established procedure, with the exception of contributions to the authorized capital of subsidiaries, are recognised on the balance sheet at their current market value as of the end of each reporting period (on a quarterly basis). The difference between the value of these investments as of the current reporting date and their prior value is recorded within other income and expenses.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Current market value of the securities which are traded by the institutors of trading is determined at market prices established at MOEX stock exchange (<http://moex.com>).

Investments for which no current market value is determinable are recorded on the balance sheet at their initial value, except for investments for which there are indications that the decline in their value (impairment) is significant and non-temporary as of the reporting date.

Investments in subsidiaries that have a current market value at the reporting or earlier date

The Company records investments in charter capital of its subsidiaries (irrespective of current market quotes available for them) within financial investments that are not revalued at current market value. These financial investments on the Company's balance sheet include: AO RAO Energy Systems of the East, PAO Yakutskenergo and PAO DEK, i.e. entities obtained in 2011-2013 as a result of the Company's additional share issues, and shares of PAO Kamchatskenergo that were received in 2019 following the reorganisation of the subsidiaries AO Geoterm and PAO Kamchatsky Gas Energy Complex through their merger with PAO Kamchatskenergo.

Financial investments in the shares of AO RAO Energy System of the East, PAO Yakutskenergo and PAO DEK are recorded at value that is agreed with the Company's shareholders, including the controlling shareholder - the Russian Federation represented by the Federal Agency for State Property Management. The value measurement is based on an independent market appraisal.

Financial investments into the shares of PAO Kamchatskenergo are recorded in the amount equal to the sum of the carrying amounts of the shares of AO Geoterm and PAO Gas Energy Complex as per the Company's accounting records as of the date of completion of the reorganization.

In accordance with para 20 of PBU 19/02, investments the fair market value of which is determinable under the established procedure are recorded in year-end financial statements at their current market value that is derived by adjusting their value as at the prior reporting date. In accordance with para 24 of PBU 19/02, if no current market value can be determined at the reporting date for investments that were earlier carried at market value, such investments should be recorded at their latest value.

Management of the Company does not follow the Accounting Regulation "Accounting for Investments" (PBU 19/02) in the part related to accounting for investments in subsidiaries that have a current market value as at the reporting or earlier date and has not performed any market revaluation of such investments after they were obtained.

Management of the Company believes that market quotes do not fairly present the estimated value of the Company's controlling stakes in its subsidiaries at relevant dates because the number of shares traded in the market is not representative: less than 1% of the total number of outstanding shares are daily traded in the market.

In 2016 the interest of RusHydro Group (RusHydro Group means the Company and entities that the Company controls directly or through other subsidiaries) in AO RAO Energy Systems of the East increased from 86.20% to 99.98% as a result of the consolidation process by buying shares from minority shareholders. In 2016, shares of AO RAO Energy Systems of the East stopped being quoted and in 2017 the company was de-listed from the Moscow Exchange and removed from quotation lists.

The Company's management plans to benefit from investments in OAO RAO Energy Systems of the East, OAO Yakutskenergo and OAO Far East Energy Company by controlling their business operations rather than from their market value fluctuations. In view of these circumstances and taking into account the fact that the Company has no plans to sell these investments, in accordance with para 6 of the Russian Accounting Regulation "Accounting Reports of an Entity" (PBU 4/99), approved by order No. 43n of the Russian Ministry of Finance of 6 July 1999, the Company decided not to follow the accounting rules and not to perform any market revaluation of its investments in OAO RAO Energy Systems of the East, OAO Yakutskenergo and OAO Far East Energy Company after their purchase date.

Therefore, the valuation approach used by the Company to record these investments, i.e. at value that is agreed with the shareholders and is based on an independent market appraisal, allows to avoid inappropriate presentation of the Company's financial position and financial results.

Additionally, the Company's management reviewed IAS 27 "Separate Financial Statements", IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement".

IAS 27 sets the rules of recognizing investments in subsidiaries, joint ventures and associates in the process of preparing separate financial statements. In accordance with para 10 of IAS 27, an

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

entity can choose to account for such investments at cost or in accordance with IFRS 9 at fair value. IFRS 13 gives the highest priority in fair value measurement to quoted prices in active markets for identical assets. The term 'active market' is defined as one in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The market for investments under review is not deemed active.

The alternative accounting treatment of investments in subsidiaries as per IAS 27, i.e. at cost without any revaluation at market quotes, complies with the Company's accounting policies that provide for the departure from the Accounting Regulation "Accounting for Investments" (PBU 19/02).

Impairment of financial investments

Investments are tested for their impairment once a year as of 31 December of the reporting year, if there are indications of impairment.

The Company accrues the impairment provision for the amount of difference between carrying (book) value and estimated value of the investments with regard to investments for which significant and constant impairment indicators are proved by impairment test. The estimated value of investments is determined based on the data about net assets, revenue, composition of expenses, schedule of projects financing and other factors.

Despite of the fact that well-grounded judgements are applied to determine the estimated value of investments, there are unavoidable limitations as in any valuation technique. Therefore, the estimated value represents the Company management's best estimate based on all the information available as of the reporting date. Future events will also have impact on determining the estimated value and impact of such events can be significant for the Company's financial statements.

2.6 Inventories

Inventories are accounted for in accordance with the Russian Accounting Regulation "Accounting for inventories" (RAR 5/01).

Inventories are accounted for at their actual cost of acquisition (production).

If market value of inventories as of the end of the reporting year is below their historical cost including due to on-going (long-term) price reduction, Company makes a provision in the amount of inventory impairment which is charged against increase in other expenses. Such inventories are recognised on the balance sheet net of the inventories' impairment provision.

The average cost method is applied to determine the material expenses when writing-off inventories used to produce goods (provide services).

2.7 Expenses of future periods

Expenses incurred by the Company in the reporting period but related to future reporting periods (payments under voluntary and mandatory insurance of property and employees, one-off payments to purchase licenses and other expenses) are recorded as expenses of future periods. These expenses are written-off for the purpose intended on a straight-line basis during the periods which they relate to.

Expenses of future periods to be written-off during the period exceeding twelve months are recognised on the balance sheet as non-current assets in line 1190 "Other non-current assets"; those to be written-off during twelve months - in line 1210 "Inventories".

2.8 Accounts receivable

Trade receivables are accounted for in the amount of services provided, works performed, good dispatched at justified prices and established tariffs. Settlements with other debtors are recognised for accounting and reporting purposes based on the contractual prices. Accounts receivable include non-interest-bearing promissory notes and non-interest-bearing loans issued.

Accounts receivable which are overdue or unlikely to be repaid by the contractual deadlines and are not secured by guarantees, pledges or otherwise, are recognised on the balance sheet net of doubtful debt provision. The provision is based on the conservative assessment made by the Company's management with regard to the portion of receivables which is unlikely to be repaid.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

The provision amount is separately determined based on the unbiased information about solvency of the specific debtor and assessment of probability of receivables repayment in full or partially.

Accrual (release) of doubtful debts provision increases other expenses (income).

Uncollectable receivables are written-off when recognized as such. These receivables are recorded in off-balance-sheet accounts over five years after the debt is written off for monitoring whether there is a possibility of their collection in case of any changes in the debtor's property status.

2.9 Cash equivalents and presentation of cash flows in the statement of cash flows

Cash equivalents comprise current highly liquid investments, which are readily convertible into a predictable amount of cash and are exposed to an insignificant risk of changes in value.

The Company recognises short-term bank deposits with a maturity of up to three months (not longer than 91 days) within cash equivalents if they are treated as funds used for settlements and repayment of liabilities, not intended for investment and other purposes.

The Company's cash flows which cannot be clearly attributed to cash flows from operating, investing or financing activities are included in the cash flows from operating activities in the statement of cash flows. Such cash flows include receipts and payments related to financial instruments of forward deals.

The following items are presented on a net basis in the statement of cash flows:

- indirect taxes within receipts from buyers and customers and payments to suppliers and contractors;
- cash flows in connection with placement and refunds of cash in short-term bank deposits (with a maturity of more than three months) within the same reporting period and included in the line 4219 "Other receipts" and in the line 4229 "Other payments".

Cash receipts and payments do not include cash flows changing the structure of cash equivalents, but not changing their total amount.

2.10 Share capital, additional and reserve capital

The Company's share capital has been recorded in the amount of the nominal value of ordinary shares purchased by shareholders. The share capital is equal to the amount specified in the Company's Charter.

When the share capital is increased through placement of additional shares, transactions associated with the formation of the share capital are accounted for when the respective changes made in the Company's constituent documents are registered.

The Company's additional capital includes share premium resulted from placement of the Company's shares at price exceeding their nominal value and total of additional capital of subsidiaries, associates merged into the Company during the 2008 reorganisation.

In accordance with legislation the Company forms a reserve fund in the amount of 5% of the share capital. The amount of mandatory annual deductions to reserve fund is 5% of the Company's net profit until it reaches the specified level.

2.11 Loans and bank credits received

Loans and bank credits are accounted for in accordance with the Russian Accounting Regulation "Accounting for loans and bank credits" (RAR 15/2008).

Loans payable are stated inclusive of interest payable as of the end of the reporting period according to the loan agreements.

Interest is accrued on a monthly basis at the end of each reporting period. If a lender provides for interest calculation attributable to different reporting periods, the amount of interest shall be allocated and included in the amount payable separately for each month.

Additional expenses incurred in connection with borrowings are charged to expenses of future periods with subsequent straight-line inclusion in other expenses over the repayment period.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

2.12 Estimated liabilities, contingent liabilities and contingent assets

Estimated liabilities

The Company recognises estimated liability, which meets the recognition criteria established in the Russian Accounting Regulation "Estimated liabilities, contingent liabilities and contingent assets" (RAR 8/2010).

The Company recognises an estimated liability:

- for earned but unused employee vacations, which is determined as of the end of the reporting year with reference to the number of unused vacation days of each employee at the reporting date and employee's average salary, inclusive of insurance contributions;
- on payment of bonuses for the results of work for the fourth quarter and year, the value of which at the end of the reporting year is determined based on the forecast of performance of internal corporate key performance indicators, taking into account insurance premiums;
- in other cases provided by RAR 8/2010.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recorded on the balance sheet, but instead are disclosed in the Explanatory Notes to the balance sheet and statement of financial results.

Contingent liability (contingent asset) arises as a result of past business events when existence of a liability (asset) of the Company at the reporting date depends on occurrence (non-occurrence) of future uncertain events, which are beyond the Company's control.

Contingent liability is disclosed in the Explanatory Notes to financial statements, except where the likelihood of a decrease in economic benefits associated therewith is remote. Contingent asset is disclosed in the Explanatory Notes when the inflows associated therewith are probable. There is a need to disclose its estimated amount or a range of estimated amounts, if such values are identifiable.

2.13 Revenue recognition

Revenue from sales of products (provision of services) is recognized on an accrual basis (as the products/services are delivered/provided and relevant settlement documents presented to buyers). Revenue is presented net of value added tax.

Other revenues of the Company include:

- proceeds from sale of property, plant and equipment, investments and other assets;
- interest received in connection with providing the Company's cash for use, interest for the bank's use of cash sitting on the Company's bank accounts in the bank, interest for the commodity credit and interest on the acquired interest-bearing notes of the third parties - in accordance with interest provision in the note when presenting it for payment. The Company recognises the above income in the statement of financial results in line 2320 "Interest income";
- income from participation in share capital of other entities (dividends) is recognised by Company when announced and included in the statement of financial results in line 2310 "Income from participation in other entities";
- income from transactions with derivatives when the respective trading positions are closed;
- fines, penalties and interest for breaching contractual terms;
- prior year profit identified in the reporting year (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010));
- other proceeds (income) according to the Russian Accounting Regulation "Income of an organisation" (RAR 9/99) (including income in the form of insurance indemnity).

2.14 Recognition of expenses

Accounting for expenses is regulated by the Russian Accounting Regulation "Expenses of an organisation" (RAR 10/99) under which the Company's expenses are divided into general expenses and other expenses.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Administrative expenses are written-off against the cost of goods produced (services provided).

General expenses are recognised in the reporting period wherein they were incurred irrespective of the actual closure of accounts payable.

Expenses shall be accounted for irrespective of the intention to generate revenue or other income and their form.

Other expenses include:

- expenses incurred in disposal and other write-off of property, plant and equipment, investments and other assets;
- interest paid by the Company for provided cash (bank credit, loans); the Company recognises these expenses in the statement of financial results in line 2330 "Interest expense";
- expenses incurred in payment of services provided by credit institutions;
- doubtful debts provision calculated on the basis of the reporting period results in accordance with the Company's accounting policies (see paragraph 2.8 of the Explanatory Notes);
- expenses from transactions with derivatives;
- fines, penalties and interest for breaching contractual terms, compensation of losses caused by the Company;
- prior year losses identified in the reporting period (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010);
- charity;
- expenses incurred as a result of extraordinary events in business operations (natural disaster, fire, accident, etc.)
- other expenses according to RAR 10/99.

2.15 Changes in the accounting policies

There are no significant changes in the Company's accounting policies for 2019. In connection with the enactment from 1 January 2020 of amendments to Accounting Regulation PBU 18/02, *Accounting for Income Tax Calculations* (hereinafter – PBU 18/02), the Company will record in its 2020 financial statements significant amounts of additional deferred tax liabilities related to temporary differences between the accounting and tax bases of PP&E items that the Company received in 2008 in the reorganisation process. These temporary differences primarily relate to valuation of PP&E items received in the reorganisation process at their market value the effect of which was recognised in capital. The application of amendments to PBU 18/02 in 2020 will result in a significant increase of deferred tax liabilities and the decrease of the Company's net assets.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Roubles unless otherwise stated)

III. Disclosure of material indicators**3.1 Non-current assets (Section I of the balance sheet)****3.1.1 Property, plant and equipment (line 1151 of the balance sheet), construction-in-progress (line 1152 of the balance sheet),**

PP&E group	Net book value		
	31 December 2019	31 December 2018	31 December 2017
Line 1151 Property, plant and equipment, including:			
Facilities and transmission equipment	191,290,267	185,392,424	189,106,570
Machinery and equipment	175,606,648	162,475,547	153,576,797
Buildings	39,947,377	38,193,154	38,903,183
Production and maintenance tools	239,868	154,162	219,985
Land plots	37,765	3,825	3,825
Motor vehicles	4,760	4,808	5,076
Other types of property, plant and equipment	192,045	176,928	192,135
Total line 1151 "Property, plant and equipment"	407,318,930	386,400,848	382,007,571

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro
Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results
(in thousands of Russian Rubles unless otherwise stated)

Availability and movement of property, plant and equipment

Narrative	Period	At the beginning of the year		Additions	Changes for the period			At the end of the year	
		Cost	Accumulated depreciation		Disposals		Depreciation accrued	Cost	Accumulated depreciation
					Cost	Accumulated depreciation			
Property, plant and equipment including	2018	497,088,932	(115,081,361)	21,583,893	(2,369,592)	1,390,222	(16,211,446)	516,303,433	(129,902,585)
	2019	516,393,433	(129,962,585)	37,957,148	(1,492,823)	1,046,588	(16,682,752)	552,857,758	(145,538,829)
Facilities and transmission equipment	2018	227,618,816	(38,613,046)	1,469,242	(911,617)	308,151	(4,579,522)	228,177,241	(42,784,617)
	2019	228,177,241	(42,784,617)	19,792,225	(293,853)	121,135	(4,692,554)	238,648,312	(47,358,048)
Machinery and equipment	2018	222,488,866	(88,912,069)	19,731,613	(1,194,314)	991,944	(10,630,493)	241,026,166	(78,550,618)
	2019	241,026,166	(78,550,618)	24,273,594	(1,055,098)	896,509	(10,982,804)	264,243,761	(88,638,913)
Buildings	2018	45,489,415	(6,566,232)	343,297	(236,407)	63,147	(860,066)	45,076,205	(7,383,151)
	2019	45,576,305	(7,383,151)	2,682,078	(44,005)	19,715	(903,565)	48,214,378	(8,207,001)
Motor vehicles	2018	13,631	(8,550)	610	(250)	350	(878)	13,891	(9,063)
	2019	13,891	(9,063)	802	(123)	123	(850)	14,570	(9,810)
Production and maintenance tools	2018	1,083,948	(663,863)	32,052	(25,153)	26,143	(97,865)	1,090,847	(936,685)
	2019	1,090,847	(936,685)	167,590	(6,326)	8,318	(81,876)	1,250,111	(1,010,243)
Land plots	2018	3,825	-	33,840	-	-	-	37,665	-
	2019	3,825	-	33,840	-	-	-	37,665	-
Other types of property, plant and equipment	2018	408,831	(217,490)	7,079	(1,551)	1,487	(22,222)	415,159	(238,231)
	2019	415,159	(238,231)	36,420	(718)	718	(21,303)	450,661	(258,616)

* Cost of property, plant and equipment received in 2017 and depreciation for the period includes cost of property, plant and equipment repurchased at the expiration of the lease agreements of RUB 1,150 thousand and accumulated depreciation of RUB 998 thousand. Exposure of leased property, plant and equipment is described in paragraph 3.6.1 of the Explanatory Notes.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. It is possible that not even taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, which is required, the original language version of our reports takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

Changes in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction or partial liquidation

Narrative	2019	2018
Increase in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction including:		
Machinery and equipment	14,464,735	11,168,423
Facilities and transmission equipment	12,558,103	10,120,780
Buildings	1,713,983	946,301
Business and administrative equipment and stock	180,001	89,219
	12,668	12,143
Decrease in value of property, plant and equipment as a result of partial liquidation including:		
Machinery and equipment	65,789	85,480
Other types of property, plant and equipment	53,257	79,915
	12,532	5,565

Other use of property, plant and equipment

Narrative	31 December 2019	31 December 2018	31 December 2017
Leased out PP&E recognised on the balance sheet	933,624	1,023,323	1,307,710
Leased PP&E recognised in the off-balance-sheet accounts	19,807,431	36,256,018	35,780,289
Real estate assets which were put into operation and actually used but are in the process of state registration	583,758	855,906	1,177,504
PP&E that have been temporarily shut down	100,933	100,373	70,830

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Construction-in-progress and purchase of property, plant and equipment

Narrative	Period	At the beginning of the year	Changes for the period				At the end of the year
			Costs for the period	Written off	Other movement*	Recognised as PP&E or uplifted	
Construction-in-progress and purchase of property, plant and equipment and income-bearing investments in tangible assets, including:	2018	37,628,138	16,731,593	(84,725)	(8,384)	(21,583,893)	32,682,729
	2019	32,682,729	37,541,941	(271,796)	(46,735)	(37,957,149)	31,949,020
Construction-in-progress	2018	32,213,967	8,978,781	(79,550)	8,687,530	(21,356,548)	28,444,180
	2019	28,444,180	11,754,634	(256,943)	12,136,900	(23,920,362)	28,158,399
Incomplete transactions on purchasing property, plant and equipment and income-bearing investments in tangible assets	2018	22,126	236,087	-	-	(227,345)	30,868
	2019	30,868	14,044,602	-	-	(14,036,787)	38,683
Equipment for installation	2018	5,382,045	7,516,745	(5,175)	(6,895,914)	-	4,207,701
	2019	4,207,701	11,742,706	(14,823)	(12,183,835)	-	3,751,948

* Transfer of equipment for installation, reclassification of equipment to be installed to construction-in-progress and other movement not related to transfer of assets to property, plant and equipment

TRANSLATOR'S EXPLANATORY NOTE: This version of our quarterly accounting documents is a translation from the original, which was prepared in Russian. It is possible that not even taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, which is required, the original language version of our financial statements prevails.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

3.1.2 Long-term investments (line 1170 of the balance sheet)

Line 1170 "Financial investments" includes contributions to share capital of subsidiaries, associates and other entities, debt securities and long-term loans issued to subsidiaries and associates:

Narrative	31 December 2019	31 December 2018	31 December 2017
Investments in subsidiaries	300,608,691	264,822,665	237,255,462
Investments in associates	11,110,528	11,110,533	11,110,533
Investments in other entities	1,082,821	1,544,394	8,363,193
Long-term loans issued	65,670,626	66,126,438	55,419,461
Total line 1170 "Financial investments"	378,472,666	343,606,030	312,148,649

Exposure of long-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Availability and movement of long-term investments

Narrative	Period	At the beginning of the year		Changes for the period					At the end of reporting period	
		Cost	Accumulated adjustment*	Additions	Changes in current market value	Disposed (settled)		Other movements**	Cost	Accumulated adjustment*
						Cost	Accumulated adjustment*			
Long-term investments including:	2019	349,413,021	(37,264,372)	45,454,406	1,447,945	(13,591,489)	3,331,063	(5,194,564)	381,285,939	(37,679,908)
	2019	381,285,938	(37,679,908)	41,862,346	-	(2,129,762)	1,170,565	(6,037,853)	421,019,532	(42,546,866)
Investments in subsidiaries	2018	267,832,763	(25,577,531)	34,245,965	-	(1,484,201)	-	(5,104,564)	265,504,560	(20,771,805)
	2019	265,504,560	(20,771,895)	41,820,564	-	(1,170,600)	1,170,565	(6,037,553)	306,247,544	(35,926,853)
Investments in associates	2018	11,110,533	-	-	-	-	-	-	11,110,533	-
	2019	11,110,533	-	-	-	(9)	-	-	11,110,528	-
Investments in other entities	2018	13,181,090	(4,787,606)	-	1,447,945	(11,697,827)	3,331,063	-	1,563,272	(8,878)
	2019	1,563,272	(8,878)	-	-	(461,673)	-	-	1,001,599	(8,878)
Long-term loans issued	2018	55,419,491	-	11,209,438	-	(499,481)	-	-	66,128,438	-
	2019	66,128,438	-	36,702	-	(496,574)	-	-	65,670,626	-
Debt securities	2018	6,899,135	(6,899,135)	-	-	-	-	-	6,899,135	(6,899,135)
	2019	6,899,135	(6,899,135)	-	-	-	-	-	6,899,135	(6,899,135)

* Accumulated adjustment includes difference between original and current market value of investments for which current market value can be determined; difference between original and current market value of investments for which current market value is not determinable; provision for impairment of investments.

** Other movements include changes in provision for impairment of investments, accrual of discount on debt securities and reclassification within the balance sheet line 1170 "Investments".

TRANSLATION'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Russian version of our reports takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Rubles unless otherwise stated)

(a) Investments in subsidiaries, associates and other entities

The balance sheet line 1170 "Investments" includes the below investments in subsidiaries, associates and other organisations:

Subsidiaries and associates and other entities	31 December 2019		31 December 2018		31 December 2017	
	Carrying amount	Share, %	Carrying amount	Share, %	Carrying amount	Share, %
Subsidiaries	300,608,691		264,822,665		237,255,462	
JSC Zagorskaya GAES-2	69,690,959	100.00%	69,690,959	100.00%	69,690,959	100.00%
JSC Nizhne-Bureiskaya GES	38,392,690	100.00%	38,392,690	100.00%	14,610,990	100.00%
JSC Sakhalinskaya GRES-2	24,228,585	100.00%	15,011,980	100.00%	15,011,980	100.00%
JSC Ust-Srednekanskaya GES	23,111,468	67.82%	23,111,468	67.82%	23,111,468	67.82%
JSC Yakutskaya GRES-2	22,773,258	100.00%	16,861,500	100.00%	16,861,500	100.00%
JSC CCGT in the City of Sovetskaya Gavan	22,370,616	100.00%	13,843,500	100.00%	13,843,500	100.00%
JSC RAO ES of East	18,495,247	84.39%	18,495,247	84.39%	18,495,247	84.39%
JSC Zaramagskie GES	17,216,208	99.75%	17,216,208	99.75%	17,216,208	99.75%
PJSC Kolymaenergo	13,188,557	98.78%	13,188,557	98.78%	13,188,557	98.78%
JSC Sulakskiy Hydrocascade	10,161,830	100.00%	11,479,768	100.00%	10,093,589	100.00%
AO BoGES Holding Company	10,114,189	100.00%	500	100.00%	500	100.00%
AO Chukotenergo *	7,542,016	97.90%	-	-	-	-
JSC Malaya Dmitrovka	6,394,219	100.00%	6,394,219	100.00%	6,394,219	100.00%
JSC ESK RusHydro	4,304,234	100.00% - 1 share	3,358,306	100.00% - 1 share	3,358,306	100.00% - 1 share
JSC Blagoveschenskaya TEC	4,265,020	100.00%	4,265,020	100.00%	4,265,020	100.00%
PJSC Yakutskenergo**	1,670,826	29.80%	1,670,826	29.80%	1,670,826	29.80%
JSC Lenhydroproject	1,384,713	100.00%	3,260,000	100.00%	3,260,000	100.00%
PJSC Kamchatskenergo ***	1,114,964	13.93%	-	-	-	-
JSC Leningradskaya GAES	872,190	100.00%	1,986,960	100.00%	1,986,960	100.00%
JSC NIIES	822,437	100.00%	1,086,820	100.00%	1,086,820	100.00%
OJSC P. S. Neporozhny Sayano-Shushenskaya HPP	588,848	100.00%	588,848	100.00%	588,848	100.00%
JSC Transport company RusHydro	519,470	100.00%	7,270	100.00%	7,270	100.00%
LLC Verkhnebalkarskaya MGES	459,982	100.00%	937,228	100.00%	937,228	100.00%
RusHydro CAC JSC	38,653	100.00%	49,672	100.00%	2,992,969	100.00%
JSC Geoterm***	-	-	2,493,352	99.74%	2,425,264	99.65%
PJSC Kamchatsky gas and energy complex***	-	-	530,843	96.58%	530,843	96.58%
JSC Gidrolinvest***	-	66.81%	-	66.81%	3,254,867	100.00%
Other	869,312	-	903,124	-	1,373,724	-
Associates:	11,110,528		11,110,533		11,110,533	
PJSC Irkutsk Electric Grid Company	8,543,297	42.75%	8,543,297	42.75%	8,543,297	42.75%
PJSC Sakhalin energy company	2,567,228	28.94%	2,567,228	28.94%	2,567,228	28.94%
Other	5	-	10	-	10	-
Other entities:	1,082,821		1,544,394		8,363,193	
PJSC Boguchanskaya GES****	1,081,460	2.88%	1,081,460	2.88%	1,081,460	2.88%
PJSC Inter RAO	-	-	-	-	6,808,972	1.94%
Other	1,361	-	462,934	-	472,761	-
Total:	312,802,040		277,477,592		256,729,188	

* In 2019 the Company bought the shares of AO Chukotenergo as part of the additional issue. Earlier the Company controlled AO Chukotenergo indirectly via its other subsidiaries.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Rubles unless otherwise stated)

*** Investment in PJSC Yakutskenergo (29.80%) is recorded within subsidiaries as the Company has control over these entities indirectly via other subsidiaries.

***The financial investment in PAO Kamchatskenergo (13.90%) is recognised within subsidiaries as the Company controls this entity via its other subsidiaries. The direct ownership share in PAO Kamchatskenergo was received in 2019 following the reorganisation of AO Geoterm and PAO Gas Energy Complex in the form of their merger with PAO Kamchatskenergo.

*** PJSC Boguchanskaya GES is a subsidiary of the company BOGES Ltd, in which the Company owns 50% of capital indirectly through other subsidiaries and manages it on a parity basis with RUSAL Group.

Key factors affected changes in the value of investments in subsidiaries, associates and other entities in 2019 are as follows:

– acquisition of shares in additional share issues of subsidiaries for the total of RUB 41,823,584 thousand, including shares of AO BoGES Holding Company for RUB 10,113,689 thousand, AO Sakhalin GRES-2 for RUB 9,216,605 thousand, AO CHP in the City of Sovetskaya Gavan for RUB 8,527,316 thousand, AO Chukotenergo for RUB 7,541,816 thousand, AO Yakutsk GRES-2» for RUB 5,911,758 thousand; and 512,400 thousand for other subsidiaries;

– creating an investment impairment provision of RUB 6,983,481 thousand, including RUB 1,909,231 thousand for PAO Kamchatskenergo, RUB 1,875,287 for AO Lenhydroproject, RUB 1,317,938 thousand for AO Sulaksky Hydrocascade, RUB 1,114,770 thousand for AO Leningradskaya GAES, and RUB 766,255 thousand for other subsidiaries.

Investments in subsidiaries that have current market value as of reporting date or formerly

As of 31 December 2019, 31 December 2018 and 31 December 2017, investments included shares of the Company's subsidiaries, i.e. JSC RAO ES of East, PJSC Yakutskenergo, PJSC DEK, and PJSC Kamchatskenergo received in 2011–2013 as a result of the additional issue of the Company's shares which are recognised on the Company's balance sheet.

These investments are recorded at the value agreed with the founders and determined on the basis of the market valuation performed by an independent appraiser totalling RUB 21,319,037 thousands as of 31 December 2019.

This valuation exceeds the current market value of the shares (for JSC RAO ES of East - the cost of the last valuation at the current market value) as of 31 December 2019, 31 December 2018 and 31 December 2017 by RUB 6,665,507 thousands, RUB 6,669,575 thousands and RUB 6,702,251 thousands, respectively.

Description of the Company's accounting policies and explanation of the departure from PBU 19/02 in the accounting treatment of the above investments are provided in para 2.5 of the Notes.

Items of the financial statements that change as a result of the departure from the accounting rules and the adjustment amount for each such item are presented below:

Items of the financial statements	Date/period	Item value as if there were no departure	Adjustment amount	Items of the financial statements
Net assets	31.12.2017	819,043,078	6,702,251	825,745,329
	31.12.2018	844,595,124	6,669,575	851,264,699
	31.12.2019	867,380,208	6,655,507	874,035,715
Line 1170 "Financial investments"	31.12.2017	305,446,398	6,702,251	312,148,649
	31.12.2018	336,936,455	6,669,575	343,606,030
	31.12.2019	371,817,159	6,655,507	378,472,666
Line 1370 "Retained earnings (loss)"	31.12.2017	288,291,253	6,702,251	274,993,504
	31.12.2018	292,207,080	6,669,575	298,876,655
	31.12.2019	313,298,915	6,655,507	319,954,422
Line 2340 "Other income"	2018	14,872,107	(32,676)	14,839,431
	2019	8,960,930	(14,068)	8,946,862

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

Line 2350 "Other expense"	2018	(31,978,038)	-	(31,978,038)
	2019	(19,861,099)	-	(19,861,099)
Line 2400 "Net income"	2018	36,758,296	(32,676)	36,725,620
	2019	38,658,906	(14,068)	38,644,838
Line 2900 "Basic earning per share, RR"	2018	0,0862	-	0,0862
	2019	0,0897	-	0,0897

The Company's management analysed the models of expected cash flows and factors that may show that there are indications of impairment of investments and came to a decision that these assets are not impaired as of 31 December 2019, 31 December 2018 and 31 December 2017 there is no impairment of shares of the Company's subsidiaries – investments in AO RAO Energy System of the East, PAO Yakutsergo and PAO DEK, and that a provision of RUB 1,909,231 thousand should be created for the investment in the shares of PAO Kamchatskenergo as at 31 December 2019.

Impairment of investments in subsidiaries, associates and other entities for which current market value is not determinable

The Company's management analysed the negative trends related to a number of subsidiaries, which is presented below. The management performed the analysis of investments to the share capital of the entities listed below for possible signs of impairment, and also analysed possible impairment of other assets related to these subsidiaries, including those recorded within accounts receivable (see paragraph 3.2.2 of the Explanatory Notes).

As a result of the analysis, a number of subsidiaries and other organizations were impaired and a provision was made in the total amount RUB 6,983,481 thousand. Also based on the results of this analysis the provision in the amount of 945 928 thousand was reversed.

The initial value of equity financial investments in respect of which a provision for impairment of financial investments was created is RUB 54,915,660 thousand as of 31.12.2019 (as of 31.12.2018 – RUB 38,318,439 thousand, as of 31.12.2017 – RUB 37,165,794 thousand). The amount of provision for impairment of these financial investments as of 31 December 2019 is RUB 35,647,731 thousand (as of 31.12.2018 – RUB 30,780,773 thousand, as of 31.12.2017 – RUB 25,586,209 thousand).

JSC Zagorskaya GAES-2. As of 31 December 2019 the balance sheet includes JSC Zagorskaya GAES-2 shares as long-term financial investments in the amount of RUB 69,690,959 thousand.

The analysis of recoverability of these assets performed by the Company as of 31 December 2019 was based on the following key factors:

- Management plans to perform recovery work and complete construction of Zagorskaya GAES-2. As of 31 December 2019 there is significant uncertainty in terms of the expenses to be incurred on recovery of damage caused by the flooding at Zagorskaya GAES-2. However, these expenses can be significant.
- Capacity supply contracts were concluded in respect of Zagorskaya GAES-2. There are specific rules for the price setting in respect of new HPPs (including pumped-storage power plants) being constructed: the price is set in a manner that guarantees payback period of 20 years for all CAPEX invested in construction.
- By the decision of the Association "NP Market Council" dated April 18, 2018, the date of commencement of the fulfillment of PJSC RusHydro's obligations for the supply of capacity to JSC Zagorskaya GAES-2 was postponed in respect of the first and second stages - on January 1, 2024.

Based on the analysis of factors that might indicate impairment of assets related to Zagorskaya GAES-2 construction project, the Company's management concluded that there were no such indicators as of 31 December 2019.

No negative trends which may result in impairment of other shareholdings were observed.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

(b) Long-term loans issued

Loan recipient's name	31 December 2019	31 December 2018	31 December 2017	Maturity date	Annual rate, %
Long-term loans issued to related parties, including:					
JSC Far East Generating Company	40,145,669	40,546,257	35,608,125	2021-2023	7.1%-9.1%
JSC RAO ES Vostoka	8,522,514	8,522,514	8,522,514	2022	7.1%-9.1%
JSC Sakhaenergo	5,426,210	5,426,210	1,950,000	2021-2022	7.1%-9.1%
PJSC Yakutskenergo	2,400,000	2,400,000	2,400,000	2022	7.1%-9.1%
PJSC Kamchatskenergo	2,004,000	2,004,000	2,004,000	2022	7.1%-9.1%
JSC Hydroinvest	1,689,110	1,747,595	-	2021	8.1%-8.4%
PJSC Magadanenergo	1,618,000	1,618,000	1,618,000	2022	7.1%-9.1%
JSC Teploenergoservice	1,516,676	1,516,676	587,676	2021-2022	7.1%-9.1%
PJSC Sakhalinenergo	1,383,822	1,345,060	1,345,060	2022	7.1%-9.1%
Other	964,625	1,002,126	1,384,066		
Total long-term loans issued	65,670,626	66,128,438	55,419,461		

As of 31 December 2019 the balance sheet line 1170 "Financial investments" includes the target loan granted to subsidiaries of the Company in the amount of RUB 55,000,000 thousand in 2017 for refinancing their current liabilities (as of JSC Far East Generating Company – RUB 35,608,125 thousand, JSC RAO ES Vostoka – RUB 8,522,514 thousand, PJSC Yakutskenergo – RUB 2,400,000 thousand, PJSC Kamchatskenergo – RUB 2,004,000 thousand and others in the amount of RUB 6,465,361 thousand).

There are no indicators of a prolonged decline in the value of the above investments.

3.1.3 Other non-current assets (line 1190 of the balance sheet)

Line 1190 "Other non-current assets" includes expenses of future periods to be written-off from expense account during the period beyond 12 months of the reporting date.

Breakdown of total expenses of future periods by types is presented in the table below:

Narrative	31 December 2019	31 December 2018	31 December 2017
Zelenchukakaya GAES connections to the grid	1,590,341	1,703,948	1,817,455
Software and licenses	1,031,052	875,680	879,510
Borrowing costs	493,949	540,120	419,323
Project documentation on the construction of Cheboksarskaya GES related to uplifting water reservoir level	-	-	1,619,934
Other	202,216	186,344	96,538
Total expenses of future periods, including:	3,317,558	3,306,092	4,834,760
Long-term expenses of future periods which are subject to writing-off from expense account during the period beyond 12 months of the reporting date (within the balance sheet line 1190)	3,155,715	2,629,344	4,222,555
Short-term expenses of future periods which are subject to writing-off from expense account during 12 months of the reporting date (within the balance sheet line 1210)	161,843	676,748	612,205

3.2 Current assets (Section II of the balance sheet)

3.2.1 Inventories (line 1210 the balance sheet)

Narrative	31 December 2019	31 December 2018	31 December 2017
Spare parts, materials and other inventories	4,718,505	4,063,373	3,613,922
Short-term expenses of future periods which are subject to writing-off from expense account during 12 months of	161,843	676,748	612,205

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Narrative	31 December 2019	31 December 2018	31 December 2017
the reporting date (see paragraph 3.1.3 of the Explanatory Notes)			
Other	25,156	24,459	31,662
Total line 1210 "inventories"	4,905,504	4,764,580	4,257,789

Spare parts, materials and other inventories are measured at actual cost of acquisition. As of 31 December 2019 the provision for their impairment amounted to RUB 42,457 thousand (31 December 2018: RUB 44,996 thousand, 31 December 2017: RUB 155,430 thousand).

3.2.2 Accounts receivable (line 1230 of the balance sheet)

(a) Long-term accounts receivable (payments expected beyond 12 months of the reporting date)

Total long-term accounts receivable were RUB 56,588,545 thousand, 53,686,557 thousand and 54,712,960 thousand as of 31 December 2019, 2018 and 2017, respectively.

Breakdown by types of long-term accounts receivable is as follows:

Type of long-term accounts receivable	31 December 2019	31 December 2018	31 December 2017
Interest-free promissory notes received	30,104,837	30,974,036	29,930,792
Advances issued to suppliers of equipment and capital construction contractors	16,190,166	16,372,557	19,696,968
Interest-free loans issued	589,251	440,946	2,800,411
Buyers and customers	34,457	40,851	34,046
Other long-term accounts receivable	9,669,814	5,858,167	2,450,743
Total line 1231 "Long-term accounts receivable (payments expected beyond 12 months of the reporting date)"	56,588,545	53,686,557	54,712,960

Long-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2019	31 December 2018	31 December 2017
Other related parties, including:			
PJSC Boguchanskaya GES	21,027,455	21,027,455	21,027,455
CJSC Boguchansky Aluminium Plant	4,661,805	4,661,805	4,661,805
Total interest-free promissory notes received from related parties	25,689,260	25,689,260	25,689,260
VTB Bank (PJSC)	2,336,991	2,306,911	1,360,769
PJSC Rosbank	1,279,941	1,491,209	1,491,209
JSC Alfa-Bank	592,566	1,279,839	1,279,839
PJSC Ulyanovskenergo	208,079	208,817	109,715
Total interest-free promissory notes received from other counterparties	4,415,577	5,284,776	4,241,532
Total long-term interest-free promissory notes receivable	30,104,837	30,974,036	29,930,792

As of 31 December 2019, the Company's long-term accounts receivable represented by other related parties' long-term interest-free promissory notes purchased for financing investment program consist of the following promissory notes:

- PJSC Boguchanskaya GES: promissory notes for RUB 21,027,455 thousand payable on demand after 31 December 2029 (the present value of the promissory notes reflecting time value of money as of 31 December 2019 is RUB 8,287,229 thousand);
- CJSC Boguchansky Aluminium Plant: promissory notes for RUB 4,661,805 thousand payable on demand after 31 December 2024 (the present value of the promissory notes reflecting time value of money as of 31 December 2019 is RUB 2,893,103 thousand).

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(In thousands of Russian Rubles unless otherwise stated)

Long-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors:

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:			
JSC Hydroremont-VKK	55,191	4,485	746,674
Other	37,571	84,234	35,517
Total advances issued to related parties	92,762	88,719	782,191
Voith Hydro GmbH & Co KG	9,223,771	8,265,677	10,536,683
PJSC Silovye Mashiny	6,369,417	7,404,315	7,989,601
Other	504,236	613,846	388,493
Total advances issued to other counterparties	16,097,424	16,283,838	18,914,777
Total advances issued to suppliers of equipment and capital construction contractors	16,190,186	16,372,557	19,696,968

With respect to a number of advances issued to equipment suppliers and capital construction contractors, bank guarantees were obtained (see 3.6.2 of the Explanatory Notes).

Advances issued to suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply during 2020 are included within short-term advances issued.

Long-term accounts receivable include interest-free loans issued to the following counterparties:

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:			
JSC Transport company Rushydro	366,371	-	-
JSC Nizhne-Bureiskaya GES	-	148,000	1,197,708
JSC ESK RusHydro	-	-	1,033,683
Other related parties	-	-	3,000
Total interest-free loans issued to related parties	366,371	148,000	2,234,391
Other	222,880	292,946	366,020
Total interest-free loans issued to other counterparties	222,880	292,946	366,020
Total long-term interest-free loans issued	589,251	440,946	2,600,411

Other long-term accounts receivable include the following types of receivables:

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries' interest receivable accrued on loans issued and promissory notes received, including:			
JSC Far East Generating Company	6,665,402	3,609,332	1,433,690
JSC RAO ES Vostoka	1,095,995	856,061	338,834
Other	1,731,581	1,300,190	470,372
Other accounts receivable	176,835	92,563	207,848
Total other long-term accounts receivable	9,669,813	5,858,166	2,450,744

Amount and movements in the impairment provision for long-term accounts receivable

Type	Period	At the beginning of the year	Provision creation	Recovery of provision	Write-off against a provision	Transfer to provision for short-term receivables	At the end of the year
Impairment provision for long-term accounts receivable, including:	2018	2,732,436	-	-	-	-	2,732,436
	2019	2,732,436	-	-	-	-	2,732,436
Other	2018	2,732,436	-	-	-	-	2,732,436

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

	2019	2,732,436	-	-	-	-	2,732,436
--	------	-----------	---	---	---	---	-----------

(b) Short-term accounts receivable (payments expected within 12 months of the reporting date)

Total short-term accounts receivable less doubtful debt provision were RUB 109,723,068 thousand, RUB 132,083,035 thousand and RUB 122,594,620 thousand as of 31 December 2019, 2018 and 2017, respectively.

Type of short-term accounts receivable	31 December 2019	31 December 2018	31 December 2017
Buyers and Customers, including:	7,807,953	6,878,677	6,726,244
Accounts receivable for electricity and capacity	7,855,258	8,821,587	8,648,810
Other	152,697	57,110	77,434
Advances issued, including:	8,805,211	7,058,892	4,275,517
Advances issued to suppliers of equipment and capital construction contractors	7,855,638	6,496,447	3,753,759
Other advances issued	949,573	562,445	521,758
Other debtors, including:	93,109,904	118,145,466	111,592,859
Interest-free promissory notes received	1,810,654	2,342,791	2,384,784
Interest-free loans issued	88,020,215	94,181,128	64,331,469
Accounts receivable from subsidiaries as part of additional issues before title for the shares issued is transferred to the Company	5,597	10,272,863	29,621,554
Indebtedness under assignment agreement	-	-	9,982,317
Taxes receivable	2,005,851	3,436,736	3,322,085
Lease receivables	-	5,936,083	-
Other	1,267,587	1,975,865	1,970,670
Total line 1232 "Accounts receivable" (payments expected within 12 months of the reporting date)	109,723,068	132,083,035	122,594,620

Short-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply within 12 months of the reporting date.

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:			
JSC Hydroremont – VKK	547,728	1,303,283	582,034
Other	1,085,450	695,873	430,337
Other related parties, including:			
LLC VolgaHydro	-	-	3,134
Total advances issued to related parties	1,613,178	1,999,136	1,015,505
Voith Hydro GmbH & Co KG	2,756,361	1,126,949	903,222
PJSC Silovye Mashiny	2,217,899	2,551,799	1,118,454
PJSC NPO ELSIB	287,145	-	-
JSC VNIIR Hydroelectroautomatics	264,525	180,341	420,372
Other	716,530	638,222	296,206
Total advances issued to other counterparties	6,242,460	4,497,311	2,738,254
Total advances issued to suppliers of equipment and capital construction contractors	7,855,638	6,496,447	3,753,759

With respect to a number of advances issued to equipment suppliers and capital construction contractors, bank guarantees were obtained (see 3.6.2 of the Explanatory Notes).

Short-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:			
JSC MGES Kabardino-Balkarii	-	2,142,039	2,142,039
Total interest-free promissory notes from related	-	2,142,039	2,142,039

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

issuer	31 December 2019	31 December 2018	31 December 2017
parties			
VTB Bank (PJSC)	910,504	199,011	241,004
JSC Alfa-Bank	887,273	-	-
Other	212,877	1,741	1,741
Total interest-free promissory notes from other counterparties	1,810,654	200,752	242,745
Total short-term interest-free promissory notes received	1,810,654	2,342,791	2,384,784

As of 31 December 2019, short-term receivables from subsidiaries on short-term interest-free promissory notes acquired by the Company are represented by promissory notes payable on demand.

Short-term accounts receivable include interest-free loans issued to the following counterparties:

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:			
JSC Zaramagskie GES	22,123,595	17,122,147	8,768,784
JSC Ust-Srednekanskaya GES	20,421,347	15,463,034	11,550,941
JSC RAO ES Vostoka	17,663,277	14,867,085	7,744,945
JSC Nizhne-Bureyskaya GES	7,808,209	5,274,658	3,778,915
JSC Hydroinvest	5,930,538	16,533,249	1,896,346
JSC Sakhalinskaya GRES-2	5,046,770	9,218,805	2,020,319
LLC Malye GES Stavropolya and KChR	3,907,325	1,832,952	816,090
LLC Verkhnebalkarskaya MGES	2,860,562	1,790,101	641,233
JSC Sakhaenergo	1,027,919	211,554	25,597
JSC CCGT in the City of Sovetskaya Gavan	143,471	2,644,948	2,355,133
JSC Yakutskaya GRES-2	-	5,911,758	6,462,386
JSC MGES Kabardino-Balkarii	-	1,352,447	1,444,902
JSC Magadanenergo	-	543,295	85,346
LLC Index energetiki – HydroOGK	-	-	13,014,000
LLC Vostok-finans	-	-	2,245,643
Other	1,225,586	1,348,834	1,401,787
Other related parties, including:			
Loans issued to the Company's key management	-	-	3,903
Total short-term interest-free loans issued to related parties	87,958,599	94,112,667	64,256,270
Total short-term interest-free loans issued to other counterparties	61,616	68,461	75,199
Total short-term interest-free loans issued	88,020,215	94,181,128	64,331,469

As of 31 December 2019, short-term interest-free loans issued include:

- at call loans of RUB 22,123,595 thousand provided to AO Zaramagskie GES to finance expenditures under the investment project Zaramagskie GES and to replenish its working capital to be used for refinancing payables;
- at call loans of RUB 20,421,347 thousand provided to AO Ust-Srednekanskaya GES to finance expenditures under the investment project Ust-Srednekanskaya GES;
- at call loans of RUB 17,663,277 thousand provided to AO RAO Energy System of the East to finance its investment program and other projects as well as to refinance bank loans payable;

Interest-free loans of RUB 87,958,599 thousand provided to subsidiaries as at 31 December 2019 are recorded within short-term accounts receivable in line with effective contract terms.

In addition, short-term accounts receivable include receivables from the following subsidiaries, arising after partial payment for shares of additional issues but before the title to the issued shares is transferred to the Company:

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Counterparty	31 December 2019	31 December 2018	31 December 2017
AO Chukotenergo	5,597	-	-
JSC Holding company BoGES	-	9,963,644	-
JSC TK RusHydro	-	309,219	309,219
JSC Nizhne-Bureyskaya GES	-	-	21,279,068
JSC Zagorskaya GAES-2	-	-	6,647,090
JSC Sulaksky Hydrocascade	-	-	1,386,179
Total accounts receivable from the following subsidiaries, arising after partial payment for shares of additional issues but before the title to the issued shares is transferred to the Company	5,597	10,272,863	29,621,554

Short-term accounts receivable includes the following types of tax receivables:

Item	31 December 2019	31 December 2018	31 December 2017
Income tax	1,722,975	3,038,564	2,904,759
Other taxes and levies	282,878	398,172	417,308
Total tax receivables	2,005,851	3,436,736	3,322,065

Amount and movements in the impairment provision for short-term accounts receivable

Type	Period	At the beginning of the year	Provision creation	Recovery of provision	Write-off against a provision	At the end of the year
Provision for short-term accounts receivable, including	2018	12,718,686	4,408,906	(2,651,250)	(94,868)	14,381,474
	2019	14,381,474	1,933,533	(2,169,923)	(82,276)	14,062,808
Trade receivables	2018	6,489,425	3,247,683	(2,603,682)	(7,906)	7,125,320
	2019	7,125,320	1,432,932	(1,845,804)	(47,949)	6,664,499
Advances issued	2018	338,574	34,429	(11,661)	(3,000)	358,342
	2019	358,342	39,470	(79,293)	(17,470)	301,049
Other	2018	5,890,667	1,126,794	(35,707)	(83,962)	6,897,812
	2019	6,897,812	461,131	(244,626)	(16,857)	7,097,260

* Includes transfer from provision for long-term accounts receivable and financial investments.

Overdue accounts receivable

Item	31 December 2019		31 December 2018		31 December 2017	
	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount
Total, including:	10,278,905	849,432	10,045,689	624,727	9,097,778	809,817
Buyers and customers	6,749,396	186,839	6,997,990	169,483	6,128,876	125,955
Advances issued	880,131	587,201	705,269	347,928	555,659	217,443
Other debtors	2,649,378	75,392	2,341,430	107,316	2,415,243	466,419

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

3.2.3 Short-term investments (Line 1240 of the balance sheet)

The structure of the Company's short-term investments is represented by the following assets:

Type of investment	31 December 2019	31 December 2018	31 December 2017
Bank deposits	46,495,623	29,585,000	163,000
Loans issued	5,220,354	5,584,877	11,685,704
Promissory notes	-	601,053	601,053
Total line 1240 "Investments" (excluding cash equivalents)	51,716,177	35,770,730	12,449,757

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro
Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results
(in thousands of Russian Roubles unless otherwise stated)

Short-term investments and their movements

Item	Period	Opening balance			Changes for the period*			Closing balance	
		Historical cost	Accumulated adjustment	Additions*	Disposal (repayment) Historical cost*	Accumulated adjustment	Accrual of impairment provision	Historical cost	Accumulated adjustment
Short-term investments, including	2018	14,598,946	(2,149,189)	50,660,124	(26,895,672)	-	(443,479)	38,363,398	(2,592,668)
	2019	38,363,398	(2,592,668)	83,915,075	(68,251,669)	-	282,041	54,026,804	(2,310,627)
Bank deposits	2018	163,000	-	43,737,500	(14,315,500)	-	-	29,585,000	-
	2019	29,585,000	-	82,674,853	(65,764,030)	-	-	46,495,823	-
Loans issued	2018	13,834,860	(2,149,189)	6,622,024	(12,580,172)	-	(443,479)	8,177,345	(2,592,668)
	2019	8,177,345	(2,592,668)	1,240,222	(1,886,588)	-	282,041	7,530,981	(2,310,627)
Promissory notes	2018	601,053	-	-	-	-	-	601,053	-
	2019	601,053	-	-	(601,053)	-	-	-	-

* Movements of short-term investments received and disposed of (repaid) in the same reporting period are presented on a gross basis.

Exposure of short-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

TRANSLATORS EXPLANATORY NOTE: This version of our reports accompanying documents is a translation from the original, which was prepared in Russian. It is possible that not even taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, which is required, the original language version of our reports takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Roubles unless otherwise stated)

(a) Bank deposits

As at 31 December 2019, the Company had Rouble deposits with banks of RUB 46,248,200 thousand, due in 2020, в долларах США – RUB 247 623 thousand. As at 31 December 2019, interest rates on Rouble deposits were 3,75%-7,12% p.a. (31 December 2018: 5.85% – 8.15%, 31 December 2017: 5.55%). Interest rate for a deposit in USD as at 31 December 2019 was 0,85% per annum.

Credit institution	Rating on 31 December 2019	Rating agency	31 December 2019	31 December 2018	31 December 2017
VTB Bank (PJSC)	BBB-	S&P	31,690,000	5,000,000	-
Bank GPB (JSC)	BBB-	Fitch	14,771,623	6,500,000	-
PJSC Sberbank	Baa3	Moody's	34,200	3,085,000	163,000
JSC UniCredit Bank			-	9,000,000	-
PJSC Rosbank			-	6,000,000	-
Total bank deposits			46,495,823	29,585,000	163,000

(b) Short-term loans issued

Loan recipient's name	31 December 2019	31 December 2018	31 December 2017	Annual rate, %
Short-term loans issued to related parties, including:				
PJSC Kamchatskenergo	3,975,000	3,975,000	-	7,5%
PJSC Sakhalinenergo	650,000	650,000	-	7,5%
PJSC Yakutskenergo	545,354	506,790	-	8.1%-8.4%
JSC ESK RusHydro	-	197,000	420,000	-
JSC Yakutskaya GRES-2	-	97,024	495,328	-
JSC Far East Distribution Company	-	49,412	4,537,544	-
JSC Sakhaenergo	-	-	3,476,210	-
JSC Hydroinvest	-	-	1,747,595	-
JSC Teploenergосervice	-	-	929,000	-
Other	50,000	109,451	80,027	-
Total short-term loans issued	5,220,354	5,584,677	11,685,704	

As of 31 December 2019 provision was made RUB 2,310,627 thousand for CJSC Verkhne-Narynskie GES (31 December 2018: RUB 2,592,668 thousand, 31 December 2017: RUB 2,149,189 thousand).

There are no indicators of a prolonged decline in the value of investments.

3.2.4 Cash and cash equivalents (line 1250 of the balance sheet)

Item	31 December 2019	31 December 2018	31 December 2017
Cash in bank	6,163,423	7,900,669	2,193,239
Cash equivalents	12,000,000	34,169,667	47,835,387
Cash at accounts in the Office of the Federal Treasury	-	699,971	699,961
Total line 1250 "Cash and cash equivalents"	18,163,423	42,970,607	50,928,587

As of 31 December 2019, 2018 and 2017, there is no restricted cash.

As of 31 December 2019 there were cash balances denominated in US dollars equivalent to RUB 3,242 thousand (31 December 2018: RUB 130 thousand; 31 December 2017: RUB 476,679 thousand).

As of 31 December 2019, interest rates on Rouble deposits were 5,90%-6,13% p.a. (31 December 2018: 7.50% – 8.22%, 31 December 2017: 5.55% – 7.50%).

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Roubles unless otherwise stated)

The Company holds cash and cash equivalents in the following credit institutions:

Credit institution	Rating on 31 December 2019	Rating agency	31 December 2019	31 December 2018	31 December 2017
Bank deposits, including:					
Bank GPB (JSC)	BBB-	Fitch	12,000,000	13,100,000	15,329,056
VTB Bank (PJSC)			-	18,497,000	32,034,000
JSC UniCredit Bank			-	2,572,967	-
PJSC Sberbank			-	-	472,331
Total cash equivalents			12,000,000	34,169,967	47,835,387
Cash in banks, including:					
Bank GPB (JSC)	BBB-	Fitch	5,298,916	3,827,102	20,024
JSC Bank «ROSSIYA»	A+	AKPA	701,610	3,740,312	1,811,186
Other			162,897	333,255	362,029
Total cash in bank			6,163,423	7,900,669	2,193,239

Notes to the statement of cash flows

Cash flows required for the purposes of supporting the existing scope of the Company's operations are presented within current operations. Cash flows related to expansion of the Company's business are included in investing activities.

Cash flows spent on investments and received on repayment of cash equivalents (excluding accrued interest) are not included in the cash flow statement.

Breakdown for lines "Other receipts" and "Other payments" of the statement of cash flows is presented below.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Rubles unless otherwise stated)

Item	2019	2018
Other receipts from operating activities (line 4119), including:		
Value added tax	2,479,025	10,758,836
Partial refund of the OeKB guarantee in connection with a loan paid off ahead of schedule	1,047,068	371,965
Penalties, interest and fines recognised or for which court rulings on collection have been received	460,828	-
GDR	207,168	70,812
Income from assignment of rights	288,882	223,200
Other receipts from operating activities	393,893	10,080,182
Other receipts from operating activities	81,186	12,877
Other payments related to operating activities (line 4129), including:		
Taxes and levies	(19,231,820)	(18,562,454)
Non-budget funds	(7,670,341)	(8,571,119)
Interest rate swap payments	(2,101,203)	(2,003,487)
Charity payments	(437,635)	-
Business trip expenses	(1,600,490)	(1,397,808)
Water usage expenses	(326,902)	(335,139)
Payments of non-deliverable forward contract for shares	(1,933,674)	(1,823,502)
Payment of expenses for raising borrowed capital	(3,731,455)	(2,812,984)
Payment of fines, penalties, forfeits, damages	(147,548)	(1,207,284)
Other payments related to operating activities	(726,299)	(53,037)
Other payments related to operating activities	(356,273)	(358,094)
Other receipts related to investing activities (line 4219), including:		
Other payments related to investing activities (line 4229), including:	-	-
Cash placement on a short-term deposit other than cash equivalent	(16,931,441)	(29,422,000)
Other payments related to investing activities (line 4329), including:	(1,819)	(1,972)
Other payments related to investing activities	(1,819)	(1,972)

3.3. Equity and reserves (Section III of the balance sheet)

3.3.1 Share capital (line 1310 of the balance sheet)

As of 31 December 2019, 2018 and 2017, the Company's share capital is registered according to the established procedure and fully paid:

Share capital composition	Number of shares at 31 December 2019	Number of shares at 31 December 2018	Number of shares at 31 December 2017
Ordinary shares with nominal value of RUB 1 per share	426,288,813,551	426,288,813,551	426,288,813,551

As of 31 December 2019, the following shareholders are registered in the register of shareholders:

Shareholder	Type of shareholder	Number of shares	Ownership share, %
Russian Federation represented by the Federal Agency for State Property Management	beneficial owner	265,161,535,606	61,20
Non-Banking Credit Organisation JSC National Settlement Depository	nominee holder	132,215,451,157	30,51
Other		35,911,919,088	8,29
Total		433,288,905,849	100,00

Additional issue in 2018-2019

On 21 June 2018, the Company's Board of Directors approved (Minutes No.272 of 22 June 2018) the decision to have an additional issue of the Company's securities in the amount of

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

14,013,888,828 shares through their public offering with payment in cash, the placing price for the Company's additional share issue was set at RUB 1 per share.

On 27 August 2018, the Central Bank of the Russian Federation registered the additional issue of the Company's 14,013,888,828 ordinary registered shares No. 1-01-55038-E-043D.

In April – May 2019 the Company resumed the results of execution of pre-emptive right. The Company placed among its shareholders 7,000,092,298 additional shares (49.95 percent of the additional issue of new shares) at RUB 1.00 per share, including 7,000,000,000 shares that were bought by the Russian Federation represented by the Federal Agency for Management of State Property. The remaining shares of this issue will be placed as part of an open subscription.

Thus, the number of shares in the register of shareholders as of 31 December 2019 exceeds the amount of shares in the Company's share capital as of 31 December 2019 due to the current additional issue of shares by 7,000,092,298 shares that were actually placed. Since as of 31 December 2019 the placement of the additional issue was not completed and corresponding changes in the constituent documents were not duly registered, the Company's share capital was not increased, the Company's obligation of RUB 7,000,092 thousand was recorded in line 1526 "Settlements for Additional Share Issues before the Changes are Registered in Constituent Documents of the Company" (see para 3.5.2 of the Explanatory Notes).

As of 31 December 2019, 16 million shares of the total number of ordinary shares are owned by the Company's Management Board members (31 December 2018: 16 million shares, 31 December 2017: 71 million shares). Subsidiaries and associates own 3,852 million shares of the Company (31 December 2018: 3,852 million shares, 31 December 2017: 3,852 million shares).

3.3.2 Revaluation of non-current assets (line 1340 of the balance sheet)

As of 31 December 2019, the amount of accumulated revaluation of non-current assets is RUB 52,296,157 thousand (31 December 2018: RUB 52,436,936 thousand, 31 December 2017: RUB 52,605,896 thousand). This metric consists of the amounts of revaluation accumulated by subsidiaries and associate which the Company acquired as part of the 2008 restructuring process.

The amount of accumulated revaluation was decreased by RUB 140,779 thousand in 2019 due to disposal of items of property, plant and equipment revalued earlier (2018: RUB 168,960 thousand).

3.3.3 Additional paid-in capital (line 1350 of the balance sheet)

As of 31 December 2019, 2018 and 2017, the Company's additional paid capital was RUB 58,424,543 thousand, RUB 58,424,543 thousand and RUB 58,424,543 thousand, respectively, and consisted of share premium of the Company and subsidiaries and associates which the Company acquired as part of the 2008 restructuring process.

3.3.4 Reserve capital (line 1360 of the balance sheet)

As of 31 December 2019, 2018 and 2017, the Company's reserve capital was RUB 17,015,104 thousand, RUB 15,178,823 thousand and RUB 13,371,392 thousand, respectively.

In accordance with the decision of the Company's annual general meeting of shareholders of 02 July 2019 (Minutes No. 18), the Company allocated 5% of its net profit for 2018 in the amount of RUB 1,836,281 thousand to the reserve capital.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(In thousands of Russian Roubles unless otherwise stated)

3.4. Non-current liabilities (Section IV of the balance sheet)**3.4.1 Long-term borrowings (line 1410 of the balance sheet)**

Balance sheet line 1410 "Borrowings" includes long-term loans payable:

Lender / creditor	31 December 2019	31 December 2018	31 December 2017
VTB Bank (PJSC)	30,000,000	20,000,000	-
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	20,000,000	20,000,000	20,000,000
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	20,000,000	20,000,000	-
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018 (RUB)	15,000,000	15,000,000	-
Eurobonds (RusHydro Capital Markets DAC) issued in November 2019	15,000,000	-	-
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018 (CNY)	13,289,055	15,149,550	-
Far East Development Fund	4,074,073	4,814,815	-
Russian bonds issued in February 2013	2,195,637	2,195,637	-
PJSC Sberbank	-	20,000,000	20,000,000
Russian bonds issued in June 2017	-	10,000,000	10,000,000
Russian bonds issued in April 2016	-	-	15,000,000
UniCredit Bank Austria AG	-	-	4,749,508
Other	1,016,626	1,016,626	1,948,704
Total line 1410 "Borrowings"	120,575,391	128,176,628	71,698,212

In July 2019, a drawdown of RUB 10 billion was made under the credit facility opened in 2018 with PAO Bank VTB. The proceeds were used to refinance the debt of the Company.

In July 2019, a drawdown of RUB 10 billion was made under the credit facility of 2018 with PAO Bank VTB. The proceeds were used to refinance the debt of the Company and its subsidiaries. In November 2019, the Company placed Eurobond issue of 15 billion due in November 2024 with the coupon yield of 6.8% p.a. The issuer of the two placements is RusHydro Capital Markets DAC, a special purpose entity, who provided financing to the Company in the form of loans. The Company used proceeds from the Eurobond issues to finance its current operations and to refinance the debt.

As of 31 December 2019 terms of material received long-term borrowings were the following:

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Rubles unless otherwise stated)

Lender / creditor	Contract year	Maturity year	Sum in thousand units of borrowing currency	Currency of borrowing	Interest rate of borrowing
VTB Bank (PJSC) Tranche received in 2018	2018	2025	20,000,000	RUB	7,50%
VTB Bank (PJSC) Tranche received in 2019	2018	2023	10,000,000	RUB	8,05%
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	2017	2022	20,000,000	RUB	8,13%
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018 (RUB)	2018	2021	20,000,000	RUB	7,40%
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018 (CNY)	2018	2021	1,500,000	CNY	6,125%
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018 (RUB)	2018	2022	15,000,000	RUB	8,975%
Eurobonds (RusHydro Capital Markets DAC) issued in November 2019 (RUB)	2019	2024	15,000,000	RUB	6,8%

Apart from the fully used (as at 31 December 2019) credit facility from PJSC Sberbank of RUB 40,000,000 thousand due in 2026, after 31 December 2019 the Company can raise funds under credit agreements with Bank GPB (JSC) of up to RUB 20,000,000 thousand due in 2026, with AO AB Rossia of up to RUB 7,000,000 thousand due in 2023, with AO Alfa-Bank of up to RUB 10,000,000 thousand due in 2023, with PAO Rosbank of up to RUB 8,000,000 thousand due in 2025, with Bank «VBR» of up to RUB 20,000,000 thousand due in 2029, for the total amount of RUB 105,000,000 thousand.

Ageing analysis:

Due for repayment	31 December 2019	31 December 2018	31 December 2017
From 1 to 2 years	34,279,735	30,740,741	16,525,766
From 2 to 3 years	35,740,741	36,140,291	30,593,689
From 3 to 4 years	13,703,065	35,740,741	843,628
From 4 to 5 years	15,740,740	2,936,378	20,593,689
Over five years	21,111,110	22,618,477	3,141,440
Total line 1410 "Borrowings"	120,575,391	128,176,628	71,698,212

Interest on borrowings included into the cost of investment assets

In 2019, the amount of interest on borrowings included into the cost of investment assets was RUB 1,431,156 thousand (2018: RUB 1,832,621 thousand), of which RUB 1,431,156 thousand was the interest accrued on borrowings where the agreement does not specify that the funds are provided for special investment purpose (2018: RUB 1,666,309 thousand).

Interest rate swap

In November 2018, the Company placed Eurobond issue of CNH 1.5 billion due in November 2021 with the coupon yield of 6.125% p.a. The issuer of the two placements is RusHydro Capital Markets DAC, a special purpose entity, who provided financing to the Company in the form of loans. The Company used proceeds from the Eurobond issues to finance its current operations and to refinance the debt.

In November 2018, the Company entered into a cross currency and interest rate swap with PAO Bank VTB to fix in CNH the Company's liability related to Eurobonds. The swap is signed for three years and fixes the nominal amount (CNH 1.5 billion) as at the redemption date (November 2021).

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

at the level of RUB 14,430,000 thousand based on the effective market rate at the swap signing date, as well as interim payments that are set for the Company in Russian Roubles at the floating rate determined as an arithmetical mean of the values of the key rate of the Central Bank of Russia plus a spread of 1.5% p. a. from the nominal value set for the Company in roubles.

The Company recorded payments under the currency and interest rate swap made during 2019 in the amount of RUB 437,634 thousand as part of other expenses, see details in para 3.8 of the Explanatory Notes).

3.4.2 Other non-current liabilities (line 1450 of the balance sheet)

Line 1450 "Other liabilities" includes в том числе long-term VAT on advances issued in the amount of RUB 1,011,238 thousand as of 31 December 2019 (31 December 2018: RUB 911,886 thousand, 31 December 2017: RUB 1,153,086 thousand) and trade payables in the amount of RUB 1,787,588 thousand as of 31 December 2019 (31 December 2018: RUB 1,928,246 thousand, 31 December 2017: RUB 3,110,898 thousand).

3.5. Current liabilities (Section V of the balance sheet)

3.5.1 Short-term borrowings (line 1510 of the Balance sheet)

Lender / creditor	31 December 2019	31 December 2018	31 December 2017
Borrowings, including:	22,152,039	17,801,516	47,412,540
Borrowings received from subsidiaries, including:			
JSC Sulakskiy Hydrocascade	9,943,274	-	-
AO Malaya Dmitrovka	978,741	1,107,078	-
JSC Zagorskaya GAES-2	115,885	929,465	-
Other	375,598	579,788	456,097
Borrowings received from other related parties:			
LLC "Alsterresearch"	-	-	750,000
Итого заемные средства, полученные от связанных сторон	11 411 298	2 616 331	1 206 097
Borrowed funds received from other, including:	10 740 741	15,185,185	46,206,443
Russian bonds issued in June 2017	10,000,000	-	-
Фонд развития Дальнего Востока и Арктики	740,741	185,185	-
Russian bonds issued in April 2016	-	15,000,000	-
Russian bonds issued in February 2013	-	-	20,000,000
Russian bonds issued in July 2015	-	-	15,000,000
PJSC Sberbank	-	-	10,612,754
UniCredit Bank Austria AG	-	-	593,689
Interest on borrowings, including:	1,851,912	1,967,373	2,844,814
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018	577,228	129,092	-
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	557,534	557,534	-
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	422,945	422,945	422,945
Russian bonds issued in February 2013	878	856	666,000
PJSC Sberbank	-	295,616	446,623
Russian bonds issued in July 2015	-	-	872,000
Other	293,327	561,330	437,246
Total line 1510 "Borrowings"	24,003,951	19,768,889	50,257,354

3.5.2 Accounts payable (line 1520 of the balance sheet)

Total short-term accounts payable were RUB 17,026,460 thousand, RUB 11,702,866 thousand and RUB 10,563,236 thousand as of 31 December 2019, 2018 and 2017, respectively;

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Type of payables	31 December 2019	31 December 2018	31 December 2017
Trade payables	3,387,878	4,978,070	4,040,338
Settlements with personnel	190,949	210,649	244,324
Payables to state off-budget funds	224,962	143,631	133,808
Tax payables	5,347,132	5,407,731	5,241,815
Settlements with participants (founders) in payment of income	139,385	143,159	140,728
Settlements for the payment of own shares before the change of the charter capital in the constituent documents (see paragraph 3.3.1 of the Explanatory Notes)	7,000,092	-	-
Other	736,060	819,626	762,223
Total line 1520 "Accounts payable"	17,026,460	11,702,966	10,563,236

The balance sheet line 1521 "Trade accounts payable" includes the following types of payables:

Type of payables	31 December 2019	31 December 2018	31 December 2017
Payables to capital construction contractors	1,009,414	723,070	705,262
Payables to suppliers of equipment and other non-current assets	949,488	2,730,920	1,841,616
Payables for purchase of electricity and capacity	490,214	480,484	426,737
Payables to suppliers of repair and maintenance services	225,723	318,722	380,611
Other	713,040	724,874	686,112
Total line 1521 "Trade accounts payable"	3,387,879	4,978,070	4,040,338

The balance sheet line 1524 "Taxes payable" includes current payables on the following taxes:

Tax	31 December 2019	31 December 2018	31 December 2017
Property tax payable	1,044,999	1,316,043	1,290,877
VAT payable	4,116,015	4,031,190	3,901,537
Income tax payable	12,162	1,665	-
Other taxes payable	171,956	58,833	49,401
Total line 1524 "Taxes payable"	5,347,132	5,407,731	5,241,815

3.5.3 Estimated liabilities (line 1540 of the balance sheet)

As of 31 December 2019 the total estimated liabilities are RUB 3,150,002 thousand (31 December 2018: RUB 2,863,434 thousand, 31 December 2017: RUB 2,976,494 thousand). The estimated liabilities have a short-term nature.

Item	Period	Opening balance	Recognised	Settled	Written off as surplus	Closing balance
Estimated liabilities, including:	2018	2,976,494	3,204,366	(2,953,511)	(363,915)	2,863,434
	2019	2,863,434	3,953,595	(3,207,572)	(459,456)	3,150,002
for remuneration payments	2018	1,876,253	1,990,960	(1,762,460)	(113,298)	1,991,455
	2019	1,991,455	2,093,820	(1,931,681)	(59,279)	2,094,315
for litigation	2018	683,177	57,436	(250,227)	-	490,386
	2019	490,386	419,078	(307,855)	(161,295)	440,314
for forthcoming payment of earned but unused employee vacations	2018	417,064	1,155,970	(940,824)	(250,617)	381,593
	2019	381,593	1,196,197	(968,036)	(238,881)	370,873
on the upcoming payment of fines and penalties	2018	-	-	-	-	-
	2019	-	244,500	-	-	244,500

3.6. Off-balance-sheet valuables

3.6.1 Leased property, plant and equipment

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

As of 31 December 2019, the total rented property, plant and equipment are RUB 19,607,431 thousand (31 December 2018: RUB 36,256,016 thousand, 31 December 2017: RUB 35,760,269 thousand). In 2019 and 2018, the Company did not receive any property, plant and equipment under lease contracts.

The Company rented and received items of property, plant and equipment under lease contracts from the following entities:

Lessor	31 December 2019	31 December 2018	31 December 2017
JSC Zaramagskie GES	5,138,343	5,138,343	4,927,437
JSC Malaya Dmitrovka	3,394,876	3,394,876	3,393,757
Administration of Sergiev Posad Municipal District *	2,195,983	4,998,235	4,998,235
АО «Загородная ГАЭС-2»	2,135,722	1,279	1,109
Territorial Office of Federal Property Management Agency (Rosimyschestvo) in the Stavropol Territory	718,383	3,122,490	2,770,670
Territorial Office of Federal Property Management Agency in the Volgograd region	603,861	603,861	603,861
Territorial Office of Federal Property Management Agency (Rosimyschestvo) in the Republic Dagestan	579,758	136,413	136,413
Territorial Office of Federal Property Management Agency in the Nizhny Novgorod region	568,912	568,912	568,912
Novosibirsk Department of Land and Property Relations	568,764	776,862	776,862
Territorial Department of FA for the management of state property in the Republic of Mordovia, the Republic of Mari El, the Republic of Chuvashia	451,083	451,083	451,083
Interregional territorial administration of the FA for state property management in the Vladimir, Ivanovo, Kostroma and Yaroslavl regions	420,182	420,475	430,700
JSC Sulakskiy HydroKaskad	-	10,477,794	10,477,794
JSC Malyye GES Kabardino-Balkarii	-	3,567,253	3,567,253
Other	2,831,584	2,600,140	2,658,183
Total rent and lease of property, plant and equipment	19,607,431	36,256,016	35,760,269

*In 2018 the owner of plot of land was changed from the Ministry of Property Relations of the Moscow Region to the Administration of the Sergiev Posad Municipal District.

3.6.2 Collateral for liabilities and payments received

Counterparty	31 December 2019	31 December 2018	31 December 2017
Subsidiaries, including:	5,539,925	5,529,889	5,319,670
JSC Hidroinvest	5,319,670	5,319,670	-
LLC EZOP	-	-	3,213,670
LLC Vostok-finans	-	-	2,106,000
Others	220,255	210,219	-
Other related parties	-	7,617	18,339
Total liabilities and payments received from related parties	5,539,925	5,537,506	5,338,009
Other counterparties, including:	21,912,962	18,333,694	16,336,804
PJSC Silovye Mashiny	12,809,950	10,013,653	7,878,054
Voith Hydro GmbH & Co KG	5,731,577	5,338,782	4,809,331
JSC VNIIR Hydroelectroavtomatika	677,147	669,699	657,601
JSC Hydroelectromontazh	-	-	453,245
Other	2,694,268	2,111,560	2,338,573
Total collateral for liabilities and payments received	27,452,887	23,871,200	21,674,813

For a number of agreements for delivery of equipment and capital construction with Voith Hydro GmbH & Co KG, PJSC Silovye Mashiny, JSC VNIIR Hydroelectroavtomatika, and others the

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Rubles unless otherwise stated)

Company received bank and corporate guarantees for return, in full or in part, of the advances issued to these entities or due fulfilment of the contractual scope of work by these entities. Mostly bank guarantees were received from VEB.RF, UniCredit Bank Austria AG, Raiffeisen Bank International AG, PJSC Sberbank, Bank GPB (JSC).

3.6.3 Collateral for liabilities and payments issued

The Company issued the following collaterals and guarantees:

Creditor	Debtor	31 December 2019	31 December 2018	31 December 2017
Collateral for liabilities and payments issued to subsidiaries, including:		41,606,999	20,690,024	30,607,705
VTB Bank (PJSC)	PJSC Far East Generating Company	19,785,018	3,327,101	4,520,888
PJSC Sberbank	PJSC Far East Generating Company	7,345,000	7,603,000	5,400,000
Московский кредитный банк ПАО	PJSC Far East Energy Company	2,732,422	-	-
PJSC Rosbank	PJSC Far East Energy Company	2,533,441	6,294,619	2,394,619
PJSC Sberbank	JSC Far East Generating Company	1,700,000	5,363,666	7,459,750
Bank GPB (JSC)	JSC Chuvashskaya Energy Sales Company	1,261,608	-	-
European Bank for Reconstruction and Development (EBRD)	CJSC International Energy Corporation	1,247,809	1,532,688	1,367,275
Asian Development Bank, ADB	CJSC International Energy Corporation	1,247,809	1,532,688	1,367,275
MIFNS № 5 in the Khabarovsk territory	JSC CCGT in the City of Sovetskaya Gavan	1,045,646	-	-
PJSC Sberbank	PJSC Magadanenergo	-	1,150,000	1,248,000
PJSC Sberbank	PJSC Kamchatskenergo	-	200,000	4,766,043
Others	Others	2,728,246	1,674,262	2,162,135
Collateral for liabilities and payments issued to other related parties, including:		25,642,903	25,642,903	52,228,038
GC Vnesheconombank	PJSC Boguchanskaya GES	21,027,476	21,027,469	46,982,034
GC Vnesheconombank	CJSC Boguchansky Aluminium Smelter	4,615,427	4,615,434	4,615,434
Others	Others	-	-	650,570
Others		65,565	-	-
Total collateral for liabilities and payments issued		67,315,467	54,340,927	82,915,823

In 2019 the Company issued guarantees:

- Guarantees provided for liabilities of JSC Far East Generating Company under its loan agreements with PJSC Sberbank, VTB Bank (PJSC), Credit Bank of Moscow and PJSC Rosbank cover the principle amount and interest. The guarantees expire in 2021, 2022, 2026, 2029;
- Guarantees provided for liabilities of JSC Chuvashskaya Energy Sales Company under its loan agreements with Bank GPB (JSC), PJSC Sberbank cover the principle amount and interest. The guarantees expire in 2023, 2024;
- Guarantees provided for liabilities of PJSC Magadanenergo under its loan agreements with VTB Bank (PJSC) cover the principle amount and interest. The guarantees expire in 2022;

As at 31 December 2019, 2018 and 2017, guarantees issued by the Company for liabilities of PJSC Boguchanskaya GES и CJSC Boguchansky Aluminium Plant under its loan agreement with VEB.RF are represented by the pledge of PJSC Boguchanskaya GES's и CJSC

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Boguchansky Aluminium Plant interest-free promissory notes for the total of RUB 21,027,456 thousand and RUB 4 615 420 thousand, respectively (see Note 3.2.2 of the Explanatory Notes).

3.6.4 Non-deliverable forward contract for shares

In March 2017 the Company signed a contract with VTB Bank (PJSC) (hereinafter the "Bank") under which the Bank is to acquire 55 billion ordinary shares of the Company and a non-deliverable equity forward for these shares for a 5-year period. Under the contract the Bank bought 40 000 000 000 shares of the Company from the current additional issue of the Company shares (see para 3.3.1 of the Notes) and 15 000 000 000 shares of the Company from subsidiaries at the price of RUB 1 per share for the total amount of RUB 55 billion.

Cash received from the Bank was used to provide long-term special purpose loans to JSC RAO ES Vostoka and its subsidiaries to refinance their current liabilities to banks (see para 3.1.2 of the Notes).

In November 2019, an additional agreement was signed, according to which the forward rate was reduced by 0.5% per annum and it is possible to extend the contract period for three years – until March 2025.

According to the forward contract, the forward value is determined as the purchase consideration paid by the Bank plus the amount of prepayment that the Company pays to the Bank on a quarterly basis. The prepayment amount is calculated using a special formula that reduces the prepayment amount by the amount of dividends received by the Bank in the effective period of the forward contract.

The Bank is assumed to sell the Company's shares at the time of final settlement under the forward contract. The difference between the proceeds that the Bank will receive from the sale of these shares and their forward value is subject to cash settlement between the Company and the Bank. Thus, if the forward value is higher than the purchase consideration paid for the shares sold, the Company will reimburse the difference, net of the prepaid amount, to the Bank and, vice versa, if the proceeds from the sale of shares are in excess of the forward value, the difference will be paid by the Bank to the Company. If, for any reason, the Bank does not sell the shares, they will continue to be held by the Bank. If this is the case, the amount of additional payment to be made when closing the forward transaction is calculated based on the quoted market price of the Company's shares.

Thus, the payments will be made upon expiry of the forward contract or earlier, if the Bank sells the shares held. The payment can be made both by the Company to the Bank or by the Bank to the Company, depending on the level of the market value of the Company's shares at the time of sale / expiry of the transaction term and their forward value.

Management of the Company analysed terms of the contract with the Bank and concluded that the Bank acts a full-fledged shareholder as it receives the right to take part in the Company's governance and the right to receive dividends while the Company does not have any obligations to buy the shares back from the Bank or any other binding arrangements. According to the management, decreasing a prepaid amount of forward value by the amounts of dividends received by the Bank does not directly represent a return of dividends, and, therefore, does not limit the Bank in terms of receiving benefits from the share ownership.

As at 31 December 2019 the fair value of the liability under the non-deliverable equity forward calculates in accordance with IFRS was RUB 28,509,933 thousand (31 December 2018: RUB 31,896,259 thousand, 31 December 2017: RUB 20,716,083 thousand).

As at 31 December 2019 the Company's management believe that there will be no return of prepaid amounts to the Company upon expiry of the five year period at the time of the forward contract closure. Given the above and following the prudence, principle prepayments of RUB 3,731,456 thousand made under the non-deliverable forward contract in 2019 (2018: RUB 2,812,984 thousand) are recognised within other expenses (see paragraph 3.8 of the Explanatory Notes).

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Rubles unless otherwise stated)

3.7 Income and expenses on operating activities (statement of financial results)**3.7.1 Revenue (line 2110 of the statement of financial results)**

Revenue from sales of electricity and capacity has the largest percentage in the Company's revenue structure (99,7%).

Item	2019	2018
Sale of electricity	78,595,663	85,059,499
Sale of capacity	76,116,508	77,358,933
Sale of heat	152,700	166,210
Other	315,190	228,622
Total line 2110 "Revenue"	155,180,091	162,813,264

The Company sells a major part of its produced electricity and capacity (99,8%) on the wholesale electricity and capacity market, where sales are made at non-regulated prices (except for sales at regulated tariffs in the RF Far East non-pricing zone and volumes produced for selling to households or equivalent consumer categories).

3.7.2 Cost of sales (line 2120 of the statement of financial results)

Item	2019	2018
Fees for administering the wholesale market of electricity and capacity (JSC SO UES, JSC ARS, JSC CFR), incl.:	35,204,007	38,049,912
Earmarked contributions to the budget of constituent entities of the Russian Federation	32,076,558	35,032,275
Depreciation and amortisation	16,940,635	16,531,843
Wages and social insurance contributions	10,836,422	10,583,798
Purchased electricity and capacity	8,229,511	8,236,465
Property tax	6,162,481	7,140,471
Repairs and maintenance	4,259,180	3,860,771
Third party services	3,912,639	3,854,250
Water usage expenses, water tax	2,072,349	1,887,146
Fire and other security services	1,762,051	1,748,582
Insurance expenses	1,745,984	1,756,245
Lease expenses	1,309,723	1,938,353
Other expenses	1,349,463	1,259,025
Total line 2120 "Cost of sales"	93,884,445	96,846,861

The cost of sales include administrative expenses. In 2019, administrative expenses totalled RUB 7,384,943 thousand (2018: RUB 7,336,710 thousand). Administrative expenses include expenses on the maintenance of subdivisions and premises of the Executive Body and the branch "Corporative University of the Hydro Power Industry" (including payroll and social expenses, PP&E depreciation charge, lease expenses, security costs etc.), insurance, legal, advisory, information, audit and other similar services, representation and other expenses.

Electricity and capacity market administration expenses include RUB 32,076,558 thousand (2018: RUB 35,032,275 thousand) of special-purpose contributions to the budgets of Russian constituent regions in the Far Eastern Territory in accordance with the Rules of targeted use of funds received from applying a mark-up on the cost of capacity sold in the price ranges of the wholesale power and capacity market in 2019.

Operating expenses broken down by cost elements are as follows:

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Item	2019	2018
Material expenses	20,133,148	19,326,777
Payroll expenses	8,756,900	8,513,597
Social contributions	2,179,522	2,422,362
Depreciation and amortisation	16,940,635	16,531,843
Other costs	45,874,240	50,052,282
Total for elements of costs	93,884,445	96,846,861
Change in balances of work in progress, finished goods, etc. (increase [-] / decrease [+])	-	-
Total expenses incurred on operating activities	93,884,445	96,846,861

3.8 Other income and expenses (line 2340 and line 2350 of the statement of financial results)

Item	2019		2018	
	Income	Expenses	Income	Expenses
Foreign exchange differences from remeasurement of assets and liabilities denominated in foreign currencies	3,095,261	(1,125,544)	1,847,511	(3,186,943)
Doubtful debt provision	2,169,922	(1,933,533)	2,651,250	(4,408,906)
Provision for impairment of investments	845,828	(6,983,481)	-	(6,453,211)
Income and expenses from sales, write-off and other transactions with assets	688,235	(1,052,564)	682,445	(3,110,243)
Income and expenses due to sale or other disposal of securities (exception promissory notes)	491,362	(461,223)	6,864,125	(8,300,084)
Income and expenses from granted and assigned sanctions	309,251	(1,012,617)	621,180	(72,574)
Expenses on operations with derivatives	-	(4,169,090)	-	(2,812,984)
Charity donations	-	(1,396,607)	-	(1,276,343)
Expenses for social events	-	(783,286)	-	(455,688)
Gains / (losses) from revaluation of investments measured at current market value	-	-	1,448,847	(902)
Other income and expenses	1,246,903	(943,154)	724,073	(1,900,160)
Total line 2340 "Other income" and 2350 "Other expenses"	8,946,862	(19,861,099)	14,839,431	(31,978,038)

3.9 Taxes

Corporate income tax

Income tax calculated on the basis of the accounting profit (theoretical income tax charge) for the reporting year was RUB 10,545,267 thousand (2018: RUB 10,019,550 thousand).

According to the tax accounting data, the taxable profit for 2019 was RUB 56,464,314 thousand (2018: RUB 55,220,122 thousand).

In the reporting year, the amount of non-temporary differences which affected the theoretical income tax charge adjustment for the purposes of income tax calculated for tax accounting purposes (current income tax) was RUB 15,529,464 thousand (2018: RUB 15,959,465 thousand).

The above non-temporary differences arise from differences in recognising certain income and expenses for accounting and income tax purposes.

Non-temporary differences resulted in permanent tax assets amounted to RUB 3,525,509 thousand for 2019 (2018: 11,334,362 thousand), including:

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Rubles unless otherwise stated)

- income from participation in other entities (dividends) in the amount of RUB 609,121 thousand for 2019 (2018: RUB 858,671 thousand);
- increase in value of financial placements determined in fair value in the amount of RUB 0 thousand (2018: RUB 1,448,847 thousand);
- release of the provision for impairment of investments in the amount of RUB 2,116,523 thousand (2018: RUB 1,258,077 thousand);
- proceeds from the sale of shares taxable at 0%, in the amount of RUB 0 thousand (2018: RUB 6,790,304 thousand);
- other permanent differences in the amount of RUB 799,865 thousand (2018: RUB 978,463 thousand).

Non-temporary differences resulted in the permanent tax liability amounted to RUB 19,054,973 thousand for 2019 (2018: 27, 293, 827 thousand), including:

- depreciation of RUB 3,012,576 thousand (2018: RUB 3,068,319 thousand);
- charity donations in the amount of RUB 1,418,777 thousand (2018: RUB 1,240,518 thousand);
- expenses related to sale, disposal or other transactions with assets in the amount of RUB 594,531 thousand (2018: RUB 908,278 thousand);
- provision for impairment of financial investments in the amount of RUB 6,983,764 thousand (2018: RUB 6,453,211 thousand);
- loss on transactions in derivative financial instruments not traded on the organized financial market, RUB 3,731,455 thousand (2018: RUB 2,812,984 thousand);
- loss on operations with securities not traded on the organized financial market in the amount of 41,244 thousand rubles. (2018: RUB 889,577 thousand);
- the amount of the liquidated investment was 1, 170, 595 thousand (0 thousand in 2018);
- proceeds from the sale of shares taxable at 0%, in the amount of RUB 0 thousand (2018: RUB 8,260,940 thousand);
- value of written-off assets (RAR) RUB 0 thousand (2018: RUB 1,671,084 thousand);
- other non-temporary differences in the amount of RUB 2,102,031 thousand (2018: RUB 1,988,916 thousand).

As at 31 December 2019, the total amount of deductible temporary differences, which affected the adjustment of the theoretical income tax charge for the purpose of the current income tax calculated for tax accounting purposes, was RUB 140,887 thousand (2018: RUB 564,542 thousand), including those originated – RUB 10,241,002 thousand (2018: RUB 11,331,000 thousand) and settled – RUB 10,100,115 thousand (2018: RUB 10,766,458 thousand).

As at 31 December 2019, total amount of taxable temporary differences that affected the theoretical income tax expense adjustment for the purpose of the income tax calculation for tax accounting purposes, was RUB 11,922,856 thousand (2018: RUB 11,408,440 thousand), including those originated – RUB 19,223,956 thousand (2018: RUB 18,602,026 thousand) and settled – RUB 7,301,100 thousand (2018: RUB 7,193,586 thousand).

In 2019 movement in deductible and taxable temporary differences was mainly due to:

- different useful lives of property, plant and equipment for accounting and income tax purposes;
- recognition of depreciation premium on items of property, plant and equipment for income tax purposes;
- application of multiplying factor for accrual of depreciation charges on property, plant and equipment used in operations in a hostile environment with a high turnover for tax accounting purposes in prior periods;
- capitalisation of interest on borrowings in the cost of investment assets for accounting purposes;
- including the costs of insurance in the value of investment assets in the accounting records of the Company.

Deferred tax assets and deferred tax liabilities were:

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Rubles unless otherwise stated)

Item	31 December 2019	31 December 2018	31 December 2017
Deferred income tax assets	(3,185,039)	(3,156,862)	(3,043,219)
Deferred tax liabilities	24,849,643	22,465,072	20,156,267
Total line 1420 "Deferred tax liabilities"	21,664,604	19,308,210	17,113,048

Value Added Tax

Total VAT calculated with due account of recovered tax amounts was RUB 44,293,882 thousand in the reporting year (2018: RUB 41,943,800 thousand).

Total VAT recoverable in the reporting period was RUB 25,346,077 thousand (2018: RUB 19,553,710 thousand).

The Company decreases the calculated VAT by the amount invoiced on purchase of goods (work, services) in Russia, according to tax legislation.

Other taxes and levies

In 2019, operating expenses include other taxes, levies, and also insurance contributions in the amount of RUB 7,920,292 thousand (2018: RUB 8,834,925 thousand), including:

- property tax in the amount of RUB 6,162,481 thousand (2018: RUB 7,140,471 thousand);
- insurance contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation and obligatory medical insurance funds in the amount of RUB 1,746,466 thousand (2018: RUB 1,684,202 thousand), including contributions related to estimated liabilities on future payment of employee vacations earned but not used;
- other taxes and levies in the amount of RUB 11,345 thousand (2018: RUB 10,252 thousand).

Relations with tax authorities

Russian tax legislation active or effective as of the end of the reporting period allows varying interpretation of the separate facts of the Company's economic life. As a consequence, the position of the Company's management in terms of taxes and documents substantiated this position may be challenged by tax authorities. The tax control in Russian Federation gets stringent resulting in increase of tax inspections risk, not having a clear financial and business objectives or transactions with counterparties not complying with the requirements of tax legislation. These inspections may cover 3 calendar years preceding the year when the decision about inspection was made. In some cases the earlier periods may be examined.

In 2020 the Company joined the tax monitoring system (a new form of interaction with the tax authorities that does not involve in-house or on-site inspections, as a general rule. Nevertheless, an on-site inspection of the Company can be made with regard to open periods (2018 and 2019). Within the tax monitoring framework, the Company may request a reasoned opinion of the tax authority on certain controversial tax issues. A reasoned opinion is binding on both the tax authorities and the Company.

As of 31 December 2019, the Company's management believe that their interpretation of the relevant legislation was appropriate, tax liabilities are recorded in full and the Company's tax and currency positions will be sustained.

3.10 Dividends

The Company's annual general meeting of shareholders (Minutes No.18 of 2 July 2019) made the decision to pay dividends on the Company's ordinary shares for 2018 in the amount of RUB 0.0367388 per 1 share for the total of RUB 15,918,514 thousand.

The Company's annual general meeting of shareholders held (Minutes No. 17 of 28 June 2018) made the decision to pay dividends on the Company's ordinary shares for 2017 in the amount of RUB 0.0263335 per 1 share for the total of RUB 11,225,676 thousand.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

3.11 Earnings per share

Basic earnings per share reflect a portion of reporting period's profit that may be potentially distributed between the shareholders – owners of ordinary shares. It is calculated by dividing basic profit of the reporting year by the weighted average number of ordinary shares outstanding during the year. Basic profit is equal to net profit of the reporting year (Line 2400 of the statement of financial results).

Item	2019	2018
Basic profit for the reporting year (RUB thousand)	38,644,838	36,725,620
Weighted average number of ordinary shares, outstanding during the reporting year (shares)	430,955,534,058	426,288,813,551
Basic earnings per share (RUB)	0,0897	0,0862

Weighted average number of ordinary shares, outstanding during the reporting year was calculated as follows:

Item	2019
Number of ordinary shares outstanding as of 1 January 2019 (shares)	426,288,813,551
Number of ordinary shares outstanding as of 1 December 2019 (shares)	433,288,905,849
Number of ordinary shares outstanding as of 31 December 2019 (shares)	433,288,905,849
Weighted average number of ordinary shares, outstanding in 2019 (shares) (426,288,813,551 * 4 month + 433,288,813,551 * 1 month + 433,288,905,849 * 7 month) / 12 months	430,955,534,058
Item	2018
Number of ordinary shares outstanding as of 1 January 2018 (shares)	426,288,813,551
Number of ordinary shares outstanding as of 1 December 2018 (shares)	426,288,813,551
Number of ordinary shares outstanding as of 31 December 2018 (shares)	426,288,813,551
Weighted average number of ordinary shares, outstanding in 2018 (shares) (426,288,813,551 * 12 months) / 12 months	426,288,813,551

In 2019 and 2018, the Company had no debt securities potentially convertible to shares.

3.12 Related Parties

The Company's related parties are its subsidiaries and affiliates, including organizations over which the Company indirectly controls or has a significant influence, as well as key management personnel and non-state pension funds acting in the interests of the Company's employees.

The list of the Company's related parties is given on the web-site – www.rushydro.ru/investors/disclosure/affiliated.

3.12.1 Controlling entity

As of 31 December 2019 the Company is controlled by the Russian Government (represented by the Federal Agency for Federal Property Management) which owns, 60.56% of the Company's ordinary shares excluding the actual additional placement of the Company's shares as part of the current additional issue (see paragraph 3.3.1 of the Explanatory Notes). As of 31 December 2019, the ownership share of the Russian Federation in the Company's share capital amounted to 61.20% inclusive of the additional placement of the Company's shares.

3.12.2 Sales to related parties

Total revenue from sales to related parties was:

Name of the buyer	2019	2018
Revenue from sales to subsidiaries, including:	11,221,515	11,026,810
PJSC Far East Energy Company	7,254,418	6,989,743
PJSC Krasnoyarskenergosbyt	1,420,795	1,802,242

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Name of the buyer	2019	2018
JSC Chuvashskaya Energy Sales Company	879,066	847,134
JSC ESK RusHydro	858,005	890,433
PJSC Ryazanskaya Energy Sales Company	607,630	605,559
Other subsidiaries	201,581	91,699
Revenue from sales to related parties, including:	355,779	274,619
PJSC Boguchanskaya GES	155,250	115,014
CJSC Boguchanskiy Alluminievyy zavod	200,529	159,605
Total sales to related parties	11,577,294	11,301,429

Sales to related parties include, among others, sales of electricity and capacity in the regulated sector of WEM at tariffs determined by the Federal Tariff Service and in the competitive sector at commercial prices established in accordance with the Wholesale Market Rules and Regulation of the Russian Government No. 109 of 26 February 2004, On Pricing of Electric and Heating Energy in the Russian Federation, and Regulation on the Company's sales policy for operating generation assets in the price zones of the wholesale electricity (capacity) market (minutes of the meeting of the Management Board No. 528 of 17 September 2010).

3.12.3 Purchases from related parties

The cost of services provided by related parties was:

Name of the supplier	2019	2018
Construction-and-assembling operations, survey and design works, research and development, including:		
Subsidiaries		
JSC Hydroremont-VKK	1,781,834	1,259,218
JSC Vedeneyev VNIIG	238,773	74,498
LLC RusHydro IT Servis	137,899	42,458
JSC Mosoblhydroproject	106,176	111,117
JSC Lenhydroproject	102,562	88,621
JSC Institut Hydroproject	96,874	256,739
Other	34,210	134,201
Total construction-and-assembling operations, survey and design works, research and development:	2,490,348	1,966,852
Services rendered by related parties, including:		
Subsidiaries		
JSC Hydroremont-VKK	3,305,445	3,115,816
JSC Transport company Rushydro	1,512,339	1,447,797
JSC Malaya Dmitrovka	513,987	513,987
LLC RusHydro IT Servis	485,177	457,604
JSC Sulasky HydroKaskad	88,462	530,775
LLC SNRG	225,743	233,785
JSC Zaramagskiye GES	198,096	243,217
JSC Vedeneyev VNIIG	194,810	186,909
Other	498,661	456,263
Services rendered by related parties, total	7,022,720	7,186,153
Purchased electricity	1,543	1,612
Total purchases from related parties	9,522,611	9,154,617

3.12.4 Settlements with non-state pension fund

Non-state Pension Fund of Electrical Energy Industry is the non-state pension fund for implementation of the non-governmental pension security program for the Company's employees.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Roubles unless otherwise stated)

The expenses of the Company's contributions to non-state pension funds are recorded as expenses for ordinary activities. The total amount of contributions to the pension fund was RUB 240,152 thousand and RUB 321,243 thousand for 2019 and 2018, respectively.

3.12.5 Settlements with related parties

As of 31 December 2019, 2018 and 2017, accounts receivable from related parties to the Company less doubtful debt provision were (see paragraph 3.2.2 of the Explanatory Notes):

Type of accounts receivable	31 December 2019	31 December 2018	31 December 2017
Short-term interest-free promissory notes received	-	2,142,039	2,142,039
Short-term interest-free loans issued	87,958,599	94,112,667	64,256,270
Long-term interest-free promissory notes received	25,689,260	25,689,260	25,689,260
Accounts receivable from subsidiaries as part of additional issues before title for the shares issued is transferred to the Company	5,597	10,272,863	29,621,554
Indebtedness under the assignment agreement	-	-	9,962,317
Long-term interest-free loans issued	366,371	148,000	2,234,391
Accounts receivable related to other sales	1,260,411	1,098,429	952,043
Accounts receivable of interest accrued on loans issued and promissory notes received	10,051,959	6,697,708	3,487,566
Advances	2,290,263	2,559,899	2,240,504
Other settlements with related parties	104,242	71,803	140,579
Total accounts receivable from related parties	127,726,702	142,792,468	140,726,523

Doubtful debt provision for related parties' accounts receivables as of 31 December 2019 was RUB 5,099,459 thousand (31 December 2018: RUB 4,946,064 thousand; 31 December 2017: RUB 4,123,109 thousand).

As of 31 December 2019, 2018 and 2017, the Company's accounts payable to the related parties were:

Related parties	31 December 2019	31 December 2018	31 December 2017
Subsidiaries	709,701	978,185	1,000,918
Other related parties	874	-	18,176
Total accounts payable to related parties	710,575	978,185	1,019,094

The whole amount accounts payable to related parties is payable in cash.

3.12.6 Related parties' debt within investments

As of 31 December 2019, 2018 and 2017, The Company's investments include the following amounts due from related parties (see paragraphs 3.1.2 and 3.2.3 of the Explanatory Notes):

Type of financial investments	31 December 2019	31 December 2018	31 December 2017
Type of financial investments	70,890,980	71,713,115	67,105,165
Loans issued to related parties	-	601,053	601,053
Other investments	70,890,980	72,314,168	67,706,218
Total related parties' debt within investments	65,670,626	66,128,438	55,419,461
Total debt within long-term investments (Line 1170 of the Balance sheet)	5,220,354	6,185,730	12,286,757
Total debt within short-term investments (Line 1240 of the Balance sheet)			

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

As of December 31, 2019, the total amount of the Company's equity and debt financial investments in subsidiaries and other related parties amounted to RUB 383,693,020 thousand. (2018 - RUB 349,791,760 thousand, 2017 - RUB 317,616,607 thousand). The provision for impairment of these financial investments as of December 31, 2019 amounted to RUB 37,958,359 thousand. (2018 - RUB 33,373,443 thousand, 2017 - RUB 27,735,399 thousand).

Interest income on loans issued to related parties and promissory notes received from related parties:

Entity	2019	2018
Subsidiaries, including:	6,055,184	4,537,585
JSC Far East Generating Company	3,428,556	2,527,301
JSC RAO Energy Systems of the East	734,921	517,247
JSC Kamchatskenrgo	471,214	247,528
JSC Sakhaenergo	429,113	387,755
PJSC Yakutskenergo	249,812	183,237
JSC Hydroinvest	143,877	151,332
JSC Teploenergoserwis	120,417	107,664
Other	477,474	415,521
Other subsidiaries	94,990	90,916
Total interest income	6,150,174	4,628,501

3.12.7 Income from investments in other companies (related parties)

Income from investments in other companies includes income from investments in subsidiaries in the amount of RUB 609,121 thousand for 2019 (2018: RUB 598,511 thousand):

Entity	2019	2018
JSC Blagoveschenskaya TETS	178,824	-
JSC Hydroremont-VKK	52,918	344,860
Other	379,279	253,651
Total income from investments in subsidiaries	609,121	598,511

3.12.8 Remuneration to key management personnel

The Company's key management personnel includes members of the Board of directors and Management Board and also includes heads of the Company's business divisions and their deputies.

The remuneration to the members of the Board of directors is calculated according to the *Regulations on the payment of remuneration to PJSC RusHydro's directors* approved by the Annual General Meeting of Shareholders held on 26 June 2017 (Minutes No. 16).

Remuneration is paid to members of the Management Board and other management personnel of the Company for their services in management positions and is made up of a contractual salary and performance bonuses depending on the results for the period calculated based on key performance indicators approved by the Company's Board of directors.

The list of members of the Company's Board of directors and Management Board is included in paragraph 1.1 of the Explanatory Notes.

In 2019 and 2018, the Company remuneration to key management personnel within the limits set out in their employment agreements for the total amount of RUB 1,200,133 thousand and RUB 1,144,893 thousand, respectively. The insurance contributions amounted to RUB 197,914 thousand for 2019 (2018: RUB 188,694 thousand). In addition, in 2019, an appraisal obligation was established for premiums to key management personnel in the amount of RUB 409,693 thousand (2018: RUB 397,530 thousand). In calculation of the estimated liability for remuneration payments includes the expected remuneration for 2019 as part of the Long-Term Motivation Program of the Company's key management.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro**Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results**

(in thousands of Russian Roubles unless otherwise stated)

3.12.9 Cash flows between the Company and subsidiaries/associates

Item	Line code	2019	2018
Cash flows from operating activities			
Receipts, including:	4110	10,286,553	19,875,621
sales of products, goods, work and services	4111	10,233,477	9,852,687
lease payments, license payments, royalties, commission and other payments	4112	44,022	59,466
other receipts, including:	4119	9,054	9,963,468
<i>receipts on assignment of the right of claim</i>		-	9,962,317
Payments, including:	4120	(7,865,444)	(7,666,281)
suppliers (contractors) – raw materials, work and services	4121	(7,643,069)	(7,508,289)
interest on debt liabilities	4123	-	(14,998)
other payments	4129	(222,375)	(142,994)
Net cash flows from operating activities	4100	2,421,109	12,209,340
Cash flows from investing activities			
Receipts, including:	4210	40,639,034	8,548,217
sale of non-current assets (except for investments)	4211	1,832	7,984
sale of shares of other organisations (ownership interest)	4212	40,038	10,859
repayment of loans issued, sale of debt securities (rights of claiming cash to third parties)	4213	37,398,689	6,677,378
dividends, interest on debt investments and similar proceeds from equity participation in other organisations	4214	3,198,475	1,851,996
Payments, including:	4220	(76,418,846)	(57,322,606)
acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(13,383,628)	(2,844,969)
purchase of shares (interest) in other entities	4222	(31,560,189)	(14,829,357)
acquisition of debt securities (rights of claiming cash from third parties), issue of loans to third parties	4223	(31,475,029)	(39,648,282)
Net cash flows from investing activities	4200	(35,779,812)	(48,774,391)
Cash flows from financing activities			
Receipts, including:	4310	12,278,851	4,246,877
loan receipts	4311	12,278,851	4,246,877
Payments, including:	4320	(3,495,825)	(3,754,110)
dividends and other payments on distribution of profit in favor of owners (participants)	4322	(11,941)	(8,615)
redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(3,483,884)	(3,745,495)
Net cash flows from financing activities	4300	8,783,026	492,767
Net cash flows for the reporting period	4400	(24,575,677)	(36,072,284)

3.13 Segment Information

The Company does not identify any reporting segments in its operations, as the Company's core business activity is production of electricity and capacity – their share in the revenue from sales is 99.7%. The individuals credentialed to make the decisions concerning allocation of the resources within the Company and assess the results of its performance analyse the Company's activity as a whole segment.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

3.14 Contingent liabilities

As of 31 December 2019, the Company had outstanding issued guarantees to the third parties' creditors and pledged assets for the total amount of RUB 67,315,467 thousand (31 December 2018: RUB 54,340,927 thousand, 31 December 2017: RUB 82,915,823 thousand) (see paragraph 3.6.3 of the Explanatory Notes). According to the Company's management expectations, no material liabilities will arise in connection with these guarantees.

Moreover, the prosecutor's office and other oversight bodies examined operations of the Company, and this also may result in additional claims filed against the Company and its employees.

The Russian transfer pricing legislation is aligned with the international principles developed by the Organisation for Economic Cooperation and Development (OECD). The legislation allows tax authorities to assess additional taxes for controlled transactions (transactions between related parties and some transactions between unrelated parties) if such transactions are not on an arm's length basis.

For this reason, the Company's management has implemented internal control procedures to ensure compliance with transfer pricing law. Upon request of the tax authority the Company's management will provide documentation as per article 105.15 of the Russian Tax Code for the periods open for review for completeness of taxes calculated and paid under Chapter 14.5 of the Russian Tax Code.

Tax liabilities arising from controlled transactions are determined using the actual prices of such transactions. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall performance of the Company.

The Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company, while tax control over individual transactions and operations is gradually increasing. Consequently, tax positions taken by the Company's management and the formal documentation supporting the tax positions may be challenged by tax authorities, in particular with regard to the tax accounting treatment of certain incomes and expenses of the Company and the validity of deducting VAT presented by suppliers and contractors. The impact of any such challenge cannot be reliably estimated. Nonetheless, this may be significant to the financial position and/or the overall operations of the Company, the Company's management has implemented internal control procedures to ensure compliance with transfer pricing law. New provisions aimed at deoffshorisation of Russian economy have been added to the Russian tax legislation and are effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies, a concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation and also the rules for determining the tax residence of foreign legal entities at the place of their actual management (in case of a foreign company recognition as a Russian tax resident, all income of such a company will be subject to taxation in the Russian Federation). Management of the Company conducts analysis of impact of new rules on Companies' activity and takes necessary measures to meet new requirements of Russian Tax legislation. Likelihood of claims from Russian tax authorities (and probability of positive resolution of disputes) can't be reliably measured because there's no practice of new tax rules. Financial statements of the Company can be affected if tax disputes arise. The Company carries out systematic work to decrease the number of its foreign subsidiaries, which should reduce the impact of this factor on the financial position and results of the Company's business.

Management believes that its interpretation of the relevant tax legislation is appropriate and the state of the Company from the point of view of tax legislation is stable.

3.15 Financial risk management

The primary objectives of the financial risk management function are to provide reasonable assurance of achieving the Company's goals by developing a methodology of risk identification, analysis and assessment, as well as to establish risk limits, and then ensure that exposure to risks

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports and accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that this translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro
Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results
(In thousands of Russian Roubles unless otherwise stated)

stays within these limits and if the limits are exceeded – to treat this risk accordingly.

Market risks

Market risks include currency risk, interest rate and price risks.

Currency risk. The Company sells its produced electricity and capacity in the Russian domestic market at prices denominated in national currency, settlements with resources suppliers, charge and acceptance of payments from the customers are made specifically in Russian roubles. Liabilities of the Company are denominated in national currency. In November 2018, the Company placed Eurobonds in Chinese yuan offshore, while the management of currency risk was eliminated by concluding a hedging transaction (currency swap interest), details of the transaction are described in paragraph 3.4.1 of the Notes. As a result effect of changes in currency exchange rates on the Company's financial position and activities is estimated as insignificant. The Company's operations are planned and carried out in such a way that all its assets and liabilities are denominated in the national currency.

Information on the Company's exposure to currency risk is presented in line with its use for the preparation of RusHydro Group's IFRS financial statements as defined in IFRS 7:

	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
31 December 2019			
US Dollars	348,000	-	348,000
Euro	183	(233,513)	(233,350)
Chinese yuan*	271	(13,380,486)	(13,380,215)
Total	348,434	(13,613,999)	(13,265,565)
31 December 2018			
US Dollars	160,789	-	160,789
Euro	135	(1,237,168)	(1,237,033)
Chinese yuan*	311	(15,253,781)	(15,253,470)
Total	161,235	(16,490,949)	(16,329,714)
31 December 2017			
US Dollars	704,495	-	704,495
Euro	-	(6,112,775)	(6,112,775)
Total	704,495	(6,112,775)	(5,408,280)

*Management of currency risk on obligations expressed in Chinese yuan offshore is excluded by entering into a currency-interest swap transaction (Note 3.4.1).

The above analysis includes only monetary assets and liabilities. Investments in shares and non-monetary assets are not considered to give rise to significant currency risk.

Changes in exchange rates have no significant influence on the Company's financial position.

Interest rate risk. The Company's operating profits and cash flows from operating activity are substantially independent of the changes in market interest rates.

The effect of changes in the average market interest rates on the value of the Company's investments is insignificant as the rates of return on the Company's investments are fixed.

Debt portfolio of the Company (taking into account liabilities in relation to the interest rate swap transaction with PJSC Bank VTB) as at 31 December of 2019, 31 December of 2018 and 31 December of 2017 mainly consists of debt with fixed interest rate. The influence of changes in these rates on the Company's profit is insignificant.

The Company monitors the loan market in order to identify favorable credit conditions, and also monitors interest rate risk for its financial instruments. Effective interest rates as of the end of the period are presented in paragraph 3.4.1 of the Explanatory Notes.

Price risk. The Company sales power and capacity, mainly, in the wholesale market. The price risk at the wholesale market is connected with possible volatility of the prices, and also with reduction of prices of the corresponding goods.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PJSC RusHydro

Explanatory Notes to the 2019 Balance sheet and Statement of Financial Results

(in thousands of Russian Roubles unless otherwise stated)

Electricity at the wholesale market is realized by Company mainly at the market for the days ahead. Weighted average price of sale of electricity for the days ahead for the Company in 2019 didn't change significantly in comparison with an indicator of 2018.

As the key instrument for trading capacity in the wholesale market is the contracts for purchase and sale of capacity by results of competitive selection of capacity. The price of capacity, based on which liabilities under such contracts are calculated, after the transition in 2015 to long-term model of competitive selection of capacity, is determined by results of competitive selections of capacity for four years ahead. The price differences on capacity created following the results of competitive selections of capacity for 2016-2020, make no more than 5% for each price zone.

At the liberalised market of the electric power the price of goods directly depends on demand amount. For the purpose of increase in a financial result of economic activity Company considers the seasonal, week and daily changes in demand on the electric power in case of sales planning of the electric power.

In general, the risks associated with a possible reduction in the price of sales of electricity and power in the wholesale market are assessed as insignificant.

The price risk determines the possible changes / fluctuations in the fair value or future cash flows due to changes in market prices (excluding changes leading to interest rate or currency risk).

The table below includes the Company's investments exposed to the price risk.

Category of investments	31 December 2019	31 December 2018	31 December 2017
Equity investments for which current market value can be determined, including:	-	-	6,808,972
PJSC Inter RAO	-	-	6,808,972
Equity investments to subsidiaries measured at current market value but not revalued as of the reporting date	2,823,790	1,708,826	1,708,826
Equity investments for which current market value cannot be determined	309,978,250	275,768,786	248,211,390
Total equity investments (see paragraph 3.1.2 of the Explanatory Notes)	312,802,040	277,477,592	256,729,188

Current market value of quoted securities is determined by market prices established on the stock exchange PJSC MICEX-RTS (<http://moex.com>), according to the 'Procedure for determining market value of securities, estimated price of securities and the threshold for the fluctuations of securities' market price for the purpose of Chapter 23 of the Russian Tax Code approved by Order of the Federal Service for Financial Markets No. 10-85/pz-n of 9 November 2010.

Credit risk

Credit risk is the possibility of the Company's losses resulting from the counterparty's inability to meet its obligations under the contract. Exposure to credit risk arises as a result of the Company's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

Although collectability of receivables can be influenced by economic factors, management believe that there is no significant risk of loss to the Company beyond the provision for impairment of receivables already recorded. The Company regularly monitors existing receivables and undertakes actions to collect them and minimize losses.

Cash has been placed in financial institutions, which are considered at the time of deposit to have minimal risk of default. The Company approves deposit banks as well as rules for making cash deposits. The Company performs regular review of financial institutions, monitors their ratings assigned by independent agencies as well as other performance indicators of these financial institutions.

Summary information on cash deposits and their equivalents including names of banks and other financial institutions and their ratings as of the end of the reporting period is provided in paragraph 3.2.4 of the Explanatory Notes.

TRANSLATOR'S EXPLANATORY NOTE: This version of our reports, accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Efficient liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of additional funding through an adequate amount of committed credit facilities. The Group follows the balanced model of working capital financing when both long-term and short-term sources of finance are used. The Company places available cash to short-term financial instruments, mainly, bank deposits and short-term bank promissory notes. Short-term liabilities are represented mainly by trade accounts payable.

The Company has implemented controls over the contracting process by using standard financial procedures that include standard payment structure, standard payment time, standard correlation between the advance and final settlement amounts, etc. This way the Company controls the maturity structure of capital.

The ageing analysis for long term borrowings is presented in paragraph 3.4.1 of the Explanatory Notes.

3.16 Subsequent events

There are no significant events which have affected or could affect the Company's financial position, cash flows or its performance in the period between the reporting date and the date of signing the financial statements for 2019.

Chairman of Management Board - General Director
of PJSC RusHydro

N.G. Shulginov

Chief Accountant of PJSC RusHydro

Y. G. Medvedeva

27 February 2020

APPENDIX No.16 CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS AND AN AUDIT OPINION FOR THE YEAR ENDED DECEMBER 31, 2019 AND AS OF THAT DATE



RUSHYDRO GROUP

**Consolidated Financial Statements
prepared in accordance with IFRS
with independent auditor's report**

As at and for the year ended 31 December 2019

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Income Statement.....	2
Consolidated Statement of Comprehensive Income.....	3
Consolidated Statement of Cash Flows.....	4
Consolidated Statement of Changes in Equity.....	6

Notes to the Consolidated Financial Statements

Note 1.	The Group and its operations.....	8
Note 2.	Summary of significant accounting policies.....	8
Note 3.	Adoption of new or revised standards and interpretations.....	20
Note 4.	New accounting pronouncements.....	21
Note 5.	Principal subsidiaries.....	23
Note 6.	Segment information.....	26
Note 7.	Related party transactions.....	29
Note 8.	Property, plant and equipment.....	31
Note 9.	Investments in associates and joint ventures.....	35
Note 10.	Other non-current assets.....	39
Note 11.	Cash and cash equivalents.....	39
Note 12.	Accounts receivable and prepayments.....	40
Note 13.	Inventories.....	41
Note 14.	Other current assets.....	42
Note 15.	Assets and liabilities of disposal group classified as held for sale.....	42
Note 16.	Equity.....	43
Note 17.	Income tax.....	44
Note 18.	Pension benefit obligations.....	45
Note 19.	Current and non-current debt.....	48
Note 20.	Non-deliverable forward contract for shares.....	50
Note 21.	Other non-current liabilities.....	50
Note 22.	Accounts payable and accruals.....	51
Note 23.	Other taxes payable.....	51
Note 24.	Revenue.....	51
Note 25.	Government grants.....	51
Note 26.	Operating expenses (excluding impairment losses).....	52
Note 27.	Finance income, costs.....	53
Note 28.	Capital commitments.....	53
Note 29.	Contingencies.....	53
Note 30.	Financial risk management.....	55
Note 31.	Management of capital.....	57
Note 32.	Fair value of assets and liabilities.....	58
Note 33.	Presentation of financial instruments by measurement category.....	60
Note 34.	Subsequent events.....	61
Note 35.	Accounting policies before 1 January 2019.....	62



Independent Auditor's Report

To the Shareholders and Board of Directors of Public joint stock company Federal Hydro-Generating Company – RusHydro:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Public joint stock company Federal Hydro-Generating Company – RusHydro (PJSC RusHydro) and its subsidiaries (together – the "Group") as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

AO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russian Federation, 125047
T: +7 (495) 967 8000, F: +7 (495) 967 6001, www.pwc.ru

Our audit approach

Overview

PJSC RusHydro's shares are listed on the Moscow Exchange. The Group's principal business operations are generation and sales of electricity, capacity and heat energy in the Russian wholesale and retail markets. The Group companies are also involved in other operations, including electricity transmission and distribution, construction, repairs and provision of other services.



- Overall group materiality: Russian Roubles ("RUB") 4,060 million, which represents 1% of total revenues and government grants.
- We conducted audit procedures in respect of those companies of the Group that were considered significant components based on their individual share in the Group's aggregate revenue: PJSC RusHydro, JSC DGK, and also in respect of individual balances and types of operations for other components of the Group where necessary.
- Our audit scope covered inter alia 72% of the Group's revenues and 73% of the Group's total carrying value of property, plant and equipment.

Key audit matters

- Assessment of impairment of property, plant and equipment
- Assessment of expected credit losses in relation to trade receivables

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of the concept of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.



Overall group materiality	RUB 4,060 million
How we determined it	1% of total revenues and government grants
Rationale for the materiality benchmark applied	We chose total revenues and government grants as the benchmark because, in our view, it is the benchmark which best represents the Group's performance. We chose 1% as the materiality level, which falls within the range of quantitative materiality thresholds used for public interest entities in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Assessment of impairment of property, plant and equipment</p> <p><i>For matters requiring disclosure and related significant accounting policies, judgements and accounting estimates see Notes 2 and 8 to the consolidated financial statements.</i></p> <p>At 31 December 2019, the Group's aggregate carrying amount of property, plant and equipment was RUB 677,862 million. This is the most significant asset on the Group's balance sheet, accounting for 73% of the total assets.</p> <p>The Group management analysed the Group's financial performance, industry outlook and operational plans, and assessed whether there are indicators of impairment of property, plant and equipment or potential release of previously recognised impairment losses, by cash generating unit. For cash generating units where such indicators were identified, the management assessed the recoverable amounts of property, plant and equipment.</p> <p>As a result of management's impairment test, the Group accrued a net impairment loss of RUB 53,532 million in the consolidated income statement for the year ended 31 December 2019.</p>	<p>We obtained and examined the financial models that management used for assessing impairment of property, plant and equipment. We engaged our valuation experts to form our conclusion on the assumptions and methodology that were used in the impairment assessment.</p> <p>Our audit procedures related to the management's assessment of impairment of property, plant and equipment, included the following:</p> <ul style="list-style-type: none"> • evaluation of the methodology used by the Group management for the impairment test; • examination, on a sample basis, of key assumptions used in financial models and whether they are in line with the approved budgets and business plans, available reliable external sources (including macroeconomic forecasts, information on regulated and market electricity and capacity prices, etc.) and our industry-specific expertise; • assessment of competence, skills, experience and objectivity of the management's experts;

Key audit matter	How our audit addressed the Key audit matter
<p>The impairment test is sensitive to reasonably possible changes in assumptions. The most significant judgements are related to the applied discount rate together with the assumptions supporting the relevant forecast cash flows, in particular those concerning the electricity and capacity tariff rates and volumes of investments.</p> <p>We focused on the property, plant and equipment impairment assessment as this process is complicated, requires significant management's judgements and is based on assumptions that are affected by the projected future market and economic conditions that are inherently uncertain.</p>	<ul style="list-style-type: none"> • examination, on a sample basis, of accuracy and relevance of inputs that management incorporated in the financial models for assessing the impairment of property, plant and equipment; • examination, on a sample basis, of mathematical accuracy of financial models used by management to assess the impairment of property, plant and equipment; • consideration of potential impact of reasonably possible changes in key assumptions; • obtaining and reviewing management's written representations related to their property, plant and equipment impairment test. <p>Acceptability of management's current estimates regarding the property, plant and equipment impairment for the purpose of preparing the financial statements for the year ended 31 December 2019 does not guarantee that future events that are inherently uncertain would not lead to a significant change in these estimates.</p> <p>We note that management's financial models are to a significant extent sensitive to the changes in key assumptions. It could reasonably be expected, that if actual results differ from assumptions made, accordingly, there could arise either additional losses from impairment in the future or gains from the release of previously recognised impairment.</p> <p>We also assessed the compliance of disclosures in Notes 2 and 8 to the consolidated financial statements with the disclosure requirements of IAS 36 'Impairment of Assets'.</p>
<p>Assessment of expected credit losses in relation to trade receivables</p> <p><i>For matters requiring disclosure, and related significant accounting policies, judgements and accounting estimates see Notes 2 and 12 to the consolidated financial statements.</i></p>	<p>Our audit procedures in respect of the management's assessment of expected credit losses in relation to trade receivables included:</p> <ul style="list-style-type: none"> • evaluation of the methodology used by the Group's management to assess expected

Key audit matter	How our audit addressed the Key audit matter
<p>At 31 December 2019, the carrying amount of the Group's trade receivables was RUB 35,495 million (RUB 65,358 million less the credit loss allowance of RUB 29,863 million).</p> <p>Thus, at 31 December 2019, the allowance for credit losses is significant and accounts for 48% of the gross trade receivables.</p> <p>In accordance with IFRS 9 'Financial Instruments' the Group management assesses expected credit losses in relation to trade receivables prospectively and recognises an allowance for credit losses at each reporting date. The estimate of expected credit losses represents an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, and reflects all reasonable and supportable information that is available at each reporting date about past events, current conditions and forecasts of future economic conditions. The degree of accuracy of the management's estimate will be confirmed or rebutted depending on the future developments that are inherently uncertain.</p> <p>We focused on assessing the allowance for credit losses in relation to trade receivables as the estimation process is complicated and requires significant management's judgements, and the amount of allowance is significant.</p>	<p>credit losses in relation to trade receivables, including definition of default;</p> <ul style="list-style-type: none"> • examination, on a sample basis, of accuracy of management's classification of trade receivables for their further assessment on a collective or individual basis depending on the credit risk characteristics and the length of payment delinquency; • examination, on a sample basis, of the ageing of trade receivables to confirm the length of payment delinquency; • examination, on a sample basis, of the models and calculations used for the assessment of credit losses on a collective or individual basis; • examination, on a sample basis, of prior period payments, if the information on such payments was used in the calculation of expected credit losses; • analysis of external information from the regulators of the electricity (capacity) market, including the Supervisory Board of NP Market Council, which regularly makes decisions on excluding companies from the register of participants of the wholesale electricity (capacity) market; among these excluded companies there are buyers of the Group's electricity (capacity) whose balances of receivables bear an increased credit risk; • obtaining and analysing written representations from the management with regard to the assessment of the allowance for credit losses in relation to trade receivables. <p>In addition, we assessed compliance of the disclosures in Notes 2, 12 and 30 to the consolidated financial statements with the presentation and disclosure requirements of IFRS 7 'Financial Instruments: Disclosures'.</p> <p>Acceptability of the current estimates of the Group management regarding the credit losses on trade receivables for the purpose of preparing the consolidated financial statements for the</p>



Key audit matter

How our audit addressed the Key audit matter

year ended 31 December 2019 does not guarantee that future events that are inherently uncertain would not lead to a significant change in these estimates.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

The Group's consolidated financial statements are prepared based on the financial information of its components, i.e. individual companies of the Group. If we considered a component to be significant, we audited its financial information based on the materiality level established for each such component.

Similar to the determination of the overall materiality, significance of components was assessed based on the component's individual share in the Group's revenue. We determined the following significant components: PJSC RusHydro and JSC DGK.

If we did not consider that the procedures performed at the level of significant components provided adequate audit evidence for expressing our opinion on the consolidated financial statements as a whole, we performed analytical procedures at the Group level and audit procedures in respect of individual balances and types of operations for other components of the Group.

We chose other components of the Group for audit procedures in respect of individual balances and types of operations separately for each financial statement line item included in the scope of our audit, and our choice depended inter alia on the following factors: level of audit evidence obtained from the audit of significant components and level of concentration of balances and types of operations in the Group's structure. We also change our selection of a number of other components on a rotation basis.

On the whole, our audit procedures that were performed at the level of significant and other components of the Group and included, in particular, detailed testing and testing of controls on a sample basis, in our opinion, provided adequate coverage of individual line items in the consolidated financial statements. Thus, for example, our procedures covered 72% of the Group's revenue and 73% of the total carrying value of the Group's property, plant and equipment.

When performing the audit procedures the audit team engaged specialists in taxation, IFRS methodology, as well as experts in valuation of property, plant and equipment, financial instruments and pension liabilities.

We believe that the results of procedures performed on a sample basis at the level of the Group's components, analytical procedures at the Group's level and procedures over the consolidated financial reporting have provided sufficient and appropriate audit evidence for expressing our opinion on the Group's consolidated financial statements as a whole.



Other information

Management is responsible for the other information. The other information includes PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020, but does not include the consolidated financial statements and our auditor's report thereon. PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read PJSC RusHydro's Annual Report for 2019 and Issuer's Report of PJSC RusHydro for Q1 2020, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse



consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report, is Alexey Sergeevich Ivanov.

AO PricewaterhouseCoopers Audit

5 March 2020
Moscow, Russian Federation



Alexey Ivanov

A. S. Ivanov, certified auditor (licence No. 01-000531), AO PricewaterhouseCoopers Audit

Audited entity: Public joint stock company Federal Hydro-Generating Company – RusHydro

Record made in the Unified State Register of Legal Entities on 26 December 2004 under State Registration Number 1042401610496

Taxpayer Identification Number 2460066195

860017, Russian Federation, Krasnodar Region, Krasnoyarsk, Dobrovinskogo str. 43, pd. 1

Independent auditor:
AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 26 February 1992 under No. 008.890

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705001102

Member of Self-regulatory organization of auditors Association: «Sodruzhestvo»

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 12066030338

RusHydro Group
Consolidated Statement of Financial Position
(in millions of Russian Rubles unless noted otherwise)



	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	8	677,862	669,424
Investments in associates and joint ventures	9	16,396	19,828
Financial assets at fair value through other comprehensive income		418	594
Deferred income tax assets	17	19,259	9,999
Other non-current assets	10	19,853	22,684
Total non-current assets		733,788	722,529
Current assets			
Cash and cash equivalents	11	41,047	65,432
Income tax receivable		2,558	3,737
Accounts receivable and prepayments	12	54,251	75,189
Inventories	13	34,386	30,721
Other current assets	14	55,983	33,873
		188,225	208,952
Non-current assets and assets of disposal group classified as held for sale	15	3,106	450
Total current assets		191,331	209,402
TOTAL ASSETS		925,119	931,931
EQUITY AND LIABILITIES			
Equity			
Share capital	16	426,289	426,289
Treasury shares	16	(4,613)	(4,613)
Share premium		39,202	39,202
Retained earnings and other reserves		104,786	115,523
Equity attributable to the shareholders of PJSC RusHydro		565,664	576,401
Non-controlling interest		4,211	9,818
TOTAL EQUITY		569,875	586,219
Non-current liabilities			
Non-current debt	19	162,528	157,948
Non-deliverable forward contract for shares	20	28,510	31,896
Deferred income tax liabilities	17	15,255	13,803
Other non-current liabilities	21	22,368	21,987
Total non-current liabilities		228,659	225,634
Current liabilities			
Current debt and current portion of non-current debt	19	39,435	38,899
Accounts payable and accruals	22	59,645	64,633
Accounts payable in respect of share issue	16	7,000	-
Current income tax payable		785	1,191
Other taxes payable	23	16,439	15,355
		123,304	120,078
Liabilities of disposal group classified as held for sale	15	3,281	-
Total current liabilities		126,585	120,078
TOTAL LIABILITIES		355,244	345,712
TOTAL EQUITY AND LIABILITIES		925,119	931,931

Chairman of Management Board – General Director

Chief Accountant



N.G. Shulginov

I.U.G. Medvedeva

5 March 2020

The accompanying notes are an integral part of this Consolidated Financial Statements

RusHydro Group
Consolidated Income Statement
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2019	Year ended 31 December 2018
Revenue	24	366,642	358,770
Government grants	25	39,983	41,648
Other operating income		1,174	5,452
Operating expenses (excluding impairment losses)	26	(336,575)	(314,850)
Operating profit excluding impairment losses		71,224	91,020
Impairment of property, plant and equipment, net	8	(53,532)	(24,221)
Impairment of financial assets, net		(4,491)	(5,379)
Impairment of other assets		(2,045)	-
Operating profit		11,156	61,420
Finance income	27	9,868	7,667
Finance costs	27	(10,408)	(23,088)
Share of results of associates and joint ventures	9	(2,757)	1,860
Profit before income tax		7,859	47,859
Income tax expense	17	(7,216)	(16,022)
Profit for the year		643	31,837
Attributable to:			
Shareholders of PJSC RusHydro		5,126	31,229
Non-controlling interest		(4,483)	608
Earnings per ordinary share for profit attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)		0.0121	0.0739
Weighted average number of shares outstanding – basic and diluted (millions of shares)		422,437	422,437

The accompanying notes are an integral part of this Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Comprehensive Income
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2019	Year ended 31 December 2018
Profit for the year		643	31,837
Other comprehensive income, net of tax:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of pension benefit obligations	18	(928)	388
(Loss) / gain arising on financial assets at fair value through other comprehensive income		(171)	70
Total items that will not be reclassified to profit or loss		(1,099)	458
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive (loss) / income		(37)	71
Total items that may be reclassified subsequently to profit or loss		(37)	71
Total other comprehensive (loss) / income		(1,136)	529
Total comprehensive (loss) / income for the year		(493)	32,366
Attributable to:			
Shareholders of PJSC RusHydro		4,272	31,556
Non-controlling interest		(4,765)	810

The accompanying notes are an integral part of this Consolidated Financial Statements

	Note	Year ended 31 December 2019	Year ended 31 December 2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		7,859	47,859
Depreciation of property, plant and equipment and amortisation of intangible assets	8, 26	25,686	22,310
Loss on disposal of property, plant and equipment, net	26	1,582	1,757
Share of results of associates and joint ventures	9	2,757	(1,860)
Other operating income		(1,174)	(5,452)
Finance income	27	(9,868)	(7,667)
Finance costs	27	10,408	23,088
Impairment of property, plant and equipment	8	53,532	24,221
Impairment of financial assets, net		4,491	5,379
Impairment of other assets		2,045	-
Other income		(109)	(236)
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		97,209	109,399
Working capital changes:			
Decrease / (increase) in accounts receivable and prepayments		1,571	(10,027)
Decrease / (increase) in other current assets, net of deposits and special funds		547	(299)
Increase in inventories		(3,703)	(4,848)
(Decrease) / increase in accounts payable and accruals, net of dividends payable		(11,009)	5,705
Increase / (decrease) in other taxes payable		1,120	(703)
Decrease / (increase) in other non-current assets		1,040	(1,739)
Increase in other non-current liabilities		2,865	573
Income tax paid		(13,961)	(13,510)
Net cash generated by operating activities		75,679	84,551
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(74,762)	(67,423)
Proceeds from sale of property, plant and equipment		70	977
Investment in bank deposits and purchase of other investments		(81,911)	(44,545)
Redemption of bank deposits and proceeds from sale of other investments		66,142	15,374
Placement of special funds on special accounts		(7,000)	-
Proceeds from sale of PJSC Inter RAO	16	15,012	2,160
Proceeds from sale of investment in joint venture	15	450	871
Proceeds from sale of financial assets at fair value through profit or loss		835	-
Reclassification of cash of disposal group		(22)	-
Interest received		5,612	5,545
Net cash used in investing activities		(75,594)	(87,041)

RusHydro Group
Consolidated Statement of Cash Flows
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2019	Year ended 31 December 2018
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from share issue	16	7,000	-
Proceeds from current debt	19	45,247	41,267
Proceeds from non-current debt	19	81,946	127,780
Repayment of debt	19	(123,136)	(142,102)
Interest paid		(14,490)	(14,217)
Dividends paid		(15,762)	(11,113)
Dividends paid by subsidiaries to non-controlling interest holders		(115)	(172)
Repayment of lease liabilities	8	(944)	-
Finance lease payments		-	(155)
Payments for non-deliverable forward for shares	19, 20	(3,731)	(2,813)
Payments on cross-currency and interest rate swap		(436)	-
Other payments		-	(746)
Net cash used in financing activities		(24,443)	(2,291)
Effect of foreign exchange differences on cash and cash equivalents balances		(27)	57
Decrease in cash and cash equivalents		(24,385)	(4,724)
Cash and cash equivalents at the beginning of the year		65,432	70,156
Cash and cash equivalents at the end of the year	11	41,047	65,432

The accompanying notes are an integral part of this Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Changes in Equity
(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve on financial assets	Reserve for remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2019		426,289	(4,913)	39,202	(136,076)	(415)	469	647	234,676	581,170	9,191	570,331
Profit for the year		-	-	-	-	-	-	-	31,229	31,229	606	31,837
Remeasurement of pension benefit obligations	18	-	-	-	-	-	-	106	-	106	202	308
Gain arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	70	-	-	70	-	70
Other comprehensive income		-	-	-	-	71	-	-	-	71	-	71
Total other comprehensive income		-	-	-	-	71	70	106	-	227	202	529
Total comprehensive income		-	-	-	-	71	70	189	31,229	21,556	810	32,366
Dividends	16	-	-	-	-	-	-	-	(11,124)	(11,124)	(172)	(11,296)
Sale of shares of PJSC Inter RAO	16	-	-	-	-	-	-	-	(5,223)	(5,223)	-	(5,223)
Other changes		-	-	-	-	-	-	-	22	22	19	41
As at 31 December 2018		426,289	(4,913)	39,202	(136,076)	(344)	529	833	249,580	578,401	9,818	588,219

The accompanying notes are an integral part of this Consolidated Financial Statements

6

RusHydro Group
Consolidated Statement of Changes in Equity
(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve on financial assets	Reserve for remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2019		426,289	(4,913)	39,202	(136,076)	(544)	529	833	249,580	578,401	9,818	588,219
Adoption of IFRS 16	3	-	-	-	-	-	-	-	(61)	(61)	-	(61)
As at 1 January 2019 (restated)		426,289	(4,913)	39,202	(136,076)	(344)	529	833	249,519	578,340	9,818	588,158
Profit for the year		-	-	-	-	-	-	-	5,120	5,120	(4,452)	643
Remeasurement of pension benefit obligations	18	-	-	-	-	-	-	(646)	-	(646)	(252)	(898)
Loss arising on financial assets at fair value through other comprehensive income		-	-	-	-	-	(171)	-	-	(171)	-	(171)
Other comprehensive loss		-	-	-	-	(38)	-	-	1	(37)	-	(37)
Total other comprehensive loss		-	-	-	-	(38)	(171)	(646)	1	(854)	(252)	(1,134)
Total comprehensive loss		-	-	-	-	(38)	(171)	(646)	5,127	4,272	(4,704)	(603)
Dividends	16	-	-	-	-	-	-	-	(15,775)	(15,775)	(115)	(15,890)
Changes in non-controlling interest	16	-	-	-	-	-	-	-	781	781	(727)	54
Other changes		-	-	-	-	-	-	-	45	45	-	45
As at 31 December 2019		426,289	(4,913)	39,202	(136,076)	(382)	358	187	239,698	565,654	4,211	569,875

The accompanying notes are an integral part of this Consolidated Financial Statements

7

Note 1. The Group and its operations

PJSC RusHydro (hereinafter referred to as "the Company") was incorporated and is domiciled in the Russian Federation. The Company is a joint stock company limited by value of shares and was set up in accordance with Russian regulations.

The primary activities of the Company and its subsidiaries (hereinafter together referred to as "the Group") are generation and sale of electricity, capacity and heat.

Economic environment in the Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The tax, currency and customs legislation continue to develop and are subject to frequent changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

This economic environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

Relations with the Government and current regulation. As at 31 December 2019 the Russian Federation owned 61.20 percent of the total voting ordinary shares of the Company inclusive of additional share issue (Note 16) (31 December 2018: 60.56 percent). As at 31 December 2019 PJSC Bank VTB that is controlled by the Russian Federation owned 13.13 percent of the Company's shares (31 December 2018: 13.34 percent).

The Group's major customer base includes a large number of entities controlled by, or related to the Government. Furthermore, the Government controls contractors and suppliers, which provide the Group with electricity dispatch, transmission and distribution services, and a number of the Group's fuel and other suppliers (Note 7).

In addition, the Government influences the Group's operations through:

- participation of its representatives in the Company's Board of Directors;
- regulation of tariffs for electricity, capacity and heating;
- approval and monitoring of the Group's investment programme, including volume and sources of financing.

Economic, social and other policies of the Russian Government could have a material effect on operations of the Group.

Overview of the electricity and capacity market. In 2019 the following significant changes were made to the rules of electricity and capacity wholesale and retail markets, their operation procedures and pricing mechanisms:

- Russian Government Resolution No.1947 of 31 December 2019 approved amendments that allow electricity generators and buyers located in stand-alone power systems to enter into direct agreements at prices that match the price range approved by the national regulator.
- For 2020, Russian Government Decree No.3259-r of 31 December 2019 established the following norms:
 - the basic level of rates (tariffs) for electricity (capacity) for Russian constituent regions in the Far Eastern Federal District;
 - price mark-up for capacity provided in the price zones of the wholesale market by wholesalers, i.e. generators of electricity (capacity), such that the Russian constituent regions in the Far Eastern Federal District can achieve the basic level of rates (tariffs) for electricity (capacity).

Note 2. Summary of significant accounting policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with IFRS under the historical cost convention, as modified by the financial instruments initially recognised at fair value, financial instruments categorised at fair value through profit or loss and at fair value through other comprehensive income. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Apart from the adoption of IFRS 16, Leases, effective from 1 January 2019 (Note 3), these policies have been consistently applied to all the periods presented.

Each company of the Group individually maintains its own books of accounts and prepares its statutory financial statements in accordance with Russian standards of accounting (hereinafter referred to as "RSA"). These consolidated financial statements are based on the statutory records with adjustments and

reclassifications made for the purpose of fair presentation in accordance with IFRS.

Functional and presentation currency. The functional currency of the Company and its subsidiaries, and the presentation currency for these consolidated financial statements is the national currency of the Russian Federation, the Russian Ruble.

Foreign currency translation. Monetary assets and liabilities, which are held by the Group's entities and denominated in foreign currencies at the end of the reporting period, are translated into Russian Rubles at the exchange rates prevailing at that date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within finance income/costs.

As at 31 December 2019, the official rate of exchange, as determined by the Central Bank of the Russian Federation, between Russian Ruble and US Dollar (hereinafter referred to as "USD") was RR 61.91 : USD 1.00 (31 December 2018: RR 69.47 : USD 1.00), between Russian Ruble and Euro was RR 69.34 : EUR 1.00 (31 December 2018: RR 79.46 : EUR 1.00), between Russian Ruble and China Yuan was RR 8.86 : CNY 1.00 (31 December 2018: RR 10.10 : CNY 1.00).

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns.

The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries other than those acquired from parties under common control. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree.

Goodwill is measured by deducting the fair value of net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill" or a "bargain purchase") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between the Group's entities are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Company. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest, that do not result in a loss of control. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and the carrying amount of non-controlling interest sold as a capital transaction in the Consolidated statement of changes in equity.

Acquisition of subsidiaries from parties under common control. Acquisitions of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or the date when the combining entities were first brought under common control if later. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment to merger reserve within equity.

Investments in associates and joint ventures. Investments in associates and joint ventures are accounted for using the equity method of accounting, based upon the percentage of ownership held by the Group. Associates are entities over which the Company has significant influence (directly or indirectly) but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as profit or loss in respect of associates and joint ventures, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, and (iii) all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates and joint ventures.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is defined by the making of decisions about the relevant activities requiring the unanimous consent of the parties sharing control.

The Group discontinues the use of the equity method from the date on which it ceases to have joint control over, or have significant influence on joint ventures and associates.

Unrealised gains on transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Property, plant and equipment. Property, plant and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is highly probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day

maintenance are expensed when incurred. Costs of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is written off.

Social assets are not capitalised if they are not expected to result in future economic benefits to the Group. Maintenance costs of social assets are expensed as incurred.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year.

Depreciation. Depreciation on items of property, plant and equipment (except for land and assets under construction) is calculated using the straight-line method over their estimated useful lives.

The useful lives of property, plant and equipment are subject to annual assessment by the Group management and if expectations differ from previous estimates, the changes of useful lives are accounted for as a change in an accounting estimate prospectively.

The average useful lives of property, plant and equipment by type of facility, in years, were as follows:

Type of facility	Average useful lives
Production buildings	25–80
Facilities	10–100
Plant and equipment	5–40
Other	3–30

Depreciation is charged once an asset is available for use. Land and assets under construction are not depreciated.

Impairment of property, plant and equipment. Impairment testing of property, plant and equipment is carried out when there is an indication that impairment may have occurred, or where it is otherwise required to ensure that property, plant and equipment are not carried above their estimated recoverable amounts (Note 8). If any such indication exists, the Group management estimates the recoverable amount which is determined as the higher of an asset's fair value less costs of disposal and its value in use. Fair value less costs of disposal represents the amount that can be generated through the sale of assets. Value in use represents the present value of expected future cash flows discounted on a pre-tax basis, using the estimated cost of capital of the cash-generating unit.

The carrying amount of the asset is reduced to the recoverable amount and the impairment loss is recognised in Consolidated Income Statement for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a positive change in the estimates used to determine the asset's recoverable amount.

Leases. Right-of-use assets. The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The average useful lives of right-of-use assets by type of facility, in years, were as follows:

Type of facility	Average useful lives
Production buildings	2–10
Facilities	5–30
Plant and equipment	5–11
Other	2–10

Lease liabilities. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of an extension option if the lease is reasonably certain to be extended and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Payments under land lease agreements depend on the cadastral value of the land and are variable, recognised as part of the rent expenses in the period in which the event or condition initiating the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets with a low value, less than RR 300 thousand. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term and are included in the rent expenses.

Significant judgement in determining the lease term of contracts with renewal options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or not to exercise an option to terminate a lease.

Intangible assets and goodwill. The Group's intangible assets other than goodwill have definite useful lives and primarily include capitalised computer software. Intangible assets are amortised using the straight-line method over their useful lives. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs of disposal. Goodwill is carried at cost less accumulated impairment losses, if any. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the operation disposed of, generally measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit which is retained.

Key measurement terms for financial instruments. Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received upon sale of the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. The Group uses such valuation techniques of fair value which are the most acceptable in the circumstances and as much as possible use the observable basic data.

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- level 3 measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

For disclosure of information on fair value the Group classified assets and liabilities on the basis of an appropriate level of hierarchy of fair value as it is stated above (Note 32).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers,

levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Initial recognition of financial instruments. Financial instruments at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Classification of financial assets. The Group classifies financial assets in the following measurement categories: to be measured at fair value through profit or loss (FVPL), to be measured at fair value through other comprehensive income (FVOCI), and those to be measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For *investments in equity instruments* that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

There are three measurement categories into which the Group classifies its *debt instruments*:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

Subsequent measurement of financial assets. The Group subsequently measures all *equity investments* at fair value. Where the Group management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of such investments. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised as other operating income or expense. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

All the Group's debt instruments are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

Reclassification of financial assets. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group did

not change its business model during the current period and did not make any reclassifications.

Impairment of financial assets: allowance for expected credit losses (ECL). The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (a) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (b) time value of money and (c) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

In accordance with IFRS 9, the Group applied a simplified approach to determining ECL in relation to trade accounts receivable that requires that full lifetime ECL are to be recognised. For other financial assets the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Write-off of financial assets. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Derecognition of financial assets. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Derivative financial instruments. Derivative financial instruments are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year (gains less losses on derivatives). The Group does not apply hedge accounting.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Classification of financial liabilities. Financial liabilities are classified as subsequently measured at amortised costs, except for financial liabilities at FVPL: this classification is applied to derivatives and other financial liabilities designated as such at initial recognition.

Derecognition of financial liabilities. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost because: (a) they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest, and (b) they are not designated at FVPL.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method.

Trade and other payables. Trade and other payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at amortised costs using the effective interest method.

Debt. Debt is recognised initially at fair value, net of transaction costs incurred and is subsequently carried at

amortised cost using the effective interest method. Fair value is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price.

Capitalisation of borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets, if the commencement date for capitalisation is on or after 1 January 2009.

The commencement date for capitalisation is when (i) the Group incurs expenditures for the qualifying asset; (ii) it incurs borrowing costs; and (iii) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale. The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred less any investment income on the temporary investment of those borrowings are capitalised.

Interest payments capitalised as part of the cost of an assets are classified as cash outflows from financing activities in Consolidated Statement of Cash Flows.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is highly probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Inventories. Inventories are recorded at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Cost of inventory that is expensed is determined on the weighted average basis.

Income taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for consolidated financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is highly probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

Employee benefits. Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Group.

Defined benefit plans. The Group operates defined benefit plans that cover the majority of its employees. Defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, minimum tariff rate of remuneration and others.

The net liability recognised in the Consolidated statement of financial position in respect of defined benefit pension plans operated by the Group is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

The defined benefit obligations are calculated by independent actuary using the projected unit credit method. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid associated with the operation of the plans, and that have terms to maturity approximating the terms of the related pension liabilities.

Actuarial gains and losses resulting from changes in the actuarial assumptions in the measurement of defined benefit plans are recognised in other comprehensive income as they arise within remeasurement of pension benefit obligations. Past service cost is immediately recognised in profit or loss within operating expenses.

Defined contribution plans. For defined contribution plans, the Group pays contributions and has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. In the normal course of business the Group contributes to the Russian Federation defined contribution state pension scheme on behalf of its employees. Mandatory contributions to the governmental pension scheme are expensed when incurred and included in employee benefit expenses and payroll taxes in the consolidated income statement.

Other benefit obligations. The Group pays a one-off financial aid on occasion of an employee's jubilee. The amount of the benefit depends on one or more factors, such as the age, length of service in the company, salary and others.

For the purpose of calculating benefit obligations of these types, actuarial gains and losses arising as a result of adjustments or changes in actuarial assumptions are recognised within profit or loss in the consolidated income statement in the period when they arise. All other aspects of accounting for these obligations are similar to those of accounting for defined benefit obligations.

Environmental liabilities. Liabilities for environmental remediation are recorded where there is a present obligation, the payment is highly probable and reliable estimates exist.

Revenue recognition. Revenue is recognised in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for the transfer of goods or services promised to the customer, when (or as) control is transferred.

The Group defines the following performance obligations: sales of electricity in the wholesale market, sales of capacity in the wholesale market, sales of electricity and capacity in the retail market, sales of heat and hot water, rendering services for electricity transportation, rendering services for connections to the grid, other revenue.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time for the following revenue: sales of electricity and capacity in the retail and

wholesale markets, sales of heat and hot water and rendering services for electricity transportation. Revenue is recognised in the amount which the Group has the right to invoice, as this amount represents the value the customer receives upon fulfillment of the contract.

With respect to the revenue from electric grid connection, the Group applied judgement and considers that the connection is a separate performance obligation recognised in a point in time when the service has been provided. According to the electric grid connection service agreements, the Group is under no further obligation to the buyer once the service has been provided. When for provision of electric grid connection services, the Group directly enters into agreements for connection to electric grids owned by external grid operators, the Group recognises revenue from provision of services to the buyer on a gross basis.

Other revenue is recognised at a point in time.

Contracts for all types of revenue do not contain a significant financing component as the terms of payments agreed by contracting parties do not provide to the customers or to the Group significant benefit of financing. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Contract assets are not significant. Accounts receivable are recognised when the Group receives the unconditional right to get the remuneration under the contract.

Contract liabilities are represented by advances received included in accounts payable and accruals and other non-current liabilities.

Government grants. Government grants are a compensation for the incurred expenses, losses and reduced tariffs to the guarantying suppliers – Group companies, in relation to the achievement of basic rates (tariffs). Government grants are accounted for within operating income and if there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions and are recognised at fair value. Grants are recognised during the period so as to match costs with respective compensation or, if grants are compensating for the losses incurred previously, they are recognised when receipt of the grant becomes probable. Government grants are included in cash flows from operating activities.

Earnings per share. The earnings per share are determined by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, excluding the average number of treasury shares held by the Group.

Share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the placement value over the par value of shares issued is recorded as share premium in equity.

Treasury shares. Where the Company or its subsidiaries purchase the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's owners until the equity instruments are reissued, disposed of or cancelled. In case the consideration paid is non-cash asset, the treasury shares received are recognised at the fair value of this asset. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

Dividends. Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before the consolidated financial statements are authorised for issue are disclosed in the subsequent events note.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Social expenditure. To the extent that the Group's contributions to social programmes benefit the community

at large without creating constructive obligations to provide such benefits in the future they are recognised in the consolidated income statement as incurred.

Financial guarantees. Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition.

Segment reporting. Segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

Reclassifications. Certain reclassifications have been made to prior year data to conform to the current year presentation. These reclassifications are not material.

Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumptions that affect the amounts recognised in the Consolidated Financial Statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, significant increase in credit risk, probability of default. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual losses on accounts receivable.

In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the reporting date. The Group considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular groups of customers. The Group identifies behavioural indicators of increases in credit risk prior to delinquency and incorporates appropriate forward-looking information into the credit risk assessment, either for an individual counterparty, or for groups of counterparties.

The ECL rates are based on the payment profiles of sales over a period of 60 months before 31 December 2019 and 48 months before 31 December 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified inflation to be the most significant factor, and accordingly adjusts the historical loss rates based on expected changes in the inflation rate. A change of the inflation rate by +/- 0.5% would result in the expected level of losses changing by +/- 0.7% respectively.

Method of accounting for and valuation of a non-deliverable forward contract for the shares. The management treats the transaction on acquisition by PJSC Bank VTB (the "Bank") of 55 billion of the Company's ordinary shares – 40 billion of additionally issued shares and 15 billion of treasury shares carried on the Group subsidiaries' balance sheet and entering into a non-deliverable forward contract for these shares (Note 20) in March 2017 as two separate transactions. The sale of shares was recorded in equity and a derivative financial instrument was recognised.

The terms and conditions of the share sale imply transfer of risks and rewards in connection with these shares, such as dividend payments received by the Bank and participation in the Company's management. No obligations for their repurchase and conversion into a different financial instrument, guarantees or binding agreements arise for the Company. Given the above and the fact that the international financial reporting standards do not prescribe accounting treatment for the risks and rewards transfer procedure for treasury

shares, the Group management concluded that the transaction should be presented on the basis that the Bank is the beneficial owner of the Company's shares.

In the Group management's opinion, the decrease in the prepaid forward value by the amounts equivalent to dividends received by the Bank does not directly represent return of dividends, and, therefore, does not limit the Bank in terms of obtaining rewards from share ownership. According to the forward contract, there will be significant delays in the offset of cash flows (for a period exceeding three months from the date when dividends are received by the Bank), and the Bank will be able to place the received dividends not only in cash and cash equivalents but other instruments for the period exceeding three months as well, and it will be able to receive income and subsequently reinvest it multiple times.

As the issue of shares is recorded in equity and also as both the issue of shares and the conclusion of the non-deliverable forward contract are carried out by decision and in the interests of the state as the ultimate controlling party, the initial recognition of the non-deliverable forward contract for these shares is also recorded in equity as a shareholder transaction.

The effect of these critical accounting estimates in respect of a non-deliverable forward contract fair value and the key assumptions are disclosed in Note 20.

Recognition of a premium to the price of capacity with subsequent transfer of the collected amounts to the budgets of the respective regions. In July 2017, Resolution of the Russian Government No. 895 "On achievement of basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region" became effective. This Resolution stipulates the application of a premium to the price of capacity provided by the Group in the price zones of the wholesale electricity and capacity market with subsequent transfer of the amounts collected to the constituent budgets of the Far East Federal region in the form of free-of-charge targeted contributions.

Constituent regions are obliged to use these contributions to compensate the guaranteeing suppliers of the Far East Federal region for the reduction in tariffs to the basic levels. According to the Resolution tariffs were reduced retrospectively starting from 1 January 2017.

The amount of the premium that should be transferred to the regional budgets in the form of free-of-charge targeted contributions is stipulated by the Resolution of the Russian Government and for the year ended 31 December 2019 was RR 32,077 million (for the year ended 31 December 2018: RR 35,032 million). Taking into account that the Group collects the premium and subsequently transfers it to the respective regional budgets on behalf of the Russian Government, the management of the Group concluded that the Group's revenue from the sale of capacity in the amount of the premium should be presented in the consolidated income statement net of related free-of-charge targeted contributions.

Government subsidies receivable by the Group's companies – guaranteeing suppliers under the rules of the Resolution of the Russian Government No. 895 are recognised in government grants (Note 25). Government grants are recognised when there is a reasonable assurance that the grant will be received and the Group will be able to comply with all attached conditions.

Impairment of non-financial assets. Impairment of non-financial assets includes impairment of property, plant and equipment and impairment of investments in associates and joint ventures.

The effect of these critical accounting estimates and assumptions is disclosed in Notes 8 and 9.

Recognition of deferred tax assets. At each reporting date management assesses recoverability of deferred tax assets arising from operating losses and asset impairments in the context of the current economic environment, particularly when current and expected future profits have been adversely affected by market conditions. Management considers first the future reversal of existing deferred tax liabilities and then considers future taxable profits when evaluating deferred tax assets. The assessment is made on a taxpayer basis. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plans of the Group companies prepared by management and extrapolated results thereafter.

Management considered the recoverability of recognised deferred tax assets, including those on tax losses carried forward, as probable due to existence of taxable temporary differences which recoverability is expected in future and of high probability of deferred tax assets being recoverable through future taxable profits (Note 17).

Useful life of property, plant and equipment. The estimation of the useful life of an item of property, plant and equipment is a matter of management judgement based upon experience with similar assets, and other factors. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear, warranty terms as well as the environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments to future depreciation

rates which can affect the reported income and the carrying value of property, plant and equipment.

Note 3. Adoption of new or revised standards and interpretations

Adoption of IFRS 16, Leases. On adoption of IFRS 16, Leases, as at 1 January 2019 the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases in accordance with IAS 17, Leases. The Group applied transition requirements and practical expedients, which has been provided for in the standard.

The Group applied the modified retrospective method without restatement of comparatives which presumes recognition of cumulative effect of initial application at the date of the initial application. Right-of-use assets were recognised in an amount equal to the lease liability, adjusted by the amount of lease payments made or accrued in advance in connection with such lease, which is recognised in the Statement of Financial Position immediately prior to the date of initial application. In addition, impairment of right-of-use assets in the amount of RR 61 million was recognised in respect of cash-generating units with negative discounted cash flows.

Lease liabilities were measured at the present value of the remaining lease payments, discounted as at 1 January 2019 using the lessee's incremental borrowing rate, that was 8.31 percent. The Group applied unified approach to one-type lease contracts excluding short-term leases and leases of low-value assets.

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. The requirements of IFRS 16, Leases, were applied to these leases from 1 January 2019.

The Group did not recognise assets and liabilities under operating lease agreements for which the rental payment is variable, depends on the cadastral value of the land and is variable.

Reconciliation of lease liabilities as at 1 January 2019 to the non-cancelable operating lease commitments as at 31 December 2018 is presented below:

Operating lease commitments as at 31 December 2018	37,322
Adjusted at:	
commitments relating to land lease agreements with variable payments	(26,564)
commitments relating to short-term leases	(110)
commitments relating to leases of low-value assets	(82)
commitments relating to rendering service contracts previously classified as leases	(1,545)
revised lease terms and other adjustments	(2,274)
Adjusted operating lease commitments as at 31 December 2018	6,747
Present value of operating lease commitments as at 1 January 2019	5,190
Commitments relating to leases previously classified as finance leases	729
Lease liabilities as at 1 January 2019	5,919
Including:	
Short-term lease liabilities	1,186
Long-term lease liabilities	4,733

The carrying amount of the right-of-use assets recognised due to implementation of IFRS 16, Leases, relates to the following groups of property, plant and equipment:

	1 January 2019
Buildings	1,402
Facilities	2,575
Plant and equipment	1,075
Other	77
Total right-of-use assets due to adoption of IFRS 16	5,129

Changes in right-of-use assets are disclosed in Note 8.

The effect of adoption of IFRS 16, Leases, on certain types of assets, liabilities and equity as at 1 January 2019 is as follows:

	31 December 2018	Change	1 January 2019
Assets			
Property, plant and equipment	669,424	5,129	674,553
Impact on total assets	669,424	5,129	674,553
Equity and liabilities			
Non-current debt	157,948	4,107	162,055
Current debt and current portion of non-current debt	38,899	1,063	39,962
Retained earnings and other reserves	115,523	(61)	115,462
Impact on total equity and liabilities	312,370	5,129	317,499

Information about lease liabilities is disclosed in Note 19.

The significant new accounting policies applied in the current period are described in Note 2. Accounting policies applied to lease contracts prior to 1 January 2019 and applicable to the comparative information are disclosed in Note 35.

Other revised standards and interpretations. The following new standards, amendments to standards and interpretations became effective from 1 January 2019 but did not have any material impact on the Group's consolidated financial statements:

- IFRIC 23, Uncertainty over Income Tax Treatments (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019).
- Prepayment Features with Negative Compensation – Amendments to IFRS 9 (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28 (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- Annual Improvements to IFRSs 2015-2017 cycle – Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19 (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).

Note 4. New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2020 or later, and which the Group has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The amendments will have no significant impact on the Group's consolidated financial statements.

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021). IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Insurers will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. The new standard will have no significant impact on the Group's consolidated financial statements.

Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance – in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The amendments will have no significant impact on the Group's consolidated financial statements.

Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020). The amendments revise definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organised workforce should be present as a condition for classification as a business if are no outputs. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. An entity can apply a 'concentration test'. The assets acquired would not represent a business if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets). The amendments are prospective and the Group will apply them and assess their impact from 1 January 2020.

Definition of materiality – Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments will have no significant impact on the Group's consolidated financial statements.

Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020). The amendments were triggered by replacement of benchmark interest rates such as LIBOR and other inter-bank offered rates ('IBORs'). The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. Cash flow hedge accounting under both IFRS 9 and IAS 39 requires the future hedged cash flows to be 'highly probable'. Where these cash flows depend on an IBOR, the relief provided by the amendments requires an entity to assume that the interest rate on which the hedged cash flows are based does not change as a result of the reform. Both IAS 39 and IFRS 9 require a forward-looking prospective assessment in order to apply hedge accounting. While cash flows under IBOR and IBOR replacement rates are currently expected to be broadly equivalent, which minimises any ineffectiveness, this might no longer be the case as the date of the reform gets closer. Under the amendments, an entity may assume that the interest rate benchmark on which the cash flows of the hedged item, hedging instrument or hedged risk are based, is not altered by IBOR reform. IBOR reform might also cause a hedge to fall outside the 80–125% range required by retrospective test under IAS 39. IAS 39 has therefore been amended to provide an exception to the retrospective effectiveness test such that a hedge is not discontinued during the period of IBOR-related uncertainty solely because the retrospective effectiveness falls outside this range. However, the other requirements for hedge accounting, including the prospective assessment, would still need to be met. In some hedges, the hedged item or hedged risk is a non-contractually specified IBOR risk component. In order for hedge accounting to be applied, both IFRS 9 and IAS 39 require the designated risk component to be separately identifiable and reliably measurable. Under the amendments, the risk component only needs to be separately identifiable at initial hedge designation and not on an ongoing basis. In the context of a macro hedge, where an entity frequently resets a hedging relationship, the relief applies from when a hedged item was initially designated within that hedging relationship. Any hedge ineffectiveness will continue to be recorded in profit or loss under both IAS 39 and IFRS 9. The amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present. The amendments require entities to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties, including the nominal amount of hedging instruments to which the reliefs are applied, any significant assumptions or judgements made in applying the reliefs, and qualitative disclosures about how the entity is impacted by IBOR reform and is managing the transition process. The amendments will have no significant impact on the Group's consolidated financial statements.

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022). These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Group is currently assessing the impact of the amendments on its financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

Note 5. Principal subsidiaries

All principal subsidiaries are incorporated and operate in the Russian Federation. Differences between the ownership interest and voting interest held by some subsidiaries represent the effect of preference shares and / or effects of indirect ownership, or shares of limited liability companies (LLC).

The Group operates in the three main reportable segments one of which is represented by the Group's parent company – PJSC RusHydro (Note 6). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 31 December 2019 and 31 December 2018.

ESC RusHydro subgroup segment

ESC RusHydro subgroup segment includes the Group's subsidiaries which sell electricity to final customers. All the entities included in this segment with the exception of JSC ESC RusHydro have the guaranteeing supplier status and are obliged to sign contracts on supplies with all final consumers of their region upon their request.

		31 December 2019		31 December 2018	
		% of ownership	% of voting	% of ownership	% of voting
JSC	ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC	Krasnoyarskenergosbyt	65.81%	69.40%	65.81%	69.40%
PJSC	Ryazanenergosbyt	90.52%	90.52%	90.52%	90.52%
JSC	Chuvashskaya Electricity Sales Company	100.00%	100.00%	100.00%	100.00%

RAO ES East subgroup segment

RAO ES East subgroup segment consists of JSC RAO ES East and its subsidiaries that generate, distribute and sell electricity and heat in the Far East region of the Russian Federation and render transportation, construction, repair and other services.

Principal subsidiaries of this segment are presented below:

	31 December 2019		31 December 2018	
	% of ownership	% of voting	% of ownership	% of voting
JSC RAO ES East	99.98%	99.98%	99.98%	99.98%
PJSC DEK	52.11%	52.17%	52.11%	52.17%
JSC DGK	52.11%	100.00%	52.11%	100.00%
JSC DRSK	52.11%	100.00%	52.11%	100.00%
PJSC Kamchatskenergo	98.74%	98.75%	98.72%	98.74%
PJSC Magadanenergo*	48.99%	49.00%	48.99%	49.00%
PJSC Sakhalinenergo	76.59%	76.60%	57.80%	57.82%
PJSC Yakutskenergo	79.15%	79.16%	79.15%	79.16%

* Control over PJSC Magadanenergo is achieved by the majority of votes on the shareholders meeting because the remaining part of the shares not owned by the Group are distributed among a large number of shareholders the individual stakes of which are insignificant.

Other segments

Other segments include:

- the Group's subsidiaries engaged in production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.

Principal subsidiaries included in other segments are presented below:

	31 December 2019		31 December 2018	
	% of ownership	% of voting	% of ownership	% of voting
JSC Blagoveschensk TPP	100.00%	100.00%	100.00%	100.00%
JSC VNIIG named after B. E. Vedeneev	100.00%	100.00%	100.00%	100.00%
JSC Hidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC Sakhalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC TPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC Ust'-Srednekangestroy	98.76%	100.00%	98.76%	100.00%
JSC Ust'-Srednekanskaya HPP named after A. F. Dyakov	99.63%	100.00%	99.63%	100.00%
JSC Chirkeigestroy	100.00%	100.00%	100.00%	100.00%
JSC Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%

Non-controlling interest

Summarised financial information related to subsidiaries with significant amount of non-controlling interest before elimination of operations between the Group's subsidiaries is presented below:

	RAO ES East subgroup		including DEK subgroup	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Financial position				
Share of non-controlling interest	0.02%	0.02%	47.89%	47.89%
Share of voting rights, attributable to non-controlling interest	0.02%	0.02%	47.83%	47.83%
Non-current assets	144,617	126,987	65,824	63,618
Current assets	86,915	83,725	36,720	44,565
Non-current liabilities	(128,102)	(114,492)	(92,635)	(70,153)
Current liabilities	(98,324)	(88,971)	(42,996)	(50,474)
Net assets / (liabilities)	5,106	7,249	(33,067)	(12,444)
Calculated value of non-controlling interest	7,553	13,226	1,756	5,183
Adjustment to non-controlling interest due to recognition of loan received from the parent company of the Group at fair value	(4,309)	(4,309)	(3,438)	(3,438)
Carrying value of non-controlling interest	3,244	8,917	(1,682)	1,744
	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
Financial results				
Revenue	190,315	177,877	138,803	124,929
Loss for the year	(10,626)	(207)	(6,793)	(4,043)
Total comprehensive (loss) / income for the year	(11,339)	236	(7,264)	(3,694)
(Loss) / profit for the year, attributable to non-controlling interest	(4,740)	566	(3,253)	(1,936)
Changes in other comprehensive income, attributable to non-controlling interest	(262)	202	(225)	166
Cash flows				
Cash generated / (used) by operating activities	8,469	17,051	(5,092)	3,680
Cash used in investing activities	(21,056)	(23,643)	(10,592)	(6,070)
Cash generated by financing activities	12,298	11,701	13,730	6,139
(Decrease) / increase in cash and cash equivalents	(289)	5,109	(1,954)	3,949

The rights of the non-controlling shareholders of the presented subgroups are determined by the Federal Law "On Joint Stock Companies" and the charter documents of JSC RAO ES East and PJSC DEK.

Note 6. Segment information

Operating segments are components of the Group engaged in operations from which they may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group. The individual financial information of the operating segments, which based on the same principles as the present consolidated financial statements, is available and is regularly reviewed by the chief operating decision maker (CODM) to make operating decisions about resources to be allocated to the segments and the performance of the segments' operating activities.

The CODM analyses the information concerning the Group by the groups of operations which are aggregated in operating segments presented by the following separate reportable segments: PJSC RusHydro (the Group's parent company), ESC RusHydro subgroup, RAO ES East subgroup and other segments (Note 5). Transactions of other segments are not disclosed as reportable segments based on quantitative indicators for the periods presented.

Management of operating activities of segments is performed with direct participation of individual segment managers accountable to the CODM. Segment managers on a regular basis submit for approval to the CODM results of operating activities and financial performance of segments. The CODM approves the annual business plan at the level of reportable segments as well as analyses actual financial performance of segments. Management bears responsibility for execution of approved plan and management of operating activities at the level of segments.

The segments' operational results are assessed on the basis of EBITDA, which is calculated as operating profit / loss excluding depreciation of property, plant and equipment and amortisation of intangible assets, gains on changes in the carrying value of financial assets at fair value through profit or loss, impairment of property, plant and equipment, impairment of of financial assets, gain / loss on disposal of property, plant and equipment and other non-monetary items of operating income and expenses. This definition of EBITDA may differ from the methods applied by other companies. Management believes that EBITDA represents the most useful means of assessing the performance of ongoing operating activities of the Group's operating segments, as it reflects the earnings trends excluding the impact of the above charges.

Segment information also contains capital expenditures and the amount of debt as these indicators are analysed by the CODM. Intersegment debt balances are eliminated from these disclosures.

Other information provided to the CODM is consistent with the information presented in the Group's consolidated financial statements.

Intersegment sales are carried out at market prices.

Segment information as at and for the years ended 31 December 2019 and 31 December 2018 is presented below.

RusHydro Group
Notes to the Consolidated Financial Statements
as at and for the year ended 31 December 2019
(in millions of Russian Rubles unless noted otherwise)



Year ended 31 December 2019	RJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	122,285	55,163	190,270	38,858	410,574	(45,732)	366,842
including:							
from third parties	110,830	50,090	180,745	6,977	366,842	-	366,842
sales of electricity and capacity in the retail market	335	57,856	82,231	492	144,914	-	144,914
sales of electricity in the wholesale market	75,048	227	22,502	420	97,995	-	97,995
sales of capacity in the wholesale market	35,171	-	12,395	840	48,177	-	48,177
sales of heat and hot water	153	-	40,401	1	40,646	-	40,646
other revenue	134	987	28,356	3,424	34,901	-	34,901
from intercompany operations	11,446	93	524	21,679	43,732	(43,732)	-
Government grants	-	10	39,504	469	39,983	-	39,983
Operating expenses (excluding depreciation and other non-monetary items)	(45,965)	(17,964)	(211,054)	(34,933)	(351,942)	47,801	(309,081)
EBITDA	76,319	1,189	16,720	4,187	98,415	(871)	97,544
Other operating income	38	-	203	701	942	-	942
Depreciation of property, plant and equipment	(12,723)	(139)	(3,582)	(4,383)	(26,907)	221	(25,685)
Other non-monetary items of operating income and expenses including:							
impairment of property, plant and equipment	(1,047)	-	(4,130)	(48,355)	(53,532)	-	(53,532)
impairment of other assets	-	-	(2,045)	-	(2,045)	-	(2,045)
reversal / (provision) of financial assets, net	390	(1,267)	(3,570)	(44)	(4,491)	-	(4,491)
gain arising on financial assets at fair value through profit or loss	-	-	-	162	162	-	162
loss on disposal of other non-current assets	-	-	-	(231)	(231)	-	(231)
loss on disposal of property, plant and equipment, net	(239)	(21)	(940)	(282)	(1,682)	-	(1,682)
(loss) / profit on disposal of subsidiaries, net	(17)	-	42	-	25	-	25
Operating profit / (loss)	62,721	(238)	(2,422)	(48,255)	11,806	(659)	11,156
Finance income	-	-	-	-	-	-	9,868
Finance costs	-	-	-	-	-	-	(10,403)
Share of results of associates and joint ventures	-	-	-	-	-	-	(2,757)
Profit before income tax							7,859
Income tax expense	-	-	-	-	-	-	(7,216)
Profit for the period							643
Capital expenditure	25,380	158	25,214	34,996	89,718	-	89,718
31 December 2019							
Non-current and current debt	132,238	1,278	67,643	804	201,963	-	201,963

27

RusHydro Group
Notes to the Consolidated Financial Statements
as at and for the year ended 31 December 2019
(in millions of Russian Rubles unless noted otherwise)



Year ended 31 December 2018	RJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	127,386	58,176	177,877	38,728	402,847	(43,897)	358,950
including:							
from third parties	118,131	58,124	177,398	7,117	368,770	-	368,770
sales of electricity and capacity in the retail market	52	56,472	92,123	485	149,642	-	149,642
sales of electricity in the wholesale market	87,874	149	11,533	330	93,826	-	93,826
sales of capacity in the wholesale market	33,953	-	9,306	572	43,833	-	43,833
sales of heat and hot water	168	-	39,982	2	40,150	-	40,150
other revenue	144	1,103	24,444	5,728	31,419	-	31,419
from intercompany operations	11,255	52	479	32,111	43,897	(43,897)	-
Government grants	-	37	41,378	233	41,648	-	41,648
Operating expenses (excluding depreciation and other non-monetary items)	(45,165)	(58,091)	(195,535)	(35,224)	(333,915)	44,270	(289,745)
EBITDA	82,221	122	23,720	3,237	109,309	373	109,373
Other operating income	601	-	66	940	1,607	-	1,607
Depreciation of property, plant and equipment	(12,071)	(140)	(7,194)	(3,080)	(22,485)	175	(22,310)
Other non-monetary items of operating income and expenses including:							
impairment of property, plant and equipment	(7,430)	-	(4,788)	(12,003)	(24,221)	-	(24,221)
impairment of other assets	(206)	(53)	(3,681)	(251)	(5,379)	-	(5,379)
gain / (loss) arising on financial assets at fair value through profit or loss	1,851	-	(37)	2,321	3,848	-	3,848
(loss) / profit on disposal of property, plant and equipment, net	(1,163)	(19)	35	(539)	(1,747)	20	(1,757)
profit / (loss) on disposal of subsidiaries and joint ventures, net	93	(31)	22	(122)	(28)	-	(28)
Operating profit / (loss)	62,998	(599)	8,167	(9,587)	60,847	573	61,420
Finance income	-	-	-	-	-	-	7,667
Finance costs	-	-	-	-	-	-	(23,063)
Share of results of associates and joint ventures	-	-	-	-	-	-	1,860
Profit before income tax							47,859
Income tax expense	-	-	-	-	-	-	(18,022)
Profit for the period							31,837
Capital expenditure	18,018	150	28,845	31,994	77,005	-	77,005
31 December 2018							
Non-current and current debt	144,751	1,789	44,759	5,568	196,847	-	196,847

28

Note 7. Related party transactions

Parties are generally considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal related parties for the years ended 31 December 2019 and 31 December 2018 were associates and joint ventures of the Group (Note 9) and government-related entities.

Joint ventures

The Group had the following balances with its joint ventures:

	Note	31 December 2019	31 December 2018
Long-term promissory notes	10	8,287	7,551

The Group had the following transactions with its joint ventures:

	Year ended 31 December 2019	Year ended 31 December 2018
Sales of electricity and capacity	441	293
Other revenue	143	468
Purchased electricity and capacity	438	517

Associates

The Group had the following balances with its associates:

	31 December 2019	31 December 2018
Trade and other receivables	500	513
Accounts payable	1,679	1,593

The Group had the following transactions with its associates:

	Year ended 31 December 2019	Year ended 31 December 2018
Sales of electricity and capacity	1,784	1,647
Sales of heat and hot water	1,179	1,210
Other revenue	110	111
Rent	636	615

Government-related entities

In the normal course of business the Group enters into transactions with the entities related to the Government.

The Group had transactions during the years ended 31 December 2019 and 31 December 2018 and balances outstanding as at 31 December 2019 and 31 December 2018 with the government-related banks (Notes 10, 11, 14, 19). All transactions with the banks are carried out at market rates. The Company also entered into a non-deliverable forward contract for its treasury shares and cross-currency and interest rate swap arrangement with PJSC VTB Bank (Notes 10 and 20).

The Group's sales of electricity, capacity and heat to government-related entities comprised approximately 20 percent of total sales of electricity, capacity and heat for the year ended 31 December 2019 (for the year ended 31 December 2018: approximately 20 percent). Sales of electricity and capacity under the regulated contracts are made directly to the consumers, within the day-ahead market (DAM) – through commission agreements with JSC Centre of Financial Settlements (CFS). Electricity and capacity supply tariffs under the regulated contracts and electricity and heat supply tariffs in the non-pricing zone of the Far East are approved by the Federal Antimonopoly Service and by regional regulatory authorities of the Russian Federation. On the DAM, the price is determined by balancing the demand and supply and such price is applied to all market participants.

During the year ended 31 December 2019 the Group received government subsidies of RR 39,983 million (for the year ended 31 December 2018: RR 41,648 million) (Note 25).

Government subsidies receivable comprised RR 652 million as at 31 December 2019 (31 December 2018: RR 2,539 million) (Note 12). There were no accounts payable on free-of-charge targeted contributions of the

Group as at 31 December 2019 and 31 December 2018.

The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 30 percent of total expenses on purchased electricity, capacity and fuel for the year ended 31 December 2019 (for the year ended 31 December 2018: approximately 30 percent).

Grid companies services on electricity distribution provided to the Group by government-related entities comprised approximately 80 percent of total electricity distribution expenses for the year ended 31 December 2019 (for the for the year ended 31 December 2018: approximately 80 percent). The distribution of electricity is subject to tariff regulations.

Key management of the Group. Key management of the Group includes members of the Board of Directors of the Company, members of the Management Board of the Company, heads of the business subdivisions of the Company and their deputies, key management of subsidiaries of the RAO ES East subgroup segment.

Remuneration to the members of the Board of Directors of the Company for their services in their capacity and for attending Board meetings is paid depending on the results for the period and is calculated based on specific remuneration policy approved by the Annual General Shareholders Meeting of the Company.

Remuneration to the members of the Management Board and to other key management of the Group is paid for their services in full time management positions and is made up of a contractual salary and performance bonuses depending on the results of the work for the period based on key performance indicators approved by the Board of Directors of the Company.

The main compensation for key management of the Group is mostly short-term except for payments under pension plans with defined benefits. Pension benefits for key management of the Group are provided on the same terms as for the rest of employees.

Short-term remuneration paid to the key management of the Group for the year ended 31 December 2019 comprised RR 1,617 million including an accrual for bonuses in the amount of RR 410 million (for the year ended 31 December 2018: RR 1,623 million including accrual for bonuses in the amount of RR 398 million).

The accrual for bonuses for the year ended 31 December 2018 includes remuneration under the Company's top management long-term motivation program as expected based on the 2019 results.

Note 8. Property, plant and equipment

Cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Right-of-use assets	Total
Balance as at 31 December 2018	87,468	322,228	396,499	308,999	15,343	-	1,130,537
Recalculation due to adoption of IFRS 16	-	-	-	-	-	5,190	5,190
Lease assets previously classified as finance leases, as at 1 January 2019	-	(1,078)	(1,555)	-	(105)	2,738	-
Balance as at 1 January 2019 (restated)	87,468	321,150	394,944	308,999	15,238	7,928	1,135,727
Reclassification	260	(94)	(142)	-	(24)	-	-
Additions	224	664	592	83,072	2,244	1,922	86,718
Transfers	15,303	75,634	58,810	(150,488)	741	-	-
Reclassification to non-current assets and assets of disposal group classified as held for sale	(275)	(1,527)	(2,597)	(39)	(109)	-	(4,547)
Disposals of subsidiaries	(16)	(92)	(5)	(576)	(3)	-	(692)
Disposals and write-offs	(970)	(908)	(2,504)	(2,015)	(608)	(1,489)	(8,494)
Balance as at 31 December 2019	101,994	394,827	449,098	238,953	17,479	8,361	1,210,712
Accumulated depreciation (including impairment)							
Balance as at 31 December 2018	(40,838)	(184,544)	(185,341)	(39,933)	(10,457)	-	(461,113)
Recalculation due to adoption of IFRS 16	-	-	-	-	-	(61)	(61)
Lease assets previously classified as finance leases, as at 1 January 2019	-	688	1,492	-	105	(2,285)	-
Balance as at 1 January 2019 (restated)	(40,838)	(183,856)	(183,849)	(39,933)	(10,352)	(2,346)	(461,174)
Reclassification	(47)	76	(54)	-	25	-	-
Impairment charge	(2,612)	(35,885)	(16,411)	(2,634)	(382)	(16)	(57,940)
Reversal of impairment	277	962	642	2,508	19	-	4,408
Depreciation charge	(1,556)	(6,382)	(15,682)	-	(1,163)	(1,039)	(25,822)
Transfers	(843)	(11,226)	(4,365)	16,446	(12)	-	-
Reclassification to non-current assets and assets of disposal group classified as held for sale	116	622	831	-	76	-	1,645
Disposals of subsidiaries	16	82	3	576	3	-	690
Disposals and write-offs	409	552	2,405	362	284	1,331	5,343
Balance as at 31 December 2019	(45,078)	(235,045)	(216,480)	(22,675)	(11,502)	(2,070)	(532,850)
Net book value as at 31 December 2019	56,916	159,782	232,618	216,278	5,977	6,291	677,862
Net book value as at 31 December 2018	46,630	137,684	211,158	269,066	4,886	-	669,424

Cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2017	83,938	308,921	358,685	296,572	15,100	1,063,216
Reclassification	51	(735)	153	402	129	-
Additions	143	355	1,913	73,196	1,398	77,005
Transfers	3,938	14,472	38,650	(57,257)	197	-
Disposals of subsidiaries	(30)	(5)	(3)	-	(1)	(39)
Disposals and write-offs	(572)	(780)	(2,899)	(3,914)	(1,480)	(9,645)
Balance as at 31 December 2018	87,468	322,228	396,499	308,999	15,343	1,130,537
Accumulated depreciation (including impairment)						
Balance as at 31 December 2017	(39,986)	(173,658)	(164,391)	(32,609)	(9,422)	(420,066)
Reclassification	(11)	47	67	2	(105)	-
Impairment charge	(2,062)	(8,743)	(18,767)	(13,752)	(59)	(41,383)
Reversal of impairment	2,470	4,524	8,565	1,557	46	17,162
Depreciation charge	(1,402)	(5,961)	(14,253)	-	(1,110)	(22,726)
Transfers	(307)	(1,353)	(1,157)	2,828	(11)	-
Disposals of subsidiaries	18	2	3	-	1	24
Disposals and write-offs	442	598	2,592	2,041	203	5,876
Balance as at 31 December 2018	(40,838)	(184,544)	(185,341)	(39,933)	(10,457)	(461,113)
Net book value as at 31 December 2018	46,630	137,684	211,158	269,066	4,886	669,424
Net book value as at 31 December 2017	43,952	135,263	194,294	263,963	5,678	643,150

Assets under construction represent the expenditures for property, plant and equipment that are being constructed, including power plants under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 31 December 2019 such advances amounted to RR 34,850 million (31 December 2018: RR 33,281 million).

Additions to assets under construction included capitalised borrowing costs in the amount of RR 9,150 million, the capitalisation rate was 7.85 percent (for the year ended 31 December 2018: RR 8,370 million, the capitalisation rate was 8.31 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 438 million (for the year ended 31 December 2018: RR 342 million).

Other property, plant and equipment include motor vehicles, land, office fixtures and other equipment.

Impairment of property, plant and equipment as at 31 December 2019 and 31 December 2018

The following key assumptions were used in the impairment testing for the years ended 31 December 2019 and 31 December 2018:

Key assumptions used in the impairment testing	31 December 2019	31 December 2018
Information used	Actual operating results of generating units for the respective period and business plans for 5 years (2020–2024) (2019–2023)	
Forecast period*	For the generating units operating hydro- and geothermal power plants and for units dealing with electricity transmission – 10 years (2020–2029) (2019–2026)	
	For the generating units supplying capacity under capacity sale contracts at new hydropower plants, including hydro-accumulating power plants – until the completion of the capacity sale contracts 13–21 years (2019–2040) 14–17 years (2019–2035)	
	For the generating units operating thermal power plants – based on the remaining useful life of the key equipment 11–35 years (2020–2054) 11–35 years (2019–2053)	
Forecasted growth rates in terminal period	4.4 percent	4.3 percent
Discount rate before tax (based on weighted average cost of capital)	12.7–14.9 percent	14.2–16.8 percent
Forecast of electricity and capacity tariffs in the isolated energy systems and in non-pricing zone of the Far East	Based on methodology of tariffs calculation adopted by regulatory authority	
Forecast of electricity and capacity prices in competitive market	Based on the forecast of JSC TSA and forecast rates on energy prices growth prepared by the Ministry of Economic Development of RF	
Forecast of capacity prices related to competitive capacity selection	For 2019–2021 – based on the results of competitive capacity selection, except for stations, where regulated tariffs are used For 2022–2025 – in accordance with the Decree of the Government of the Russian Federation from 25.01.2009 No 43 For 2026 and after – adjusted for consumer price index	
Forecast of electricity and capacity volumes	Based on the Company's management assessment of future trends in the business	
Forecast of capital expenditures	Based on the management valuation of capital expenditures on modernisation and reconstruction programme	

* Management considers that a forecast period greater than five years is appropriate as it is expected that cash flow projections will not be stabilised within five years. However a forecast period of cash flows was mainly defined by remaining useful life of assets tested. For hydroelectric power plants this period may amount up to 100 years due to the fact that key asset is a dam. In this regard the recoverable amount of assets was defined based on cash flows during the forecast period and terminal values.

The values assigned to the key assumptions represent management's assessment of future trends in the business and are based on both external and internal sources.

Management of the Group analysed the current economic situation, in which the Group operates, in order to detect the indicators of impairment of property, plant and equipment or indicators that an impairment loss recognised in prior periods no longer exists or decreased.

As a result of the impairment test of property, plant and equipment as at 31 December 2019 the impairment loss of RR 57,940 million was recognised in the Consolidated Income Statement, mainly related to the following cash-generating units:

- "Nizhne-Bureiskaya HPP – in the amount of RR 30,735 million, "Sakhalin GRES-2", "Sakhalinenergo" – in the amount of RR 24,111 million due to the fact that the economically feasible tariffs established at the assets commissioning date reimburse the capital expenditure without required return on investment.

In addition, impairment loss of RR 4,408 million recognised in respect of property, plant and equipment in previous reporting periods was reversed in the Consolidated Income Statement, mainly related to the following cash-generating units:

- "Zaramag HS", "North Ossetian branch" – in the amount of RR 3,513 million due to with the

commissioning of generating capacities of Zaramagskaya HPP-1, in respect of which contracts for the sale of power of new HPPs have been concluded, guaranteeing payment of capacity for 20 years, taking into account the payback of the total amount of capital expenditure over the specified period.

The table below shows the sensitivity of the recoverable amount of cash-generating units to key assumptions as at 31 December 2019:

	Recoverable amount	Valuation technique	Significant unobservable inputs	Reasonable change	Sensitivity of recoverable amount
Property, plant and equipment	67,862	Discounted cash flows	Electricity and capacity prices and electricity tariff forecast in isolated power systems and non-price zone of the Far East	-10%	(8,180)
			Discount rate	+1%	(8,129)
			Capital expenditures	+10%	(2,955)

Management of the Group believes that property, plant and equipment at Zagorskaya GAES-2 with carrying amount of RR 60,684 million is not impaired as at 31 December 2018 as there were capacity supply contracts concluded in respect of new power generation facilities of Zagorskaya GAES-2, that guarantee the payback period of 20 years for the total cost of construction for the period. In April 2018 the date of fulfilment of obligations as for capacity supply contracts was deferred to 1 January 2024 by decision of NP Market Council.

As a result of the impairment analysis of property, plant and equipment as at 31 December 2018 their carrying amount decreased by RR 24,221 million, impairment loss was recognised in the Consolidated Income Statement.

Right-of-use assets. The carrying amounts of the Group's right-of-use assets and the movements during the reporting period are presented in the table below:

	Right-of-use assets				
	Buildings	Facilities	Plant and equipment	Other	Total
Balance as at 1 January 2019	1,402	2,963	1,140	77	5,582
Additions	606	1,017	275	24	1,922
Reclassification	232	(271)	39	-	-
Depreciation charge	(425)	(403)	(172)	(39)	(1,039)
Impairment charge	-	(14)	-	(2)	(16)
Disposals and write-offs	(82)	(12)	(62)	(2)	(156)
Balance as at 31 December 2019	1,733	3,280	1,220	58	6,291

The weighted average discount rate for the year ended 31 December 2019 was 7.85 percent.

Interest expenses included in finance costs in 2019 are reflected in Note 27.

The total amount of cash payments for rent in 2019 amounted to RR 944 million.

The Group leases a number of land plots owned by local governments where the Group's hydropower plants and other assets are located under non-cancellable lease agreements. According to the Land Code of the Russian Federation such land plots are limited in their alienability and cannot be privatised. The Group's operating leases typically run for an initial period of 5–49 years with an option to renew the lease after that date. Rental payments depend on the cadastral value of the land and are variable, recognised as part of the rent expenses in the period in which the event or condition initiating the payment occurs.

As at 31 December 2019 future (undiscounted) cash flows in the amount of RR 23,962 million which are expected to be paid by the Group during the lease term were not included in the lease liabilities because they included variable lease payments under land lease agreements that depend on cadastral value of the land. 10 percent increase in the cadastral value of land under such contracts would increase total lease payments by approximately RR 2,396 million.

The future payments under non-cancellable operating leases in accordance with the rates as at 31 December 2018 were as follows:

	31 December 2018
Less than one year	2,223
Between one and five years	7,361
After five years	27,738
Total operating lease	37,322

Pledged assets. As at 31 December 2019 and 31 December 2018, no property, plant and equipment and right-of-use assets have been pledged as collateral for borrowings.

Note 9. Investments in associates and joint ventures

The Group's interests in associates and joint ventures and their carrying values were as follows:

	Place of business	% held		Carrying value	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Associates					
OJSC Irkutsk Electronetwork Company (OJSC IENC)	Russia	42.75%	42.75%	7,513	7,465
OJSC Sakhalin Energy Company (OJSC SEC)	Russia	34.62%	34.62%	1,370	2,155
Other				158	110
Total associates				9,041	9,730
Joint ventures					
BoGES Group	Russia	50.00%	50.00%	7,355	10,098
BALP Group	Russia	50.00%	50.00%	-	-
Total joint ventures				7,355	10,098
Total investments in associates and joint ventures				16,396	19,828

The amounts in respect of associates and joint ventures recognised in the Consolidated Income Statement are as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
Associates		
OJSC IENC	66	(192)
OJSC SEC	(785)	261
Other	31	(34)
Total associates	(688)	35
Joint ventures		
BoGES Group	(2,069)	1,809
BALP Group	-	-
Other	-	16
Total joint ventures	(2,069)	1,825
Share of results of associates and joint ventures	(2,757)	1,860

Associates

OJSC Irkutsk Electronetwork Company (OJSC IENC)

OJSC IENC operates electric power transmission grids with voltage of 220-500 kV and distribution grids with voltage of 0.4-110 kV in the Irkutsk region. The total length of overhead and cable power lines is over 40,000 km. OJSC IENC also maintains and ensures operation of over 10,000 transforming substations of 6-500 kV in voltage and over 28,000 MVA in total capacity. The core activities of OJSC IENC include provision of services in the area of electric power transmission and distribution, technological connection of consumers to power grids and maintenance of power grids' operating capacity. OJSC IENC's controlling shareholder is EN+ Group.

The Group's investment in OJSC IENC is non-core and is considered one of the priority assets for sale.

OJSC Sakhalin Energy Company (OJSC SEC)

OJSC SEC was founded in order to implement investment projects for the construction of a number of new power sector assets in the Sakhalin region to be financed from the federal and regional budgets. After the completion of the main types of work on the construction of energy facilities, the main activity of OJSC SEC became the provision of leased units of generation and power supply network to PJSC Sakhalinenergo, the Group's subsidiary. Other OJSC SEC's shareholders, in addition to the Group, are the Russian Government represented by the Federal Agency for State Property Management, and the Sakhalin region represented by the Ministry of Land and Property Affairs of the Sakhalin region.

The Group's investments in OJSC SEC are of strategic nature and are considered to be used in the project aimed at consolidating key energy assets of the Sakhalin region on the basis of the core vertically integrated entity PJSC Sakhalinenergo.

Summarised financial information for significant associates for the years ended 31 December 2019 and 31 December 2018 and as at 31 December 2019 and 31 December 2018:

	OJSC SEC		OJSC IENC	
	2019	2018	2019	2018
As at 31 December				
Non-current assets	4,683	7,452	25,054	23,897
Current assets	2,331	1,795	1,789	764
Non-current liabilities	-	-	(4,219)	(4,057)
Current liabilities	(87)	(52)	(7,262)	(5,356)
Net assets	6,927	9,195	15,362	15,248
For the year ended 31 December	2019	2018	2019	2018
Revenue	642	615	21,678	20,998
(Impairment) / reversal of impairment of property, plant and equipment	(2,950)	905	-	-
(Loss) / profit for the year	(2,268)	754	115	(448)
Total comprehensive (loss) / income for the year	(2,268)	754	115	(448)

Reconciliation of the summarised financial information of the associates to the carrying value of the Group's investment:

	OJSC SEC	OJSC IENC	Others	Total
Net assets as at 31 December 2017	8,441	15,696	499	
Profit / (loss) for the year	754	(448)	(116)	
Net assets as at 31 December 2018	9,195	15,248	383	
Interest in associates	3,183	6,519	110	9,812
Additional share issue	(1,028)	-	-	(1,028)
Goodwill	-	946	-	946
Carrying value as at 31 December 2018	2,155	7,465	110	9,730
Net assets as at 31 December 2018	9,195	15,248	383	
(Loss) / profit for the year	(2,268)	115	138	
Net assets as at 31 December 2019	6,927	15,363	521	
Interest in associates	2,368	6,567	141	9,106
Additional share issue	(1,028)	-	-	(1,028)
Goodwill	-	946	-	946
Carrying value as at 31 December 2019	1,370	7,513	158	9,041

Joint ventures

BoGES Group and BALP Group

Starting from 2006 the Company and RUSAL Group have been jointly implementing the Boguchansky Energy-Metallurgical Association (BEMA) project based on an agreement for joint financing, completion and subsequent operation of Boguchanskaya HPP and Boguchansky aluminium plant. Within the BEMA project, joint ventures BoGES Ltd (Cyprus) and BALP Ltd (Cyprus) were formed on a parity basis, which have controlling interests in PJSC Boguchanskaya HPP and CJSC Boguchansky Aluminium Plant, respectively.

BoGES Ltd and PJSC Boguchanskaya HPP together form BoGES Group. BALP Ltd and CJSC Boguchansky Aluminium Plant together form BALP Group.

BoGES Ltd and BALP Ltd provide corporate governance of Boguchanskaya HPP and Boguchansky Aluminium Plant in line with the parity of interests of the investors and are not engaged in other operations.

Starting from November 2012 Boguchanskaya HPP sells electricity and capacity to large consumers and electricity sales companies. The installed capacity of Boguchanskaya HPP is 2,997 MW, long-term average project production – 17,600 million kWh.

The capacity of Boguchansky Aluminium Plant is almost 600 thousand tonnes of aluminium per annum. The plant comprises two series with a capacity of 296 thousand tonnes each. The construction of the 1st series of Boguchansky Aluminium Plant is ongoing. The decision about the construction of the 2nd series of the plant has not been made by the investors. Boguchansky Aluminium Plant will become one of the key consumers of energy generated by Boguchanskaya HPP.

Summarised financial information for the significant joint ventures as at and for the years ended 31 December 2019 and 31 December 2018:

	BoGES Group		BALP Group	
	2019	2018	2019	2018
As at 31 December				
Non-current assets	65,257	64,048	42,022	40,891
Current assets including:	6,312	7,377	12,150	9,668
Cash and cash equivalents	4,081	5,405	3,269	1,588
Non-current liabilities including:	(43,419)	(43,769)	(132,033)	(134,826)
Non-current financial liabilities (excluding trade payables)	(37,676)	(38,055)	(132,005)	(134,806)
Current liabilities including:	(13,546)	(7,510)	(3,712)	(2,169)
Current financial liabilities (excluding trade payables)	(11,705)	(5,946)	(25)	(23)
Net assets	14,604	20,146	(81,573)	(86,436)
For the year ended 31 December	2019	2018	2019	2018
Revenue	18,463	16,872	30,387	20,210
Depreciation of property, plant and equipment	(2,043)	(2,156)	(983)	(1,325)
Impairment on financing of CJSC Boguchansky Aluminium Plant	(14,028)	(2,673)	-	-
Interest income	379	206	115	110
Interest expense	(2,303)	(2,420)	(5,673)	(5,575)
Foreign exchange differences	(6)	(9)	11,889	(17,329)
(Loss) / profit before income tax	(6,677)	2,782	5,102	(22,552)
Income / (loss) tax expense	1,188	(478)	(239)	-
(Loss) / profit for the year	(5,489)	2,304	4,863	(22,552)
Total comprehensive (loss) / income for the year	(5,489)	2,304	4,863	(22,552)

Reconciliation of the summarised financial information presented to the carrying value of interest in joint ventures:

	BoGES Group	BALP Group	Others	Total
Net assets as at 31 December 2017	17,874	(63,884)	2,631	
Profit / (loss) for the year	2,304	(22,552)	(75)	
Purchase of treasure shares	(32)	-	-	
Disposal / reclassification to non-current assets classified as held for sale	-	-	(3,029)	
Net assets as at 31 December 2018	20,146	(86,436)	(473)	
Interest in joint ventures	10,073	(43,218)	(237)	(33,382)
Non-controlling interest	25	-	-	25
Accumulated losses	-	43,218	237	43,455
Carrying value as at 31 December 2018	10,098	-	-	10,098
Net assets as at 31 December 2018	20,146	(86,436)	(473)	
(Loss) / profit for the year	(5,489)	4,863	(23)	
Purchase of treasure shares	(53)	-	-	
Net assets as at 31 December 2019	14,604	(81,573)	(496)	
Interest in joint ventures	7,302	(40,786)	(230)	(33,714)
Other movements	53	-	-	53
Accumulated losses	-	40,786	230	41,016
Carrying value as at 31 December 2019	7,355	-	-	7,355

Note 10. Other non-current assets

	31 December 2019	31 December 2018
Long-term promissory notes	39,527	40,475
Discount on long-term promissory notes	(13,724)	(14,826)
Expected credit loss allowance for long-term promissory notes	(14,025)	(14,025)
Long-term promissory notes, net	11,778	11,624
VAT recoverable	971	2,115
Goodwill	481	481
Cross-currency and interest rate swap	-	1,238
Other non-current assets	6,623	7,226
Total other non-current assets	19,853	22,684

Other non-current assets in the amount of RR 6,623 million (31 December 2018: RR 7,226 million) mainly include intangible assets, research and development costs and long-term accounts receivable.

Information on the credit loss allowance in relation to other non-current financial assets is presented in Note 33.

	Rating	Rating agency	Effective interest rate	Maturity date	31 December 2019	31 December 2018
Interest-free long-term promissory notes						
PJSC Boguchanskaya HPP	-	-	9.75%	2029	8,287	7,551
PJSC Bank VTB	BBB-	Standard & Poor's	8.61–10.36%	2021	1,995	1,884
PJSC ROSBANK	BBB	Fitch Ratings	12.76–14.58%	2021–2022	1,022	1,138
JSC Alfa-Bank	BB+	Fitch Ratings	14.00–16.35%	2021–2022	419	961
Other					55	90
Total long-term promissory notes					11,778	11,624

Promissory notes of PJSC Boguchanskaya HPP. As at 31 December 2019 the amortised cost of interest-free long-term promissory notes of PJSC Boguchanskaya HPP (payable on demand but not earlier than 31 December 2029, with the total nominal value of RR 21,027 million) amounted to RR 8,287 million (31 December 2018: 7,551 million).

Goodwill. As at 31 December 2019 and 31 December 2018, the Group tested goodwill related to JSC Institute Hydroproject for its potential impairment. As a result the recoverable amount of JSC Institute Hydroproject as a cash generating asset was higher than the carrying amount - there is no economic impairment.

Cross-currency and interest rate swap. In November 2018 the Group concluded a cross-currency and interest rate swap arrangement with PJSC Bank VTB with a view to fix the Group's liabilities under the Eurobonds denominated in Chinese Yuan placed in November 2018 maturing in November 2021 (Note 19). The Eurobond issue amount of CNH 1,500 million is fixed in Russian Rubles at the market exchange rate in the amount of RR 14,430 million. Interim payments by PJSC Bank VTB are determined in Chinese Yuan at the fixed interest rate of 6.125 percent per annum based on the nominal amount and are made twice a year. Interim payments by the Company are set in Russian Rubles at the floating rate defined as an average of key interest rates of the Bank of Russia for the interest period plus a spread of 1.5 percent per annum based on the nominal principal in Russian Rubles, also made twice a year.

As at 31 December 2019, a liability in the amount of RR 820 million in respect of the cross-currency and interest rate swap arrangement with PJSC VTB Bank is included in other non-current liabilities (Note 21) (31 December 2018: asset for cross-currency and interest rate swap of RR 1,238 million).

Note 11. Cash and cash equivalents

	31 December 2019	31 December 2018
Cash equivalents (contractual interest rate: 3.67–6.73%)	25,559	45,451
Cash at bank	15,472	19,961
Cash in hand	16	20
Total cash and cash equivalents	41,047	65,432

Cash equivalents held as at 31 December 2019 and 31 December 2018 comprised short-term bank deposits with original maturities of three months or less.

Cash and cash equivalents are deposited in several institutions as follows:

	Rating	Rating agency	31 December 2019	31 December 2018
Cash at banks				
Bank GPB (JSC)	BBB-	Fitch Ratings	10,072	9,520
PJSC Sberbank	Baa3	Moody's	2,747	3,885
BANK ROSSIYA	A+(RU)	ACRA	877	3,804
PJSC ROSBANK	BBB	Fitch Ratings	717	1,314
PJSC Bank VTB	BBB-	Standard & Poor's	625	1,090
Other	-	-	434	348
Total cash at banks			15,472	19,961
Bank deposits				
Bank GPB (JSC)	BBB-	Fitch Ratings	14,818	14,145
PJSC Bank VTB	BBB-	Standard & Poor's	5,130	26,137
JSC Rosselkhozbank	BBB-	Fitch Ratings	1,940	955
PJSC ROSBANK	BBB	Fitch Ratings	1,554	108
PJSC Sberbank	Baa3	Moody's	1,494	1,111
BANK ROSSIYA	A+(RU)	ACRA	558	262
JSC UniCredit Bank	-	-	-	2,650
Other	-	-	65	83
Total cash equivalents			25,559	45,451

Note 12. Accounts receivable and prepayments

	31 December 2019	31 December 2018
Trade receivables	65,358	65,147
Expected credit loss allowance for trade receivables	(29,863)	(28,891)
Trade receivables, net	35,495	36,256
VAT recoverable	9,570	8,175
Advances to suppliers and other prepayments	5,172	11,400
Provision for impairment of advances to suppliers and other prepayments	(754)	(834)
Advances to suppliers and other prepayments, net	4,418	10,566
Other receivables	9,332	22,720
Expected credit loss allowance for other receivables	(5,216)	(5,067)
Other receivables, net	4,116	17,653
Government grants receivables	652	2,539
Total accounts receivable and prepayments	54,251	75,189

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due (Note 2).

The ageing analysis of trade accounts receivable are as follows:

	31 December 2019			31 December 2018		
	Expected credit loss, %	Gross carrying amount	Expected credit loss allowance	Expected credit loss, %	Gross carrying amount	Expected credit loss allowance
Not past due	1.87%	25,612	(479)	2.81%	24,686	(694)
Past due for less than 3 months	17.17%	6,977	(1,198)	18.26%	7,185	(1,312)
Past due for 3 months to 1 year	50.73%	7,804	(3,959)	51.26%	8,985	(4,606)
Past due for more than 1 year	97.04%	24,965	(24,227)	91.72%	24,291	(22,279)
Total		65,358	(29,863)		65,147	(28,891)

Movements in the credit loss allowance for trade accounts receivable are as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
As at 1 January	28,891	25,822
Charge for the year	5,308	6,914
Reversal of credit loss allowance	(2,014)	(2,613)
Trade receivables written off as uncollectible	(2,304)	(1,232)
Disposal of impairment provision due to disposal of subsidiaries	(18)	-
As at 31 December	29,863	28,891

Information on the credit loss allowance in relation to other accounts receivable is presented in Note 30.

The majority of trade debtors which are not past due could be aggregated in several groups based on similarities in their credit quality: large industrial consumers – participants of the wholesale and retail electricity and capacity market as well as public sector entities and population.

The Group does not hold any accounts receivable pledged as collateral.

Note 13. Inventories

	31 December 2019	31 December 2018
Fuel	22,491	20,146
Materials and supplies	8,984	7,915
Spare parts	2,882	2,438
Other materials	223	368
Total inventories before provision for impairment	34,580	30,867
Provision for impairment of inventories	(194)	(146)
Total inventories	34,386	30,721

There are no inventories pledged as collateral for borrowings as at 31 December 2019 and as at 31 December 2018.

Note 14. Other current assets

	31 December 2019	31 December 2018
Deposits	46,801	29,967
Special funds	9,100	3,821
Loans issued	2,764	3,072
Expected credit loss allowance for loans issued	(2,739)	(3,050)
Loans issued, net	25	22
Other short-term investments	57	63
Total other current assets	55,983	33,873

As at 31 December 2019 the balance of special funds in the amount of RR 9,100 million received by the Group to fund construction of generating facilities, is placed to the special accounts of the Federal Treasury of Russia (as at 31 December 2018: RR 3,821 million). These special funds may be used by the Group only upon approval by the Federal Treasury of Russia according to the authorisation procedure, prescribed by the Order of the Ministry of Finance of the Russian Federation No. 213n dated 25 December 2015.

	Rating	Rating agency	Effective interest rate	31 December 2019	31 December 2018
Deposits					
PJSC Bank VTB	BBB-	Standard & Poor's	5,85–7,12%	31,910	5,100
Bank GPB (JSC)	BBB-	Fitch Ratings	5,86–7,00%	14,772	6,500
PJSC Sberbank	Baa3	Moody's	3,75–4,12%	34	3,123
JSC UniCredit Bank	-	-	-	-	9,000
PJSC ROSBANK	-	-	-	-	6,000
Other	-	-	-	85	244
Total deposits				46,801	29,967

Note 15. Assets and liabilities of disposal group classified as held for sale

In December 2019 the Group concluded an agreement with OJSC Hrazdan Energy Company to sell 90 percent of shares of CJSC International Energy Corporation (CJSC MEK) for a cash consideration of RR 173 million. Under the terms of agreement, the shares will be transferred in the first half year of 2020 after the buyer's repayment of CJSC MEK's debt to European Bank for Reconstruction and Development and Asian Development Bank, and cancellation of PJSC RusHydro's guarantees on these loans.

As at 31 December 2019 assets and liabilities of CJSC MEK are represented as assets and liabilities of disposal group classified as held for sale:

	31 December 2019
Non-current assets	
Property, plant and equipment	2,903
Total non-current assets	2,903
Current assets	
Other current assets	203
Total current assets	203
Total assets of disposal group classified as held for sale	3,106
Non-current liabilities	
Non-current debt	2,366
Total non-current liabilities	2,366
Current liabilities	
Current debt and current portion of non-current debt	692
Other current liabilities	223
Total current liabilities	915
Total liabilities of disposal group classified as held for sale	3,281

As at 31 December 2019 the disposal group had no intercompany balances.

Revenue and operating expenses of the disposal group classified as held for sale are represented by:

	Note	Year ended 31 December 2019
Revenue	24	906
Operating expenses (excluding impairment losses)	26	(377)
Operating profit		529

During the year ended 31 December 2019 the disposal group did not operate with the Group's companies.

As at 31 December 2018 the investment in the joint venture LLC VolgaHydro of RR 450 million was classified as a non-current asset held for sale following the decision made in October 2018 by the Board of Directors of the Company to sell the Group's share in LLC VolgaHydro.

In February 2019 the Group sold its share in LLC VolgaHydro (40 percent) for a cash consideration in amount of RR 450 million.

Note 16. Equity

	Number of issued and fully paid ordinary shares (Par value of RR 1.00)
As at 31 December 2019	426,288,813,551
As at 31 December 2018	426,288,813,551

Additional share issue 2018–2019. On 21 June 2018, the Board of Directors of the Company adopted a resolution to make a placement of 14,013,888,828 ordinary shares by open subscription. The placement price of the additional shares was determined at RR 1.00 per share. On 27 August 2018, the Decision on additional issue of securities and the Prospectus were registered with the Bank of Russia. In April – May 2019 during the pre-emptive right period the Company placed 7,000,092,298 additional shares (49.95 percent of the total volume of additional issue) at the price of RR 1.00 per share including 7,000,000,000 shares purchased by the Russian Federation, represented by the Federal Agency for State Property Management. The placement of the remaining shares of this issue will be held by open subscription.

As the additional share issue was not completed as at 31 December 2019, proceeds from this issue in the amount of RR 7,000 million were recorded within current liabilities.

Treasury shares. As at 31 December 2019 treasury shares were represented by 3,852,259,324 ordinary shares in the amount of RR 4,613 million (31 December 2018: 3,852,259,680 ordinary shares in the amount of RR 4,613 million).

Sale of shares of PJSC Inter RAO. On 5 July 2018, the Group completed the transaction to sell 5,131,669,622 shares of PJSC Inter RAO owned by the Group (4.915 percent of share capital) to JSC Inter RAO Capital. The value of shares as at disposal date amounted to RR 21,142 million. The selling price was RR 3.3463 per share. The total consideration for all PJSC Inter RAO shares sold was RR 17,172 million. Under the contracts the consideration receivable is settled by instalments, as a result the Group recognised the discount in the amount of RR 1,253 million. As at 31 December 2019 consideration receivable was fully paid (31 December 2018: consideration is included in other receivables (Note 12)). The transaction is under common control, so the result in the amount of RR 5 223 million is recorded within equity.

Changes in non-controlling interest. In the year 2019 non-controlling interest decreased by RR 727 million. The decrease was due to changes in the Group structure which did not have a significant impact on the consolidated financial statements.

Dividends. On 28 June 2019, the Company declared dividends for the year ended 31 December 2018 of RR 0.0367 per share in the total amount of RR 15,919 million (RR 15,775 million excluding dividends to subsidiaries). On 27 June 2018, the Company declared dividends for the year ended 31 December 2017 of RR 0.0263 per share in the total amount of RR 11,226 million (RR 11,124 million excluding dividends to subsidiaries).

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 115 million for the year ended 31 December 2019 (for the year ended 31 December 2018: RR 172 million).

Note 17. Income tax

Income tax expense is as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
Current income tax expense	14,774	13,856
Deferred income tax expense	(7,558)	2,166
Total income tax expense	7,216	16,022

The income tax rate applicable to the majority of the Group's entities for the year ended 31 December 2019 was 20 percent (for the year ended 31 December 2018: 20 percent).

A reconciliation between the theoretical and actual income tax expense is provided below:

	Year ended 31 December 2019	Year ended 31 December 2018
Profit before income tax	7,859	47,859
Theoretical tax expense at a statutory rate of 20 percent	(1,572)	(9,572)
Tax effect of items which are not deductible or assessable for taxation purposes	(1,259)	(970)
Increase in other unrecognised deferred tax assets	(2,942)	(5,742)
Effect of applying different tax rates for separate transactions	-	785
Change in unrecognised deferred tax assets in respect of associates and joint ventures	(551)	372
Other	(892)	(895)
Total income tax expense	(7,216)	(16,022)

The total amount of deductible temporary differences for which deferred income tax assets have not been recognised by the Group as at 31 December 2019 was RR 127,843 million (31 December 2018: RR 122,770 million). These temporary differences mainly relate to accumulated impairment of property, plant and equipment, assets under construction, changes in the fair value of the non-deliverable forward contract for shares and pension liabilities of several Group's subsidiaries.

Deferred income tax. Differences between IFRS and statutory taxation regulations in the Russian Federation give rise to temporary differences between the carrying amount of certain assets and liabilities for consolidated financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below and is recorded at the rate of 20 percent (for the year ended 31 December 2018: 20 percent).

	31 December 2018	Recalculation due to adoption of (IFRS) 16	Income tax charge	Charged directly to other comprehensive income	31 December 2019
Deferred income tax assets	9,999	-	9,080	180	19,259
Property, plant and equipment	6,313	(734)	8,038	-	13,617
Accounts receivable	6,400	-	(169)	-	6,231
Losses carried forward	1,549	-	602	-	2,151
Other	4,135	923	539	180	5,777
<i>Deferred tax offset</i>	<i>(8,398)</i>	<i>(189)</i>	<i>70</i>	<i>-</i>	<i>(8,517)</i>
Deferred income tax liabilities	(13,803)	-	(1,522)	70	(15,255)
Property, plant and equipment	(20,945)	(189)	(2,043)	-	(23,177)
Accounts receivable	(590)	-	320	-	(270)
Loans and borrowings	(298)	-	227	70	(1)
Other	(368)	-	44	-	(324)
<i>Deferred tax offset</i>	<i>8,398</i>	<i>189</i>	<i>(70)</i>	<i>-</i>	<i>8,517</i>

	31 December 2017	Recalculation due to adoption of (IFRS) 9	Income tax charge	Charged directly to other comprehensive income	Other movements	31 December 2018
Deferred income tax assets	9,592	(28)	495	(54)	(6)	9,999
Property, plant and equipment	6,760	-	(447)	-	-	6,313
Accounts receivable	6,359	(28)	69	-	-	6,400
Losses carried forward	1,024	-	531	-	(6)	1,549
Other	3,594	-	595	(54)	-	4,135
<i>Deferred tax offset</i>	<i>(8,145)</i>	<i>-</i>	<i>(253)</i>	<i>-</i>	<i>-</i>	<i>(8,398)</i>
Deferred income tax liabilities	(11,103)	2	(2,661)	(43)	2	(13,803)
Property, plant and equipment	(18,606)	-	(2,341)	-	2	(20,945)
Accounts receivable	(115)	-	(475)	-	-	(590)
Loans and borrowings	(325)	-	70	(43)	-	(298)
Other	(202)	2	(168)	-	-	(368)
<i>Deferred tax offset</i>	<i>8,145</i>	<i>-</i>	<i>253</i>	<i>-</i>	<i>-</i>	<i>8,398</i>

Under the existing Group structure tax losses and current income tax assets of different Group entities may not be offset against current income tax liabilities and taxable profits of other Group entities and, accordingly, taxes may be accrued even where there is a consolidated tax loss. Therefore, deferred income tax assets and liabilities are offset only when they relate to the same taxable entity and the entity has legal rights to offset it.

Note 18. Pension benefit obligations

The tables below provide information about the benefit obligations and actuarial assumptions used for the years ended 31 December 2019 and 31 December 2018.

Amounts recognised in the Group's Consolidated Statement of Financial Position among other non-current liabilities (Note 21):

	31 December 2019	31 December 2018
Fair value of plan assets	(1,015)	(1,062)
Present value of defined benefit obligations	9,747	8,480
Net liability	8,732	7,418

The movements in the defined benefit liability for the years ended 31 December 2019 and 31 December 2018 are presented in the tables below.

	Present value of defined benefit obligations	Fair value of plan assets	Total
At 1 January 2019	8,480	(1,062)	7,418
Current service cost	386	-	386
Interest expense / (income)	681	(91)	590
Past service cost	(133)	(6)	(139)
Remeasurement effects (for other long-term benefits):			
Actuarial loss – changes in actuarial assumptions	10	-	10
Actuarial gain – experience adjustments	(28)	-	(28)
Recognised in profit or loss for the year ended 31 December 2019	916	(97)	819
Remeasurements (for post-employment benefits):			
Actuarial gain – changes in demographic assumptions	(334)	-	(334)
Actuarial loss – changes in financial assumptions	1,625	-	1,625
Actuarial (gain) / loss – experience adjustments	(235)	105	(130)
Recognised other comprehensive income for the year ended 31 December 2019 (before income tax charge of RR 233 million)	1,056	105	1,161
Employer contributions for funded pension plan	-	(247)	(247)
Benefit payments (Funding NSPF pensions)	(427)	286	(141)
Benefit payments (Non-funded pension plan)	(278)	-	(278)
At 31 December 2019	9,747	(1,015)	8,732
	Present value of defined benefit obligations	Fair value of plan assets	Total
At 1 January 2018	9,745	(1,111)	8,634
Current service cost	399	-	399
Interest expense / (income)	700	(83)	617
Past service cost	(764)	6	(758)
Remeasurement effects (for other long-term benefits):			
Actuarial gain – changes in actuarial assumptions	(145)	-	(145)
Actuarial gain – experience adjustments	(73)	-	(73)
Recognised in profit or loss for the year ended 31 December 2018	117	(77)	40
Remeasurements (for post-employment benefits):			
Actuarial loss – changes in demographic assumptions	143	-	143
Actuarial gain – changes in financial assumptions	(665)	-	(665)
Actuarial (gain) / loss – experience adjustments	(52)	89	37
Recognised other comprehensive income for the year ended 31 December 2018 (before income tax charge of RR 97 million)	(574)	89	(485)
Employer contributions for funded pension plan	-	(253)	(253)
Benefit payments (Funding NSPF pensions)	(487)	290	(197)
Benefit payments (Non-funded pension plan)	(321)	-	(321)
At 31 December 2018	8,480	(1,062)	7,418

Principal actuarial assumptions for the Group are as follows:

	31 December 2019	31 December 2018
Nominal discount rate	6.40%	8.50%
Inflation rate	4.10%	4.10%
Wage growth rate	5.60%	5.60%
Staff turnover	Depending on length of service based on statistical data	
Mortality table	Russia-2016*	Russia-2016*

* Taking into account the pull down adjustment calculated based on statistical data of mortality for employees of the Group of age till 60 years old for years 2018–2019. (31 December 2018: 2017–2018)

The sensitivity of the defined benefit obligation to changes in the principal actuarial assumptions as at 31 December 2019 is presented below:

	Change in assumption	Effect on net liability	Effect on net liability, %
Nominal discount rate	1%	(898)	-9%
	-1%	1,086	11%
Inflation rate	1%	673	7%
	-1%	(561)	-6%
Wage growth rate	1%	437	4%
	-1%	(370)	-4%
Staff turnover	3%	(1,151)	-12%
	-3%	1,738	18%
Mortality Rates	10%	(166)	-2%
	-10%	181	2%

The Group expects to contribute RR 519 million to the defined benefit plans in 2020.

The weighted average duration of the defined benefit obligation of the Group is 10 years.

Retirement benefit plan parameters and related risks. The Group has liabilities under retirement benefit plans in Russia. The retirement benefit plan includes benefits of the following types: lump sum payment upon retirement, jubilee benefits paid at certain age or upon completion of a certain number of years of service, financial aid and compensation to cover funeral expenses in the event of an employee's or pensioner's death, financial aid provided to pensioners, pension benefits paid to former employees through the non-state pension fund (hereinafter referred to as the "NPF").

The amount of benefits depends on the period of the employees' service (years of service), salary level over the recent years preceding retirement, predetermined fixed amount or minimum tariff rate of remuneration or salary or a combination of these factors.

As a rule, the above benefits are indexed according to the inflation rate and salary growth for benefits that depend on the salary level, excluding the retirement benefits paid through NPF, which are not indexed for the inflation rate at the time the payment is made (following the retirement of employees, all risks are borne by NPF).

In addition to the inflation risk, all retirement benefit plans of the Group are exposed to mortality and survival risks.

Plan assets held on NPF's accounts are governed in accordance with the local legislation and regulatory practices.

The Group and NPF are jointly and severally liable for the plans management, including investment decisions and the contribution schedule.

NPF invests the Group's funds in a diversified portfolio. When investing pension savings and placing the pension reserves, NPF is guided by the Russian legislation that provides a strict regulation with respect to the possible list of financial instruments and restricts their utilisation, which also leads to diversification and reduces investment risks.

The Group transfers the obligation to pay lifelong non-state pension benefits to the Group's former employees to NPF and funds these obligations when awarding the pension. Therefore, the Group insures the risks related to payment of non-state pensions (investment risks and survival risks).

Note 19. Current and non-current debt

Non-current debt

	Effective interest rate	Due date	31 December 2019	31 December 2018
PJSC Bank VTB	7.50–9.74%	2020–2025	51,361	24,045
Eurobonds (RusHydro Capital Markets DAC) issued in February 2018	7.40%	2021	20,492	20,434
Eurobonds (RusHydro Capital Markets DAC) issued in September 2017	8.13%	2022	20,314	20,275
PJSC Sberbank	7.31–8.23%	2020–2026	18,010	45,487
Eurobonds (RusHydro Capital Markets DAC) issued in November 2018	8.98%	2022	15,485	14,993
Eurobonds (RusHydro Capital Markets DAC) issued in November 2019	6.80%	2024	14,962	-
Eurobonds in Chinese Yuan (RusHydro Capital Markets DAC) issued in November 2018	6.13%	2021	13,294	15,121
Russian bonds (PJSC RusHydro) issued in June 2017	8.20%	2020	10,036	10,205
PJSC ROSBANK	7.24–9.14%	2020–2021	9,371	9,172
JSC Far East Development Fund	5.00%	2020–2026	4,819	5,004
Bank GPB (JSC)	7.55–10.20%	2020–2027	4,602	1,428
CREDIT BANK OF MOSCOW	7.50–8.08%	2026	2,732	-
Municipal authority of Kamchatka region	8.57%	2020–2034	1,559	1,560
Russian bonds (PJSC RusHydro), issued in April 2016	-	-	-	15,191
Other long-term debt	-	-	3,484	7,094
Lease liabilities	-	-	7,331	-
Finance lease liabilities	-	-	-	729
Total			197,852	190,738
Less current portion of non-current debt			(33,876)	(32,688)
Less current portion of lease liabilities			(1,448)	-
Less current portion of finance lease liabilities			-	(102)
Total non-current debt			162,528	157,948

PJSC Bank VTB. In July 2019 the Group obtained RR 20,000 million under the loan agreements with PJSC Bank VTB opened in 2018: RR 10,000 million at a rate of 8.05 percent per annum for a period of 3.7 years and RR 10,000 million at a rate of 8.35 percent per annum for a period of 5 years.

Eurobond issue. In November 2019 the Group placed Eurobonds, issued by the special purpose company RusHydro Capital Markets DAC. The volume of the issue was RR 15,000 million. The term of the bonds is 5 years, the coupon rate is 6.8 percent per annum. VTB Capital, JP Morgan, Sberbank CIB and Gazprombank acted as joint lead managers of the issue. The placement and listing of the Eurobonds took place on the Irish Stock Exchange under Reg S rule.

Current debt

	Effective interest rate	31 December 2019	31 December 2018
PJSC Sberbank	7.56–7.65%	2,381	21
Bank GPB (JSC)	7.70–9.65%	1,730	381
PJSC ROSBANK	-	-	3,899
BANK ROSSIYA	-	-	1,762
Other current debt	-	-	46
Current portion of non-current debt	-	33,876	32,688
Short term of lease liabilities	-	1,448	-
Current portion of finance lease liabilities	-	-	102
Total current debt and current portion of non-current debt		39,435	38,899
<i>Reference:</i>			
Interest payable		1,907	2,216

Compliance with covenants. The Group is subject to certain covenants related primarily to its debt. As at 31 December 2019 and 31 December 2018 and during the reporting period the Group met all required covenant clauses of the credit agreements.

Reconciliation of liabilities from financing activities. The table below sets out an analysis of movements in the Group's liabilities from financing activities for the years ended 31 December 2019 and 31 December 2018:

	Liabilities from financing activities			Total
	Current and non-current debt	Non-deliverable forward contract for shares	Lease liabilities	
Liabilities from financing activities as at 31 December 2018	196,118	31,896	729	228,743
Recalculation due to adoption of IFRS 16	-	-	5,190	5,190
Liabilities from financing activities as at 1 January 2019 (restated)	196,118	31,896	5,919	233,933
Cash flows, net	(10,433)	(3,731)	(944)	(15,108)
Interest accrued	15,009	-	580	15,589
Change in fair value of non-deliverable forward contract for shares	-	345	-	345
Reclassification to liabilities of disposal group	(3,058)	-	-	(3,058)
Other changes	(3,004)	-	1,776	(1,228)
Liabilities from financing activities as at 31 December 2019	194,632	28,510	7,331	230,473
	Current and non-current debt	Non-deliverable forward contract for shares	Finance lease liabilities	Total
Liabilities from financing activities as at 31 December 2017	167,939	20,716	1,586	190,241
Cash flows, net	12,708	(2,813)	(155)	9,740
Interest accrued	13,385	-	94	13,479
Change in fair value of non-deliverable forward contract for shares	-	13,993	-	13,993
Other changes	2,086	-	(796)	1,290
Liabilities from financing activities as at 31 December 2018	196,118	31,896	729	228,743

Note 20. Non-deliverable forward contract for shares

In March 2017 the Company entered into a non-deliverable forward transaction for 55 billion shares with PJSC Bank VTB for 5 years. In November 2019 an additional agreement was concluded according to which the forward rate was reduced by 0.5 percent per annum and the possibility of extending the validity period by the Bank for three years until March 2025 was provided.

According to the forward contract, the forward value is determined as the purchase consideration paid by the Bank for the shares plus the amount of quarterly payments made by the Company to the Bank. The amounts of these interim payments are determined using a certain formula that *inter alia* reduces the payments by the amounts equivalent to the dividends received by the Bank over the period of the forward contract.

The Bank is assumed to sell the Company's shares at the time of final settlement under the forward contract. The difference between the proceeds that the Bank will receive from the sale of these shares, and their forward value is subject to cash settlement between the Company and the Bank. Thus, if the forward value is higher than the consideration received for the shares by the Bank, the Company will reimburse the difference to the Bank and, vice versa, if the proceeds from the sale of shares exceed the forward value, the difference will be paid by the Bank to the Company. If, for any reason, the shares will not be sold by the Bank, they will continue to be held by the Bank. If this is the case, the amount of additional payment to be made when closing the forward transaction is calculated based on the quoted market price of the Company's shares.

Thus, the payments will be made upon expiry of the forward contract or earlier, if the Bank sells the shares held. The payment can be made both by the Company to the Bank or by the Bank to the Company, depending on the level of the market value of the Company's shares at the time of sale / expiry of the transaction term and their forward value.

Note 2 describes the key estimates and judgements made by the Group management in respect of recognition and recording of this derivative financial instrument.

At 31 December 2019, the liability under the forward contract is recorded as a long-term derivative financial instrument at fair value through profit or loss in the amount of RR 28,510 million (as at 31 December 2018: RR 31,896). The fair value of the forward contract at the initial recognition of the instrument was RR 10,013 million and it was recorded within equity being the result of a shareholder transaction. Deferred tax asset was not recognised based on management's probability assessment of its recoverability. Subsequent changes in the fair value of the non-deliverable forward contract are recorded within profit or loss (Note 27).

A reconciliation of movements in the fair value of the forward contract for the year ended 31 December 2019 is presented in Note 19.

The table below includes the key assumptions made to determine the forward contract's fair value using the Monte-Carlo model:

Key assumptions made to assess the forward contract's fair value	31 December 2019	31 December 2018
Expected term of the forward transaction	5.18 years	3.17 years
Market value of the share	RR 0.5601	RR 0.4871
CB RF key refinancing rate	6.25 percent	7.75 percent
Volatility of shares	25.62 percent	28.82 percent
Risk-free rate	6.15 percent	8.06 percent
Discount rate	6.67 percent	9.06 percent
Expected dividend yield	7.00 percent	7.00 percent

The sensitivity analysis of the fair value of the forward contract to the main key assumptions is presented in Note 32.

Note 21. Other non-current liabilities

	31 December 2019	31 December 2018
Pension benefit obligations (Note 18)	8,732	7,418
Non-current advances received	1,521	6,743
Cross-currency and interest rate swap (Note 10)	820	-
Other non-current liabilities	11,293	7,828
Total other non-current liabilities	22,366	21,987

Other non-current liabilities includes essentially long-term accounts payable for technological connection to the grids.

Note 22. Accounts payable and accruals

	31 December 2019	31 December 2018
Trade payables	28,935	31,119
Advances received	14,884	17,909
Settlements with personnel	9,913	9,156
Accounts payable under factoring agreements	498	2,753
Dividends payable	163	170
Other accounts payable	5,252	3,526
Total accounts payable and accruals	59,645	64,633

All accounts payable and accruals are denominated in Russian Rubles.

Note 23. Other taxes payable

	31 December 2019	31 December 2018
VAT	9,818	9,185
Insurance contributions	3,461	2,996
Property tax	2,484	2,526
Other taxes	676	648
Total other taxes payable	16,439	15,355

Note 24. Revenue

	Year ended 31 December 2019	Year ended 31 December 2018
Sales of electricity and capacity in the retail market	144,924	149,542
Sales of electricity in the wholesale market	97,995	93,826
Sales of capacity in the wholesale market	48,177	43,833
Sales of heat and hot water	40,645	40,150
Rendering services for electricity transportation	14,218	14,668
Rendering services for connections to the grid	10,206	3,623
Other revenue	10,477	13,128
Total revenue	366,642	358,770

Other revenue includes revenue earned from rendering of construction, repairs and other services.

For the year ended 31 December 2019 the Group's revenue recognised over time comprised RR 345,959 million (for the year ended 31 December 2018: RR 342,019 million), recognised at a point in time – RR 20,683 million (for the year ended 31 December 2018: RR 16,751 million).

Short-term advances received as at 31 December 2018 were recognised in revenue for the year ended 31 December 2019.

Management of the Group expects that the full amount of short-term advances received as at 31 December 2019 will be recognised as revenue during the next reporting period, the amount of long-term advances received – mainly during 2021.

Note 25. Government grants

In accordance with legislation of the Russian Federation, several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel, purchased electricity and capacity.

During the year ended 31 December 2019, the Group received government subsidies of RR 39,983 million (for the year ended 31 December 2018: RR 41,648 million). The subsidies were received in the following territories: Kamchatsky territory, Sakha Republic (Yakutia), Magadan Region, Chukotka Autonomous Area and other Far East regions.

The total amount of government grants received by the Group companies – guaranteeing suppliers, under the Resolution of the Russian Government No. 895 "On achievement of basic rates (tariffs) for electric power (capacity) in the territories of the Far East Federal region", for the year ended 31 December 2019 was RR 23,794 million (for the year ended 31 December 2018 RR 26,300 million).

Note 26. Operating expenses (excluding impairment losses)

	Year ended 31 December 2019	Year ended 31 December 2018
Employee benefit expenses (including payroll taxes and pension benefit expenses)	80,376	75,876
Fuel expenses	71,433	64,791
Purchased electricity and capacity	46,310	41,811
Grid companies services on electricity distribution	36,955	39,463
Depreciation of property, plant and equipment and amortisation of intangible assets	25,686	22,310
Taxes other than on income	12,133	12,242
Other materials	11,260	10,905
Third parties services, including:		
Repairs and maintenance	7,621	5,859
Rendering services for connections to the grid	7,010	-
Support of electricity and capacity market operation	4,020	3,714
Security expenses	3,604	3,434
Purchase and transportation of heat power	3,083	3,629
Insurance cost	2,311	2,112
Services of subcontracting companies	1,844	2,254
Consulting, legal and information expenses	1,524	1,754
Transportation expenses	1,207	1,269
Rent	862	1,972
Other third parties services	7,905	9,091
Water usage expenses	4,333	4,018
Loss on disposal of property, plant and equipment, net	1,582	1,757
Social charges	1,164	1,083
Travel expenses	1,023	997
Purchase of oil products for sale	825	2,440
Other expenses	2,504	2,069
Total operating expenses (excluding impairment losses)	336,575	314,850

Note 27. Finance income, costs

	Year ended 31 December 2019	Year ended 31 December 2018
<i>Finance income</i>		
Interest income	5,824	4,957
Foreign exchange gain	1,971	94
Income on discounting	1,833	669
Cross-currency and interest rate swap	-	1,238
Other income	240	709
Total finance income	9,868	7,667
<i>Finance costs</i>		
Interest expense	(5,859)	(5,185)
Change of fair value of cross-currency and interest rate swap	(2,496)	-
Interest expense on lease liabilities	(580)	-
Change in fair value of the non-deliverable forward contract for shares (Note 20)	(345)	(13,993)
Expense on discounting	(288)	(415)
Foreign exchange loss	(51)	(1,424)
Interest expense on finance lease	-	(94)
Other costs	(789)	(1,977)
Total finance costs	(10,408)	(23,088)

Note 28. Capital commitments

In accordance with consolidated investment programme approved under the consolidated business plan of the Group, as of 31 December 2019 the Group has to invest RR 343,747 million for the period 2020–2024 for reconstruction of the existing and construction of new power plants and grids, including capital commitments for 2020 year in the amount of RR 97,245 million, for 2021 year – RR 78,068 million, for 2022 year – RR 65,244 million, for 2023 year – RR 56,113 million, for 2024 year – RR 47,077 million (31 December 2018: RR 378,241 million for the period 2019–2023).

Note 29. Contingencies

Social commitments. The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services and other social needs in the geographical areas in which it operates. Management believes that there are no material liabilities that should have been recognized at the reporting date.

Insurance. The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

Legal proceedings. The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the financial position and results of the Group.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management may be challenged by tax authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. The impact of this course of events cannot be assessed with sufficient reliability, but it can be significant in terms of the financial situation and / or the business of the Group. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties.

In 2020 the Company joined the tax monitoring system (a new form of interaction with the tax authorities that does not involve in-house or on-site inspections, as a general rule). Nevertheless, an on-site inspection of the Company can be made with regard to open periods (2018 and 2019 years). Within the tax monitoring framework, the Company may request a reasoned opinion of the tax authority on certain controversial tax issues. A reasoned opinion is binding on both the tax authorities and the Company.

In respect of subsidiaries of the Group fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax assessments for controlled transactions (transactions with related parties and certain transactions between unrelated parties) if such transactions are not on an arm's length basis.

During the year ended 31 December 2019, the Group's subsidiaries had controlled transactions and transactions which highly probably will be considered by tax authorities to be controlled based on the results of the period. Management has implemented internal controls to be in compliance with this transfer pricing legislation. In case of receipt of a request from tax authorities, the management of the Group will provide documentation meeting the requirements of Art. 105.15 of the Tax Code in respect of the periods that are open for the review of the completeness of tax calculation and payment in accordance with the Chapter 14.5 of the Tax Code.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Changes aimed at countering tax evasions have been added to the Russian tax legislation and became effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies and the concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation. Also, the new provisions introduce the rules for determining tax residency for foreign legal entities at the place of their actual management (if a foreign company is recognised as a Russian tax resident, the whole amount of such company's income will be subject to taxation in Russia).

The Group takes necessary steps to comply with these changes of the Russian tax legislation. However, there are no sustainable practices yet as to how to apply the new rules; therefore, at present, it does not seem practicable to reliably estimate the probability of claims from Russian tax authorities in relation to the compliance of the Group's companies with these changes and the probability of positive outcome of tax disputes (if any). Tax disputes (if any) may have an impact on the Group's overall financial position and results of operations.

Management of the Group believes that as at 31 December 2019, its interpretation of the relevant legislation was appropriate and the Group's tax positions would be sustained.

Environmental matters. The Group companies and their predecessor entities have operated in the utilities industry in the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group companies periodically evaluate their obligations under environmental regulations. The assets retirement obligation for ash dumps used by the Group comprised RR 1,779 million as at 31 December 2019 (31 December 2018: RR 1,324 million).

Potential liabilities may arise as a result of changes in legislation and regulation or civil litigation or other circumstances. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Note 30. Financial risk management

The risk management function within the Group is carried out in respect of financial and operational risks. Financial risk comprises market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to provide reasonable assurance for achievement of the Group's objectives by establishing the overall framework for identifying, analysing and evaluating risks to establish risk limits, and then to ensure that exposure to risks stays within these limits and in case of exceeding these limits to mitigate the impact of the risks.

In order to optimise the Group's exposure to risks, management constantly works on their identification, assessment and monitoring, as well as the development and implementation of activities which impact on the risks, business continuity management and insurance, seeks to comply with international and national standards of advanced risk management (COSO ERM 2004, ISO 31000 and others), increases the culture of risk management and continuously improves risk management processes.

Credit risk. The Group is exposed itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet a contractual obligation.

The Group's maximum exposure to credit risk by class of assets is reflected in the carrying amounts of financial assets in Note 33.

Although redemption of financial instruments can be influenced by economic factors, the management believe that there is no significant risk of loss to the Group beyond the provision for expected credit losses already recorded.

Due to the absence of an independent assessment of debtors' creditworthiness, the Group performs such an assessment at the contracting stage taking into account the debtor's financial position and credit history. The Group regularly monitors existing receivables and undertakes actions to collect them and minimise losses.

For reducing the credit risk exposure for its operations on WEM, the Group adopted sales policies and methodology, which provides for calculation of the counterparty's internal rating in the sector of non-regulated contracts based on the frequency of counterparties' bankruptcies and sets up limitations on the credit rating for a portfolio of counterparties.

The Group monitors maturity of trade accounts receivable and identifies past due accounts. Information on ageing of trade accounts receivable is disclosed in Note 12.

Measurement of expected credit losses. Expected credit losses are measured by discounting future probability-weighted uncollected cash flows.

The level of expected credit losses depends on whether the debtor's credit risk has increased significantly since initial recognition. This approach is based on a 3-stage ECL model, as described in Note 2.

The Group determines that the credit risk of a financial instrument has increased significantly, when the counterparty has defaulted on contractual payment terms, when insolvency signs are identified and the Group has no reasonable information that rules out the fact of increased credit risk.

For assessing the probability of default on financial instruments, the Group defines default as an event where the risk exposure meets one or more of the following criteria:

- The counterparty is more than 3 months past due on its contractual payments;
- International/national rating agencies include the counterparty in the default rating class;
- The counterparty is insolvent;
- It became probable that the counterparty will enter bankruptcy.

In accordance with IFRS 9, the Group applied a simplified approach to determining expected credit losses in relation to trade accounts receivable. This approach requires that full lifetime expected credit losses be recognised at initial recognition of debt. For assessing expected credit losses, trade accounts receivable are divided into groups based on similar credit risk characteristics for each group and delay periods under similar contracts. Trade accounts receivable were grouped based on the above principles for each Group company, and the Group determined the share of expected losses in line with the credit risk for each length of overdue payment for each group of counterparties. Expected loss levels are disclosed in Note 12.

Cash has been placed in financial institutions, which are considered at the time of deposit to have minimal risk of default. The Group's management approves deposit banks as well as rules for making cash deposits. In addition, the Group performs regular reviews of financial position, monitors their ratings assigned by

independent agencies as well as other performance indicators of these financial institutions. Expected credit losses for cash, cash equivalents and bank promissory notes were insignificant.

Summary information on cash at bank, cash equivalents, bank promissory notes and bank deposits with maturities over three months including names of banks and other financial institutions and their ratings as at the end of the reporting period, is provided in Notes 10, 11 and 14.

Measurement stages for expected credit losses for other financial instruments are disclosed in Note 33.

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (i) foreign currencies, (ii) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated.

Currency risk. Electricity and capacity generated by the Group is sold on the domestic market of the Russian Federation at the prices fixed in Russian Rubles. Hence, the Group does not have significant foreign currency risks. The financial condition of the Group, its liquidity, financing sources and the results of operations do not considerably depend significantly on exchange rates as the Group operations are planned to be performed in such a way that its assets and liabilities are to be denominated in the national currency.

The table below summarises the Group's monetary financial assets and liabilities exposed to foreign currency exchange rate risk:

	31 December 2019			31 December 2018		
	Monetary financial assets	Monetary financial liabilities	Net balance sheet position	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
USD	33	-	33	34	(3,069)	(3,035)
EUR	19	-	19	39	(470)	(431)
Chinese Yuan	-	(13,293)	(13,293)	-	(15,122)	(15,122)
Other	-	-	-	14	-	14
Total	52	(13,293)	(13,241)	87	(18,661)	(18,574)

The above analysis includes only monetary assets and liabilities. Equity investments and non-monetary assets are not considered to give rise to any material currency risk. The Group controls the currency risk in respect of the liabilities denominated in Chinese Yuan by means of cross-currency and interest rate swap (Notes 10, 21).

There is no significant effect of the changes of foreign exchange rates on the Group's financial position.

Interest rate risk. The Group's operating profits and cash flows from operating activities are not significantly dependent on the changes in the market interest rates. Cross-currency and interest rate swap (Note 10) slightly expose the Group to cash flow interest rate risk.

The Group monitors interest rates for its financial instruments. Effective interest rates are disclosed in Note 19.

For the purpose of interest rate risk reduction the Group makes the following arrangements:

- credit market monitoring to identify favourable credit conditions,
- diversification of credit portfolio by raising of borrowings at fixed rates and, if necessary, at floating rates.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding from an adequate volume of committed credit facilities. The Group adheres to a balanced model of financing of working capital from both short-term and long-term sources. Temporarily free funds are placed into short-term financial instruments, mainly bank deposits and short-term bank promissory notes. Current liabilities are represented mainly by the accounts payable to suppliers and contractors and short-term debt.

The Group has implemented a control system under its contracting process by introducing and applying typical financial arrangements which include standardised payment structure, payment terms, ratio between advances and final settlements, etc. In such a manner the Group controls the debt maturity structure.

The table below shows liabilities as at 31 December 2019 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including future interest payments and gross lease obligations (before deducting future finance charges). Such undiscounted cash flows differ from the amounts included in the Consolidated Statement of Financial Position because those are based on discounted cash flows.

The maturity analysis of financial liabilities as at 31 December 2019 is as follows:

	2020 year	2021 year	2022 year	2023 year	2024 year	Starting from year 2025
Liabilities						
Current and non-current debt	49,802	66,802	43,980	17,818	29,011	24,637
Trade payables (Note 22)	28,935	-	-	-	-	-
Accounts payable under factoring agreements (Note 22)	498	-	-	-	-	-
Dividends payable (Note 22)	163	-	-	-	-	-
Non-deliverable forward contract for shares (Note 20)	3,812	1,261	3,101	2,241	1,385	25,556
Lease liabilities (Note 19)	1,448	1,395	1,314	1,211	731	4,604
Total future payments, including principal and interest payments	84,658	69,458	48,394	21,270	31,128	54,797

Loans and borrowings totalling RR 49,802 million will mature in 2020 (Note 19). The Group management plans to repay these borrowings both from the Group's own funds and through new financing. The group has a positive credit history, works with large credit institutions, including those controlled by the state, and also has access to public borrowings in the capital market.

The maturity analysis of financial liabilities as at 31 December 2018 is as follows:

	2019 year	2020 year	2021 year	2022 year	2023 year	Starting from year 2024
Liabilities						
Current and non-current debt	50,729	65,689	42,856	39,837	5,807	30,578
Trade payables (Note 22)	31,119	-	-	-	-	-
Accounts payable under factoring agreements (Note 22)	2,753	-	-	-	-	-
Dividends payable (Note 22)	170	-	-	-	-	-
Non-deliverable forward contract for shares (Note 20)	5,414	2,905	3,553	28,082	-	-
Finance lease liabilities (Note 19)	109	94	94	94	94	2,256
Total future payments, including principal and interest payments	90,294	68,688	46,503	68,013	5,901	32,834

As at 31 December 2019 the Group had an available amount of long-term financing under the existing loan agreements with banks of RR 206,107 million (31 December 2018: RR 191,708 million), including RR 158,037 million in banks included in the approved list of systemically important credit institutions of Bank of Russia (31 December 2018: RR 184,708 million). The amount of these available funds exceeds the Group's needs for short-term repayment of debt by 5.2 times (31 December 2018: 4.9 times). As at 31 December 2019 approximately 70 percent of these funds relate to the government-related banks (PJSC Sberbank, PJSC Bank VTB, Bank GPB (JSC), Bank "RRDB" (JSC)) (31 December 2018: approximately 70 percent). Furthermore, the Group has a perpetual non-renewable exchange bonds program in the amount of RR 200,000 million with a maturity of up to 20 years, the unused limit of which as at 31 December 2019 was RR 160,000 million (31 December 2018: RR 160,000 million).

Note 31. Management of capital

Compliance with Russian legislation requirements and capital cost reduction are the key objectives of the Group's capital risk management.

As at 31 December 2019 and 31 December 2018 the Company was in compliance with the share capital requirements as established under legislation.

The Group's goal in respect of capital management is to guarantee the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The amount of capital that the Group managed as at 31 December 2019 was 565,664 million (31 December 2018: 576,401 million).

Consistent with other companies in the industry, the Group monitors the gearing ratio, that is calculated as the total debt divided by the total capital attributable to the shareholders. Debt is calculated as a sum of non-current and current debt, as shown in the Consolidated Statement of Financial Position. Total capital attributable to the shareholders is equal to the equity attributable to the shareholders, as shown in the Consolidated Statement of Financial Position. The gearing ratio was 0.36 as at 31 December 2019 (31 December 2018: 0.34).

Note 32. Fair value of assets and liabilities

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) Level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs).

a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The levels in the fair value hierarchy into which the recurring fair value measurements are categorised, are as follows:

31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Equity investments: Financial assets at fair value through profit or loss	3	-	-	3
Equity investments: Financial assets at fair value through other comprehensive income	-	-	418	418
Total assets requiring recurring fair value measurements	3	-	418	421
Financial liabilities				
Non-deliverable forward contract for shares	-	-	28,510	28,510
Cross-currency and interest rate swap	-	-	820	820
Total liabilities requiring recurring fair value measurements	-	-	29,330	29,330
31 December 2018				
Financial assets				
Equity investments: Financial assets at fair value through profit or loss	656	-	-	656
Equity investments: Financial assets at fair value through other comprehensive income	-	-	594	594
Cross-currency and interest rate swap	-	-	1,238	1,238
Total assets requiring recurring fair value measurements	656	-	1,832	2,488
Financial liabilities				
Non-deliverable forward contract for shares	-	-	31,896	31,896
Total liabilities requiring recurring fair value measurements	-	-	31,896	31,896

There were no changes in the valuation techniques, inputs and assumptions for recurring fair value measurements during the year ended 31 December 2019.

As at 31 December 2019 and 31 December 2018 the fair value of the non-deliverable forward contract for shares is determined based on the Monte-Carlo model, taking into account adjustments and using unobservable inputs, and included in Level 3 of fair value hierarchy (Note 20).

The valuation of the Level 3 financial liability and the related sensitivity to reasonably possible changes in unobservable inputs are as follows as at 31 December 2019 and 31 December 2018:

	Fair value	Valuation technique	Significant unobservable/observable inputs	Reasonably possible change	Reasonably possible values	Change of fair value measurement
Financial liability						
As at 31 December 2019						
Non-deliverable forward contract for shares	28,510	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(338)
				+2%	9.00 percent	687
			Market value of the share	-20%	RR 0.4481	5,713
				+20%	RR 0.6721	(5,481)
As at 31 December 2018						
Non-deliverable forward contract for shares	31,896	Monte-Carlo model	Dividend yield	-2%	5.00 percent	(157)
				+2%	9.00 percent	254
			Market value of the share	-20%	RR 0.3897	5,048
				+20%	RR 0.5845	(5,040)

Based on management's assessment, possible changes of unobservable inputs do not have a significant impact on the fair value of the non-deliverable forward contract.

The estimated fair value of the non-deliverable forward contract is significantly influenced by observable inputs, in particular, by the market value of the shares which was RR 0.5601 as at 31 December 2019 (31 December 2018: RR 0.4871) (Note 20).

b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Financial assets carried at amortised cost. The Group considers that the fair value of cash (Level 1 of the fair value hierarchy), cash equivalents and short-term deposits (Level 2 of the fair value hierarchy), short-term accounts receivable (Level 3 of the fair value hierarchy) approximates their carrying value. The fair value of long-term accounts receivable, other non-current and current assets is estimated based on future cash flows expected to be received including expected losses (Level 3 of the fair value hierarchy); the fair value of these assets approximates their carrying value.

Liabilities carried at amortised cost. The fair value of floating rate liabilities approximates their carrying value. The fair value of bonds is based on quoted market prices (Level 1 of the fair value hierarchy). Fair value of the fixed rate liabilities is estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity (Level 3 of the fair value hierarchy).

The fair value of current liabilities carried at amortised cost approximates their carrying value.

As at 31 December 2019 the fair value of bonds exceeded their carrying value by RR 2,919 million. As at 31 December 2018 the carrying value of bonds exceeded their fair value by RR 1,243 million.

As at 31 December 2019 the carrying value of non-current fixed rate debt was RR 69,434 million and exceeded its fair value by RR 922 million (31 December 2018: the carrying value of non-current fixed rate debt was RR 69,901 million and exceeded its fair value by RR 3,263 million).

Note 33. Presentation of financial instruments by measurement category

The following table provides a reconciliation of classes of financial assets with the measurement categories of IFRS 9 Financial instruments and information about the balance of special funds held on the accounts at the Federal Treasury as at 31 December 2019.

As at 31 December 2019	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Assets				
Other non-current assets (Note 10)	12,616	-	-	12,616
Promissory notes	11,778	-	-	11,778
Long-term receivables	364	-	-	364
Long-term loans issued	474	-	-	474
Financial assets at fair value through profit or loss	-	3	-	3
Financial assets at fair value through other comprehensive income	-	-	418	418
Trade and other receivables (Note 12)	39,084	-	-	39,084
Trade receivables	35,495	-	-	35,495
Other financial receivables	3,589	-	-	3,589
Other current assets (Note 14)	55,926	-	-	55,926
Special funds	9,100	-	-	9,100
Deposits	46,801	-	-	46,801
Short-term loans issued	25	-	-	25
Cash and cash equivalents (Note 11)	41,047	-	-	41,047
Total financial assets	148,673	3	418	149,094
Non-financial assets				772,919
Non-current assets classified as held for sale				3,106
Total assets				925,119

The following table provides a reconciliation of classes of financial assets with the measurement categories of IFRS 9 Financial instruments and information about the balance of special funds held on the accounts at the Federal Treasury as at 31 December 2018.

As at 31 December 2018	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Assets				
Other non-current assets (Note 10)	12,370	1,238	-	13,608
Promissory notes	11,624	-	-	11,624
Cross currency and interest rate swap	-	1,238	-	1,238
Long-term receivables	250	-	-	250
Long-term loans issued	496	-	-	496
Financial assets at fair value through profit or loss	-	656	-	656
Financial assets at fair value through other comprehensive income	-	-	594	594
Trade and other receivables (Note 12)	53,426	-	-	53,426
Trade receivables	36,256	-	-	36,256
Other financial receivables	17,170	-	-	17,170
Other current assets (Note 14)	33,810	-	-	33,810
Special funds	3,821	-	-	3,821
Deposits	29,967	-	-	29,967
Short-term loans issued	22	-	-	22
Cash and cash equivalents (Note 11)	65,432	-	-	65,432
Total financial assets	165,038	1,894	594	167,526
Non-financial assets				763,955
Non-current assets classified as held for sale				450
Total assets				931,931

The table below includes information about gross carrying amounts and credit loss allowance for promissory notes, loans issued and other financial receivables related to Stage 3 of the 3-stage impairment accounting model for financial assets (Note 2):

	31 December 2019		31 December 2018	
	Gross carrying amount	Lifetime expected credit losses allowance	Gross carrying amount	Lifetime expected credit losses allowance
Promissory notes	14,025	(14,025)	14,025	(14,025)
Loans issued	2,739	(2,739)	3,050	(3,050)
Other financial receivables	6,752	(5,216)	7,282	(5,067)

The movement of credit loss allowance for these financial assets for the years ended 31 December 2019 and 31 December 2018 was insignificant.

The amount of credit loss allowance for trade receivables is disclosed in Note 12.

All other financial assets largely belong to Stage 1 of the 3-stage impairment accounting model, and the expected credit losses for these assets are insignificant at both reporting dates.

As at 31 December 2019 financial liabilities of the Group carried at fair value are represented by the non-deliverable forward contract for shares in the amount of RR 28,510 million (Note 20) (31 December 2018: RR 31,896 million), as well as by cross-currency and interest rate swap in the amount of RR 820 million (Note 21) (31 December 2018: interest rate swap recognised as asset in the amount of RR 1,238 million (Note 10)).

All other financial liabilities of the Group are carried at amortised cost and are represented mainly by the current and non-current debt (Note 19), trade payables, accounts payable under factoring agreements and other accounts payable (Note 22).

Note 34. Subsequent events

There were no significant subsequent events that can influence the Group's financial position, cash flows or operating results which took place during the period between reporting date and date of signing of the Group's consolidated financial statements for the year ended 31 December 2019 prepared in accordance to IFRS.

Note 35. Accounting policies before 1 January 2019

Accounting policies applicable to the comparative period ended 31 December 2018 in accordance with IAS 17, Leases, are presented below.

Finance lease liabilities. Where the Group is a lessee in a lease which transferred substantially all the risks and rewards incidental to ownership to the Group, the assets leased are capitalised in property, plant and equipment at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to profit or loss over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over their useful life or the shorter lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments, including payments in relation to expected rent cancellation, are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

APPENDIX No.17 OPINION OF THE INTERNAL AUDIT COMMISSION OF PUBLIC JOINT-STOCK COMPANY FEDERAL HYDRO-GENERATING COMPANY RUSHYDRO (PJSC RUSHYDRO) FOLLOWING RUSHYDRO'S 2019 FINANCIAL AND BUSINESS PERFORMANCE AUDIT

**General Meeting of
Shareholders of PJSC
RusHydro**

**REPORT
of the Audit Commission of
Public Joint-Stock Company Federal Hydrogenerating Company - RusHydro
(PJSC RusHydro) on results
of the audit of financial and economic activities of PJSC RusHydro for 2019**

Moscow

April 29, 2020

In accordance with the resolution of the Internal Audit Commission of PJSC RusHydro (Meeting Minutes of the Company's Internal Audit Commission No. 2 dated September 27, 2019), an audit of financial and economic activities of Public Joint-Stock Company Federal Hydrogenerating Company – RusHydro (PJSC RusHydro) (hereinafter — PJSC RusHydro, the Company) was conducted from January 1, 2019 to December 31, 2019 (hereinafter — audit review).

The audit review was conducted by members of the Internal Audit Commission of PJSC RusHydro (hereinafter — the Company's Internal Audit Commission), who exercise their powers according to the resolution of the General Meeting of Shareholders dated July 2, 2019:

1. Tatiana Zobkova (Chairperson),
2. Igor Repin (Secretary),
3. Natalia Annikova,
4. Denis Konstantinov.

The Internal Audit Commission of the Company carries out its activities in line with Russian legislation, the Articles of Association of PJSC RusHydro, and the Regulations on the Internal Audit Commission of PJSC RusHydro.

Members of the Company's Internal Audit Commission shall hold no shares of the Company or positions in the Company's management bodies.

The key objectives of the audit review were to obtain reasonable assurance in the following:

- the data contained in the Company's reports and other financial documents are reliable;
- accounting and financial statements have been prepared and presented in compliance with the requirements of current legislation of the Russian Federation and with the Company's internal regulations;
- financial and economic activity catered to the interests of the Company and its shareholders.

The executive body of the Company shall be responsible for compliance with legislation of the Russian Federation in the course of financial and economic transactions, activities that take into account the interests of the Company and its shareholders, and submission of reliable financial statements.

The audit review was conducted by a sampling method and included the examination (on a test basis) of evidence supporting the significance and disclosure in the financial statements of information about the Company's financial and economic activities in order to obtain reasonable assurance that the annual report and the accounting (financial) statements for 2019 do not contain any material misstatements.

The following additional issues were also analyzed.

I. SHAREHOLDER CONTROL OBJECTIVES

I. Verification of the Company's Annual Report 2019

The Company's Annual Report 2019 (hereinafter — the Annual Report) reflects all the key points required in accordance with Resolution of the Russian Government No. 1214 dated December 31, 2010 and recommended by the Corporate Government Code of the Bank of Russia.

The Annual Report comprises operational results of RusHydro Group (including financial and production ones), disclosed within the IFRS reporting boundaries.

The Annual Report describes in detail RusHydro Group's structure, geography of operation, position in the industry, development prospects, strategy and strategy implementation in 2019, main highlights of the reporting year, information on the Long-Term Development Program, key performance indicators and their relation to the remuneration of the Company's Management, and dividend policy.

RusHydro Group's operational results, financial position, risks and opportunities are expanded upon.

A large section is devoted to the procurement activities, including import substitution as well as investments, both made and planned ones. Corporate governance takes a special place in the Annual Report.

The Annual Report discloses information on the remuneration of each member of the Company's Board of Directors.

The information in the Annual Report 2019 is disclosed to a greater extent, than required by Russian regulations and recommendations. Thus, the Annual Report contains such sections as the natural disaster and emergency response and prevention system, social and environmental responsibility, and stakeholder engagement.

The detailed analysis of the Annual Report is given in the Act of the Internal Audit Commission of the Company.

2. Verification of compliance with the instructions of the President of the Russian Federation and the Russian Government on import substitution in the Company's procurement

Directives of the Russian Government No. 1346-P13 dated March 5, 2015 on the development of a corporate import substitution plan (Roadmap of Import Substitution as part of the Long-Term Development Program) are complied with by the Company. The Roadmap of Import Substitution has been approved until 2025, as well as the Set of Import Substitution Measures for 2018–2020. The import substitution plan is linked to the Group's Innovative Development Program.

The actual share of imported equipment in the total volume of procurement for 2019 (20%) corresponds to the target level (20%).

The implementation of one of the two activities scheduled for the reporting year is still underway, while the second activity has been completed. Aside from the planned activities, three more were performed in the reference year; they had been scheduled for 2018 but not carried out. 11 additional activities have been held or are being implemented.

The methodological guidelines for the application of key performance indicators by state corporations, state unitary enterprises, as well as by business entities, the share of the Russian Federation, the subject of the Russian Federation, in authorized capitals of which in the aggregate exceeds 50%, as reported to the Company by letter of the Federal Property Management Agency No. OD-11/18576 of April 29, 2014, are taken into account in the Company's activities.

3. Verification of compliance with directives of the Russian Government, and instructions of the President and the Government of the Russian Federation

Based on the analysis of the materials submitted during the audit, the Internal Audit Commission of the Company has concluded that, in general, the Company has developed measures to comply with directives of the Russian Government, and instructions of the President of the Russian Federation and the Government of the Russian Federation, as well as ensured their proper implementation.

The selective analysis of the Company's compliance with directives of the Russian Government and instructions of the President and the Government of the Russian Federation is given in the Act of the Internal Audit Commission of the Company.

4. Verification of the Report on Related Party Transactions

According to the Company's Internal Audit Commission, the data contained in the Report on Related Party Transactions concluded by PJSC RusHydro in 2019 are reliable.

5. The Company's accounts receivable and payable

The Internal Audit Commission of the Company reviewed the dynamics of accounts receivable and payable. No violations or facts of provision of unreliable information have been revealed. The results of a more detailed study and analysis of accounts receivable and payable are presented in the Act of the Internal Audit Commission of the Company.

6. Introduction of the corporate governance principles (Implementation of the Program for the Corporate Governance Principles Introduction)

The Internal Audit Commission of the Company has examined the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code and the Company's internal documents for their compliance with the best corporate governance practices and provisions of the Corporate Governance Code (hereinafter — the CG Code) recommended by the Bank of Russia.

According to the Internal Audit Commission, in general, the Company's corporate governance complies with the recommendations of the CG Code recommended by the Bank of Russia.

More detailed information on the status of implementation of the corporate governance principles is provided in the Company's Act of the Internal Audit Commission.

7. The Company's KPI system. Achievement of key performance indicators in 2019

The Company's internal regulatory framework related to the KPI system and its role in the motivation of Company management meets the Methodological Recommendations on Application of Key Performance Indicators by Business Entities, the share of the Russian Federation or a constituent entity of the Russian Federation in which exceeds 50%, and performance indicators of state unitary enterprises for the purpose of determining the amount of remuneration of their managerial staff, approved by Decree of the Russian Government No. 1388-r dated June 27, 2019.

The Company's corporate KPIs include two recommended groups of indicators: financial and economic, and industrial indicators. According to the KPI Methodological Guidelines, the basis for calculation of all financial and economic indicators is consolidated IFRS statements of RusHydro Group.

The actual corporate KPIs in 2019 were higher than target ones (exceeded).

The connection between KPIs and remuneration of the Company's Board members is determined based on recommendations of the Corporate Governance Code of the Bank of Russia, as well as the Corporate Governance Code of PJSC RusHydro, according to which members of the Company's Board of Directors receive a fixed annual remuneration for their work, while any forms of short-term motivation or additional material incentive are not provided for.

II. AUDIT OF THE COMPANY'S FINANCIAL AND ECONOMIC ACTIVITIES AND ANNUAL REPORT FOR 2019

Report on the Company's financial and economic activities

Over the reporting year, the Company managed to boost its net profit to RUB 38.6 billion (by 5.2%) by virtue of a significant reduction of losses in respect of non-core activities — by RUB 7.3 billion (46%).

Net profit sales margin was up to 24.9% (by 2.3 points) not only due to the increase in net profit, but also to the fall in sales revenue.

A drop in the sales revenue of 4.7% outpaced the reduction in the cost of sales (by 3.1%), which led to a larger decrease in the financial result from operating activities — the sales revenue was down by 7.1% (by RUB 4.7 billion).

At the same time, the decrease in sales margin amounted to 39.5%, as in the past 3 years.

Return on equity (in terms of its average annual value) slightly increased and reached 4.5% due to the high rates of net profit growth (5.2%) compared to the equity growth rate (2.8%).

Findings of the Company's Internal Audit Commission

In our opinion, the Company's annual report and annual accounting (financial) statements for 2019 present sound, in all material aspects, information on the financial position and results of financial and economic activities of the Company for the period from January 1, 2019 to December 31, 2019 inclusive.

In our opinion, the data contained in the Report on Related Party Transactions concluded by PJSC RusHydro in 2019 are reliable.

No violations of the accounting and financial reporting procedures established by the legal acts of the Russian Federation, as well as the legal acts of the Russian Federation in the course of financial and economic activities that could significantly affect the performance of PJSC RusHydro in 2019 have been revealed.

The Internal Audit Commission draws attention to the fact that in the Report on Financial Results for 2019 the Company did not disclose information on management expenses in accordance with paragraph 21, The Company's Expenses, of the Regulations on Accounting (RAS 10/99). The information on management expenses is disclosed by the Company in section 3.7. Explanations to the Balance Sheet and the Statement of Financial Performance for 2019.

The Report of the Internal Audit Commission of the Company on results of the audit of financial and economic activities of PJSC RusHydro for 2019 was approved by the decision of the Internal Audit Commission of the Company dated April 29, 2020 (Meeting Minutes of the Internal Audit Commission of the Company No. 3 dated April 29, 2020).

Chairperson of the Internal Audit Commission of PJSC RusHydro	T. V. Zobkova
Secretary of the Internal Audit Commission of PJSC RusHydro	I. N. Repin
Member of the Internal Audit Commission of PJSC RusHydro	N.N. Annikova
Member of the Internal Audit Commission of PJSC RusHydro	D. S. Konstantinov

APPENDIX No.18 CONSIDERATION OF STAKEHOLDERS' RECOMMENDATIONS GIVEN AT THE PUBLIC HEARINGS IN 2019 (REPORT FOR 2018 DRAFT)¹⁰³

№	Recommendations	Disclosure in 2019 Report
1.	Include information on social payments and guarantees under a collective bargaining agreement.	Disclosed partially in sections "Sustainable Development" and "Ensuring Good Working Conditions"
2.	Reflect the effects of reducing emissions in the longer term.	Disclosed in the section "Environmental Protection"
3.	Disclose not only internal, but also external programs and HR Policy results in future reports.	Disclosed partially in the following sections: Sustainable Development, Good Working Conditions, Social Initiatives and Contribution to the Growth of Local Communities.
4.	Describe the systemic effect of supporting social projects by RusHydro using the example of the Live in the Now Foundation.	Disclosed in the section "Social Initiatives and Contribution to the Growth of Local Communities"

¹⁰³ Only those recommendations that were not considered previously in the preparation of the Annual Report for 2018 are presented.

APPENDIX No.19 CONSIDERATION OF STAKEHOLDERS' RECOMMENDATIONS GIVEN AT THE PUBLIC HEARINGS IN 2020 (REPORT FOR 2019 DRAFT)

No.	Recommendations	PJSC RusHydro's response for 2019
1.	Add the revenue disclosure to the Annual Report (by electricity and capacity) in terms of market and tariff sources for 2018 and 2019	See the information on electricity and capacity sales in physical terms in the WECM Sales and REM Sales sections. The information on the revenue from sales is detailed in Appendix 16
2.	Show RusHydro Group's position against European generating companies by specific CO2 emissions in the Environmental Protection section	The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods
3.	Include the Papanin Institute for Biology of Inland Waters Russian Academy of Sciences in the STC's specialized section "Water Reservoirs and Environmental Protection"	It is considered in the Ensuring Compliance with Environmental Laws section
4.	Specify Latin names: <ul style="list-style-type: none"> • demoiselle crane — <i>Anthropoides virgo</i> • irbis — <i>Panthera uncia</i> • persian leopard or snow leopard — <i>Panthera pardus ciscaucasica</i> • red-list fish species — Caspian salmon — <i>Salmo trutta caspius</i> • sterlet — <i>Acipenser ruthenus</i> 	It is considered in the Animal Protection and Recovery of Aquatic Life sections
5.	Transfer the Information on the Report and Responsibility Statement sections to the end of the report/the appendix, since the information is not important enough to be placed at the beginning of the report	The structure of the report was approved at the beginning of the reporting campaign and is recognizable compared to the previous annual reports. Furthermore, the Information on the Report section provides the data both on the company names which are further used in the text and on the segments (subgroups), as well as the important reference to the Appendices Book. Therefore, it is advisable to place this section at the beginning of the report
6.	Transfer the information about coronavirus from the Risk Management section to the beginning of the report due to the relevance of this topic. It is important to expand this topic by adding the information to the messages of the top management, as well as to emphasize topics related to the virus (employment support, health and safety of employees, uninterrupted electricity supply to consumers, supply chain management (there are some export/import and transportation issues due to closed borders))	The Company considers the location and scope of the COVID-19 disclosure in the 2019 Annual Report sufficient. The possibility of including more detailed information on the measures taken and the influence of the current situation on the Company's activities will be reviewed when preparing reports for subsequent reporting periods
7.	In the Sustainable Development section it is necessary to state specific objectives and tasks related to this issue (if any). Furthermore, there is no need to list all the documents related to sustainable development; only key documents should be named, and it is then enough to provide the link to the website where they are collected	The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods
8.	Due to severe floods in Siberia in 2019, it is necessary to disclose the information on RusHydro's presence in the affected regions, the Company's measures and involvement in the remediation, as well as the state of RusHydro facilities (probability of accidents)	From the end of June to the beginning of August 2019, flooding was recorded in Irkutsk Region receiving the federal emergency status (Decree of the President of the Russian Federation No. 316 of July 3, 2019). There are no facilities of RusHydro Group in the specified

No.	Recommendations	PJSC RusHydro's response for 2019
		territory. Other facilities of RusHydro Group located in the Siberian Federal District (Sayano-Shushenskaya HPP, Mainskaya HPP, Novosibirskaya HPP and Boguchanskaya HPP) operated in a regular mode in compliance with the requirements of the Federal Water Resources Agency and dispatcher instructions by JSC SO UES
9.	Add more content to the Personnel Management System Development Plans section (in addition to the conferences and the talent pool development)	The Company considers the amount of information presented in the section to be sufficient within the scope of projected activities
10.	Indicate in the report that indirect greenhouse gas emissions are not taken into account	The information on the lack of consideration for indirect greenhouse gas emissions is disclosed as part of the FTSE RUSSELL B EU Index. In the future, the Company plans to develop a tracking system to quantify indirect greenhouse gas emissions and disclose this information in subsequent reporting periods
11.	Consider optimizing the volume of the report (reducing descriptive blocks by adding links for the information on the website or in previous annual reports)	The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods
12.	Disclose the information on measures taken to reduce the negative impact on hydrobionts	It is considered in the Recovery of Aquatic Life section
13.	Disclose the information on the RusHydro's educational activities in the field of public awareness (popularization) of the importance of renewable energy sources and, in particular, hydropower as one of the most eco-friendly energy sources	Currently, these educational activities are not carried out. The possibility of disclosing the information on the plans will be reviewed when preparing reports for subsequent reporting periods
14.	Provide more detailed information on the Company's contribution to the development of smaller HPPs as the most eco-friendly hydropower type	It is considered in the Smaller HPPs section
15.	Specify the reason for the large amount of wastewater discharges: much of the wastewater are untreated or insufficiently treated	It is considered in the Water Use and Discharge section
16.	Compare RusHydro Group's greenhouse gas emissions to estimate the scope	It is considered in the Greenhouse Gas Emissions section
17.	Provide the information on remuneration of diligent payers	It is considered in the Improvement of Payment Discipline Through Outreach Measures section
18.	Disclose the information on the sources which, in addition to the "Dedicated financial reserve for emergencies", enabled RusHydro Group to form financial reserves to compensate for the damage that could be caused to the third parties as a result of the hydraulic structures accident (dam destruction)	It is considered in the Preparedness for Natural Disasters and Emergencies section
19.	Reduce the information on the general ideas about the electricity market in Russia	The Annual Report is designed for a wide range of stakeholders, including those who are not significantly informed on the electricity market, and therefore the Company considers it important and useful to disclose this information
20.	Compare the Company's actions and expenses to achieve the UN sustainable development goals against the previous year	Since the measurable indicators have been introduced as part of the current reporting campaign, the possibility of including the relevant information will be reviewed when

No.	Recommendations	PJSC RusHydro's response for 2019
		preparing reports for subsequent reporting periods
21.	Present the results (if any) of RusHydro's work on developing methodological approaches to understanding global climate change processes in terms of greenhouse gas emissions from the surface of HPP freshwater reservoirs and evaluating their absorbing capacity	Large hydropower plants are one of the most significant deterrents for climate change. There is no consensus on greenhouse gas emissions from the surface of freshwater reservoirs and, accordingly, the carbon neutrality of hydropower plants and their water reservoirs, as well as on estimation of absorbing capacity of hydropower reservoirs. For this purpose, RusHydro considers the possibility of developing methodological approaches to understanding global climate change processes in terms of greenhouse gas emissions from the surface of HPP freshwater reservoirs and evaluating their absorbing capacity
22.	It is advisable to specify which categories of environmental impact RusHydro facilities are referred to	In RusHydro Group, the facilities able to have a negative impact on the environment belong to categories 1, 2, 3, and 4. The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods
23.	Provide the information on regions (in addition to those already indicated) where biodiversity projects are planned. Indicate whether such separate projects can help to develop methodological documents in the field of biodiversity, or whether these projects are developed exclusively for a specific region and for a specific species of animals or birds and cannot be scaled to a wider range	It is considered in the Stakeholder Relations section
24.	Add the following information to the report: In 2019, PJSC RusHydro intensely participated in the implementation of a project by the Association "Hydropower of Russia", targeting the development of an assessment system of operated hydropower facilities' compliance with the sustainable development criteria, taking into account the requirements of current Russian legislation regarding the analysis of existing methods. The project implementation will be resumed in 2020, with the assistance of the International Hydropower Association	It is considered in the Sustainable Development section
25.	The capacity increase as part of retrofitting and upgrading is not considered in the table "Plans to finance the construction of power generation for a low-carbon economy." It is also advisable to edit the title of the table and add the indicator "Volume of planned reductions of CO2 emissions" based on specific indicators of heat generation and annual output of commissioned/retrofitted HPPs	The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods
26.	Update the Comprehensive Modernization Program section with the information that the results of this program were presented by PJSC RusHydro at the Russian Energy Week International Forum (REW 2019) organized by the Ministry of Energy of the Russian Federation and the Moscow Government	It is considered in the Comprehensive Modernization, Rehabilitation, and Upgrade Programs section

No.	Recommendations	PJSC RusHydro's response for 2019
	as part of the meeting dedicated to "Energy Efficiency and Energy Safety of Hydropower Facilities regarding Modernization of the Energy Equipment and Digital Transformation"	
27.	Add the information to the report that PJSC RusHydro acted as an initiator and an active participant of the project implemented by the Association "Hydropower of Russia" to develop the Methodological Guidelines for Assessing Impacts on Water Bioresources in the Construction and Operation of Hydropower Plants. The project, executed by the Analytical Center under the Government of the Russian Federation and the B.E.Vedeneev VNIIG, was completed in December 2019 after its consideration and approval at RTC of PJSC RusHydro	It is considered in the Ensuring Compliance with Environmental Laws section
28.	Add information that, in 2019, PJSC RusHydro continued developing the national standardization system by ensuring operation of the specialized subcommittee — Hydropower Plants (hereinafter, SC-4) of the Technical Committee 016 "Power Sector"	It is considered in the Stakeholder Relations section
29.	In the Key Performance Indicators section, the target values are almost the same for 2018 and 2019 (that is, there is no growth, but in terms of such indicators as, for example, profit before tax and depreciation, target values decreased compared to the previous year). The planned values for 2020–2022 are lower than the actual values of 2019 (for example, procurement from SMEs, productivity, ROE, and ESP). It is necessary to explain this trend	All the target (planned) KPIs are regulatory or estimated. Regulatory target values are determined by the directives of the Government of the Russian Federation or other federal legislative acts ("Decrease in operating expenses (costs), %", "Labor productivity", "Share of procurement from small and medium businesses, %") or are determined as the maximum and/or threshold percentage ("Adherence to the capacity commissioning schedule, funding and spending plan, %", "ROE (TSR), %", "Integral innovative KPI", "Prevention of accidents exceeding the limit number of accidents"). Estimated target values for financial and economic KPIs are determined in accordance with the RusHydro Group's consolidated business plan approved by the Board of Directors of PJSC RusHydro for the corresponding planning period under the current KPI calculation and evaluation methodology. Estimated target values include such KPIs as "EBITDA, RUB mn", "ROE, %", "Free cash flow (FCF), RUB mn", "Earnings per share (EPS), RUB/share"
30.	Add to the appendices to the report the data on volume operating indicators by controlled organization: installed capacities, power and heat generation and output, loss volumes, capacity factor, etc.	The possibility of including the relevant information will be reviewed when preparing reports for subsequent reporting periods



CERTIFICATE

of Public Endorsement
of a Corporate Non-Financial Report

**Annual report of PJSC RusHydro 2019
(including the information on
sustainable development)**

**has received public endorsement
by the RSP Council on Non-Financial Reporting**

A detailed opinion of the RSP Council regarding public endorsement of the Annual report of PJSC RusHydro for 2019 (including the information on sustainable development) has been sent to the Company, which may publish it without amendment and use it both for corporate purposes and for the purposes of stakeholder engagement.

Registration number 158.04.021.02.19

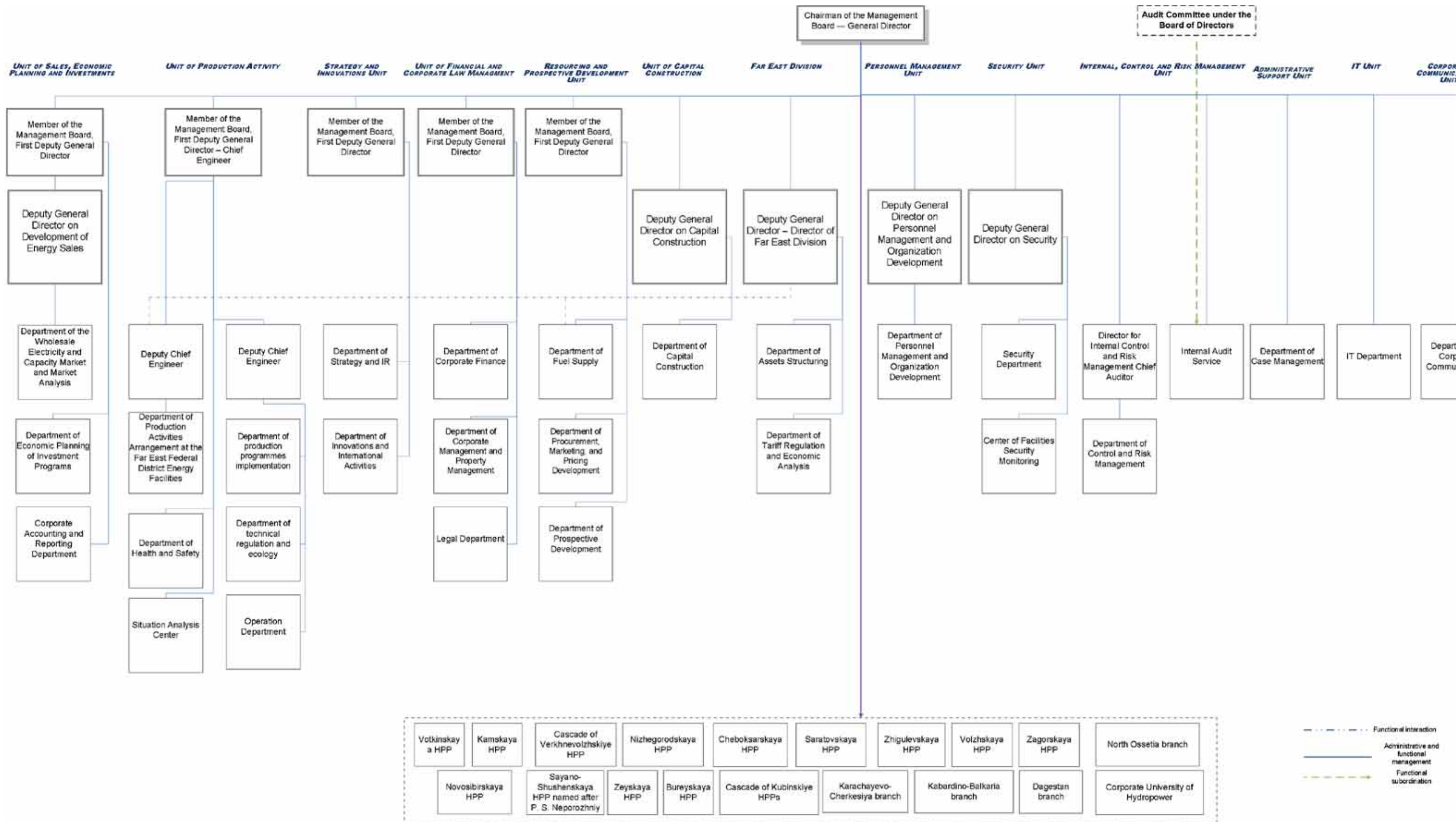
RSP President

A.Shokhin

Moscow 2020



APPENDIX No.21 ORGANIZATIONAL STRUCTURE OF PJSC RUSHYDRO¹⁰⁴



¹⁰⁴ Approved by Order No. 753 of September 17, 2019.

Taxes by regions of the Russian Federation by place of presence for 2017-2019, RUB mn

Territory	2017		2018		2019	
	Regional budget	Local budget	Regional budget	Local budget	Regional budget	Local budget
Republic of Bashkortostan	21.4	2.6	20.1	4.8	17.4	6.0
Republic of Buryatia	-	-	0.2	-	1.1	-
Republic of Altai	0.4	-	0.4	-	0.3	-
Republic of Daghestan	1,804.5	4.2	1,693.5	5.7	1,698.9	3.7
Republic of Ingushetia	-	-	-	-	-	-
Kabardino-Balkarian Republic	1,032.8	5.4	766.1	5.7	873.2	5.0
Republic of Kalmykia	-	-	-	0.3	-	-
Karachayevo-Circassian Republic	758.7	2.9	786.9	3.4	768.4	2.7
Republic of Sakha (Yakutia)	3,220.4	75.4	2,660.7	69.2	3,319.4	60.8
Republic of North Ossetia - Alania	377.6	2.3	352.6	2.5	367.4	2.5
Udmurtian Republic	-	-	-	-	-	0.1
Republic of Khakassia	2,623.9	5.7	2,845.6	3.6	2,272.4	4.8
Chuvash Republic	613.7	5.1	556.0	5.3	561.7	5.6
Krasnodar Territory	1.5	-	1.9	-	2.2	-
Krasnoyarsk Territory	1,358.4	8.2	1,404.6	6.1	495.0	11.1
Primorye Territory	2,165.2	94.2	2,218.4	82.1	2,799.9	75.5
Stavropol Territory	471.4	42.9	427.5	40.6	423.4	18.2
Khabarovsk Territory	2,061.0	136.5	2,173.0	92.7	2,434.7	93.7
Amur Region	3,892.7	28.7	3,785.8	33.3	3,650.9	31.6
Volgograd Region	1,883.0	7.5	1,576.3	6.8	1,535.1	6.9
Irkutsk Region	15.2	0.8	0.9	0.3	2.9	-0.2
Kamchatka Territory	1,131.4	14.0	1,241.6	22.2	1,139.6	25.7
Kursk Region					0.1	-
Leningrad Region	14.5	70.2	18.9	56.9	16.4	2.9
Magadan Region	1,223.5	10.6	1,676.4	13.3	1,881.8	9.6
Moscow Region	865.0	199.5	762.5	198.5	710.7	149.6
Murmansk Region	8.6	-	8.2	-	10.1	-
Nizhny Novgorod Region	303.0	5.9	333.9	5.9	313.9	-
Novosibirsk Region	523.8	8.6	659.7	9.0	516.2	6.7
Perm Territory	795.5	0.1	911.9	0.2	868.9	0.1
Ryazan Region	68.0	0.6	54.6	0.6	79.0	0.7
Samara Region	1,777.9	1.4	1,981.9	1.4	1,524.6	1.4
Saratov Region	1,483.0	5.1	1,602.1	5.3	1,607.8	3.5
Sakhalin Region	626.0	15.1	853.3	21.6	735.7	21.7
Sverdlovsk Region	0.2	0.4	-	-	-	-
Smolensk Region	0.1	-	0.1	-	-	-
Yaroslavl Region	428.4	3.7	495.3	4.3	454.9	5.4
Moscow	1,496.8	20.3	1,636.2	14.0	2,039.1	15.8

Territory	2017		2018		2019	
	Regional budget	Local budget	Regional budget	Local budget	Regional budget	Local budget
St. Petersburg	156.7	4.3	151.3	3.5	1,349.0	4.9
Jewish Autonomous Region	138.9	3.1	159.2	3.0	182.6	3.5
Khanty-Mansi Autonomous Area	9.8	0.3	9.4	0.7	15.9	0.5
Chukotka Autonomous Area	263.7	1.8	407.7	10.1	291.8	14.0
Yamal-Nenets Autonomous Area	37.1	0.6	41.0	0.7	106.8	0.7
Total	33,653.7	788.0	34,275.7	733.6	35,069.2	594.7

Key environmental achievements of 2019 as part of RusHydro Group's Implementation Program for the Environmental Policy

Branch/subsidiary	Initiatives
Votkinskaya HPP	<ul style="list-style-type: none"> replacement of runner sealings on turbine No. 9; current repair of hydrotechnical facilities; modernization of external sewer networks of the hydrotechnical complex; replacement of turbine No. 5.
Zeyskaya HPP	<ul style="list-style-type: none"> replacement of sealings of the turbine runner vane (as part of the major overhaul of hydropower unit No. 5).
Saratovskaya HPP	<ul style="list-style-type: none"> modernization of turbines at units No. 1, 3, 5, 7, 9; cleaning flood debris and sunken wood from trash rakes.
Kamskaya HPP	<ul style="list-style-type: none"> current repairs of overflow dam – sealing off concrete surfaces; installation of storm drain metering station (issue No. 1); current repairs of drainage systems.
Volzhskaya HPP	<ul style="list-style-type: none"> replacement of oil-filled 220 kV cables with XLPE dry cables; repair of sealings of oil-filled runners of turbines; landscaping of upstream and downstream penstocks.
Novosibirskaya HPP	<ul style="list-style-type: none"> rehabilitation of hydropower unit No. 2 (turbine replacement).
Cheboksarskaya HPP	<ul style="list-style-type: none"> replacement of oil-filled circuit breakers ORU-220; rehabilitation of drainage water treatment facilities adjacent to the HPP building and storm and thaw water treatment facilities adjacent to the logistics base.
PJSC Kolymaenergo	<ul style="list-style-type: none"> development and implementation of the project of rehabilitation of 10 kV integrated switchgear (replacement of switches with vacuum ones, replacement of 10 kV switchgear protective relays with microprocessor switches).
Boguchanskaya HPP	<ul style="list-style-type: none"> fishery protection (ongoing monitoring); inspection to identify causes for poor performance of the waste water treatment process against discharge limits for oil-contaminated water (20 l/s).
JSC DGK	<ul style="list-style-type: none"> current and major repairs, testing, adjustment of duct collecting and aspiration bunkers, scrubber anti-corrosion protection, Venturi pipes at Blagoveshchenskaya CHPP, Raychikhinskaya CHPP, Primorskaya GRES, Neryungrinskaya GRES, Artyomovskaya CHPP, Vladivostokskaya CHPP-2, Partizanskaya GRES, Amurskaya CHPP, Komsomolskaya CHPP-2, Mayskaya GRES, Khabarovskaya CHPP-1, Khabarovskaya CHPP-3, Urgalskaya boiler plant; Repair of ash dump and sluice discharge piping at Blagoveshchenskaya CHPP, Chulamskaya CHPP; construction of dam at the 3rd tier of ash dump No. 2 (upstream

Branch/subsidiary	Initiatives
	<p>dam) at Primorskaya GRES, construction of ash dump at Amurskaya CHPP, ash dump expansion at Khabarovskaya CHPP-3;</p> <ul style="list-style-type: none"> • repair of clarified water treatment facilities and pump station at Blagoveshchenskaya CHPP, construction of a waste water treatment station at Khabarovskaya CHPP-2 using innovative technologies of biochemical purification and disinfection; • current repair of boiler No. 3 at Blagoveshchenskaya CHPP; • training and education of experts in waste management, environmental safety, environmental audit and management; • repair of industrial, storm and household drains at Vladivostokskaya CHPP-2, repair of equipment and facilities at sewage treatment plant of Mayskaya GRES; • rehabilitation of Khabarovskaya CHPP-1 and Khabarovskaya CHPP-3 to upgrade boilers and hot-water peaking boiler plant to feed on natural gas; • industrial environmental control.
JSC DRSK	<ul style="list-style-type: none"> • replacement of oil-filled electrical equipment with vacuum equipment; • industrial environmental control; • training and education of experts in waste management, environmental safety, environmental audit and management; • implementation of measures to improve the environmental management system.
PJSC Magadanenergo	<ul style="list-style-type: none"> • replacement of oil-filled electrical equipment with vacuum equipment; • rehabilitation of gas treatment units of medium pressure boiler units at Magadanskaya CHPP.
PJSC Mobile Energy	<ul style="list-style-type: none"> • introduction of gas monitors.
PJSC Kamchatskenergo	<ul style="list-style-type: none"> • replacement of oil-filled electrical equipment with insulated equipment; • development of the design of treatment facilities for domestic, industrial and storm water at CHPP-1.
PJSC Sakhalinenergo	<ul style="list-style-type: none"> • repair, adjustment and testing of boiler equipment (including ash collection units); • installation of metering devices, calibration, repair and adjustment of emission devices; • replacement of oil-filled electrical equipment with vacuum or SF6 gas equipment, which contains no oil, or with equipment with lower oil content.
JSC Chukotenergo	<ul style="list-style-type: none"> • maintenance and repair of ash and slag pipes; • tests on dust collecting equipment and measurements of gaseous effluents from boilers of Anadyr CHPP and Chaunskaya CHPP.
JSC UESK	<ul style="list-style-type: none"> • flue gas scrubbing from smoke and dust using special equipment (cyclones); • major overhaul of the hydropower unit No. 3 of SHPP-4; • major overhaul of the closed switchgear of Ust-Kamchatsk diesel power plant No. 23, including replacement of oil switches with vacuum ones; • modernization of Atlasovo boiler plant.
PJSC Yakutskenergo	<ul style="list-style-type: none"> • development of technical measures and advanced design solutions for the replacement of the cooling tower at Yakutskaya GRES (1 section); • replacement of oil-filled circuit breakers with vacuum ones.
JSC Sakhaenergo	<ul style="list-style-type: none"> • replacement of oil-filled circuit breakers with vacuum ones; • current repairs to prevent air inflow at uniflow cyclone and multi-cyclone of Deputatsky CHPP; • replacement of uninsulated self-supporting wires.

Branch/subsidiary	Initiatives
JSC LUR	<ul style="list-style-type: none"> • water spraying (dust suppression) of roads, coal faces and open-pit crushing and screening area; • repair of oil separators at vehicle handling facilities in the mining area.

Assessment and controls over environmental impact at all stages of the projects of the RusHydro Group life cycle

Stage	Controls over environmental impact
Planning (pre-project stage)	<ul style="list-style-type: none"> • R&D with a focus on environment; • preliminary environmental impact assessment for new construction and rehabilitation planning.
Design	<ul style="list-style-type: none"> • Environmental impact assessment: assessment of the facility impact on environment in order to decide whether construction or rehabilitation is feasible; • designing initiatives to ensure the required level of environmental safety.
Construction	<ul style="list-style-type: none"> • implementation and follow-up on the initiatives provided for by the projects, aimed at ensuring environmental safety; • compliance with environmental laws during construction and installation.
Operation	<ul style="list-style-type: none"> • industrial environmental control: initiatives preventing any deviation from the given level of environmental safety; • voluntary initiatives to preserve biodiversity and improve environmental awareness among employees and communities.

Plans to Finance the construction of low-carbon energy generation facilities

Project	The start year of the project implementation	Year of completion of the project	Estimation of the total cost of the investment project in the forecast prices of the corresponding years, RUB mn (with VAT)	The balance of financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT) at January 1, 2020	Financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT)						Total for the period 2020-2025
					2020	2021	2022	2023	2024	2025	
Ust-Srednekanskaya HPP	1991	2023	76,927.3	23,369.4	6,228.0	7,822.2	6,767.4	2,551.8	0.0	0.0	23,369.4
Solar generation unit at Nizhne-Bureyskaya HPP	2019	2020	155.7	155.5	155.5	0.0	0.0	0.0	0.0	0.0	155.5
Ust-Dzhegutinskaya SHPP	2012	2020	1,684.2	433.8	433.8	0.0	0.0	0.0	0.0	0.0	433.8
Barsuchkovskaya SHPP	2012	2020	1,551.3	495.0	495.0	0.0	0.0	0.0	0.0	0.0	495.0
Krasnogorskaya SHPP-1	2017	2021	7,310.9	6,758.0	1,057.9	5,700.1	0.0	0.0	0.0	0.0	6,758.0
Krasnogorskaya SHPP-2	2017	2022	7,454.3	6,887.6	1,367.7	3,312.0	2,208.0	0.0	0.0	0.0	6,887.6
Verkhnebalkarskaya SHPP	2011	2020	3,706.1	483.9	483.9	0.0	0.0	0.0	0.0	0.0	483.9
Photovoltaic power system (Vladivostok,	2020	2020	5.0	5.0	5.0	0.0	0.0	0.0	0.0	0.0	5.0

Project	The start year of the project implementation	Year of completion of the project	Estimation of the total cost of the investment project in the forecast prices of the corresponding years, RUB mn (with VAT)	The balance of financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT) at January 1, 2020	Financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT)						Total for the period 2020-2025
					2020	2021	2022	2023	2024	2025	
Primorye Territory, Russky Island)											
Development and testing of a hybrid container-type energy storage system as part of a distributed network with renewable energy sources (Vladivostok, Primorye Territory, Russky Island)	2020	2020	18.0	18.0	18.0	0.0	0.0	0.0	0.0	0.0	18.0
Construction of a 0.3 MW wind turbine in Ust-Kamchatsk	2019	2021	185.3	150.8	66.8	84.0	0.0	0.0	0.0	0.0	150.8
Construction of a 900 kW wind power plant in Tiksi,	2017	2020	290.0	12.7	12.7	0.0	0.0	0.0	0.0	0.0	12.7

Project	The start year of the project implementation	Year of completion of the project	Estimation of the total cost of the investment project in the forecast prices of the corresponding years, RUB mn (with VAT)	The balance of financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT) at January 1, 2020	Financing of capital investments in the forecast prices of the corresponding years, RUB mn (with VAT)						Total for the period 2020-2025
					2020	2021	2022	2023	2024	2025	
Bulunsky District											
Construction of a 3,000 kW diesel power plant with an energy storage unit for the wind diesel power station in Tiksi, Bulunsky District	2018	2021	1,458.7	704.4	585.6	118.9	0.0	0.0	0.0	0.0	704.4

GRI 102-8 Headcount of the workforce by type of employment, employment contract, and gender in 2019

Gender	Full-time employees	Switched to part-time work	Working under indefinite employment contracts	Working under fixed-term employment contracts
Male	47,140	115	45,012	2,243
Female	22,038	254	21,120	1,172
Total	69,178	369	66,132	3,415

GRI 405-1 Headcount of employees by gender, category and age in 2019

Age group	Managers		Specialists and employees		Blue-collar		Total
	Male	Female	Male	Female	Male	Female	
<25 years	24	4	226	271	1,369	156	2,050
25-34 years	1,281	217	2,538	3,336	7,019	1,022	15,413
35-44 years	2,665	797	2,562	4,654	8,006	1,666	20,350
45-54 years	2,441	751	1,479	2,994	7,865	2,069	17,599
>55 years	1,731	565	1,204	1,818	6,976	1,841	14,135
Total	8,142	2,334	8,009	13,073	31,235	6,754	69,547