

PJSC RUSHYDRO DIVIDEND POLICY

The main objective of the Company's dividend policy is to ensure the strategic development of PJSC RusHydro and the growth of the well-being of its shareholders through the establishment of an optimal balance between dividend payments to shareholders and capitalisation of profits.

To ensure transparency in determining the amount of dividends and their payments to PJSC RusHydro there is a Regulation on dividend policy approved by the decision of the Board of Directors of PJSC RusHydro (Minutes No. 195 of March 28, 2014). The Board of Directors provides its recommendations on the amount of the dividend for approval by the General Meeting of Shareholders, based on the net profit figure determined in accordance with the consolidated financial statements of RusHydro Group for International Financial Reporting Standards and Russian Accounting Standards, and the Company's need for financing the investment programme. No less than 5% of the profit for the period determined in the consolidated financial statements of RusHydro Group under IFRS can be channelled for the payment of dividends for the fiscal year (<http://www.rushydro.ru/investors/dividends/>).



The Company's dividend policy is available at website: <http://www.eng.rushydro.ru>

In accordance with the Development Strategy of RusHydro Group for the period until 2020, with possibility to prolong it until 2025, the share of net profit allocated for dividend payment is at least 50%. In this regard, the Company will strive to ensure a high level of dividend yield to its shareholders.

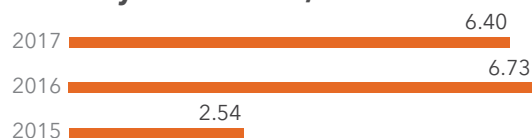
Report on the payment of declared (accrued) dividends on the Company's shares for 2016

According to the decision of the annual General Meeting of Shareholders dated June 26, 2017, 19,875,502,787.41 rubles (47.5% of net profit under RAS or 50% of RusHydro's net profit under IFRS) were allocated to pay dividends

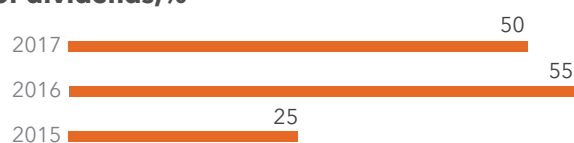
for 2016. As of December 31, 2017, payments were made in full to all shareholders, with the exception of 61,722,074.31 rubles, which were not paid for reasons beyond the control of the Company (the Company or registrar (or nominee holder) did not have exact address data or bank details required for dividend payments).

The company fulfilled its obligations to transfer dividends to the federal budget in full - for the amount of 12,036,652,516.86 rubles. There is no debt on the payment of dividends to the federal budget.

Dividend yield of shares,%¹



Share of net profit under IFRS, aimed at payment of dividends,%



Amount directed to the payment of dividends, RUB bn



¹ The dividend yield of shares is calculated on the date of making a decision on the amount of annual dividends as the ratio of annual dividends paid per share and the median value of market prices of this share for the reporting year. (dividends - PJSC Moscow stock exchange, <http://www.moex.com>).

Dividend history for 5 years preceding the reporting year

| The reporting period for which dividends were paid on shares | Total amount of declared (accrued) dividends, thousand rubles | The amount of declared dividends per share, rubles |
|--|---|--|
| 2012 | 3,675,573 | 0.00955606 |
| 2013 | 5,248,250 | 0.01358751 |
| 2014 | 6,032,750 | 0.01561855 |
| 2015 | 15,011,046 | 0.038863 |
| 2016 | 19,875,503 | 0.0466245 |

BONDS

As of December 31, 2017 ten issues of bonds of PJSC RusHydro with a total nominal value of 85.0 bn rubles are in circulation. Volume in circulation is 61.02 bn rubles.

Main parameters of bond issues

| General parameters of releases | | | Bonds | | | Exchange-traded bonds | | |
|--------------------------------|---|--|--|--|---|---|-----------------------|-----------------------|
| | | | Series 01 and 02 | Series 07 and 08 | Series 09 | Series BO-P01, BO-P02, BO-P03 | Series BO-P04 | Series BO-P05 |
| Type of bonds | Documentary interest-bearing non-convertible to bearer with mandatory centralised custody | National registration number | 4-01-55038-E, 4-02-55038-E | 4-07-55038-E, 4-08-55038-E | 4-09-55038-E | 4B02-01-55038-E-001P, 4B02-02-55038-E-001P, 4B02-03-55038-E-001P | 4B02-04-55038-E-001P | 4B02-05-55038-E-001P |
| Nominal | 1,000 rubles | Date of registration | 23.09.2010 | 27.12.2012 | 27.12.2012 | 03.07.2015 | 01.04.2016 | 09.06.2017 |
| Nominal volume of each issue | Series 01 - 10 bn rubles. Series 02 - 5 bn rubles. | Date of placement | 25.04.2011 | 14.02.2013 | 28.04.2015 | 08.07.2015 | 07.04.2016 | 16.06.2017 |
| | Series 07, 08, 09 to 10 bn rubles each | Date of offer | 22.04.2016 | 13.02.2018 | 27.10.2017 21.04.2023 | | | |
| | Series BO-P01, BO-P02, BO-P03 - 5 bn rubles each. Series BO-P04 - 15 bn rubles. Series BO-P05 - 10 bn rubles. | Maturity date | 12.04.2021 | 02.02.2023 | 15.04.2025 | 04.07.2018 | 04.04.2019 | 12.06.2020 |
| Placement price | 100% of the nominal value | Coupon rate, % per annum | 1-10 coupons - 8.0%, 11-20 coupons - 9.5% | 1-10 coupons - 8.5%, 11-20 coupons - the rate is determined by the issuer | 1-5 coupons - 12.75%, 6-16 coupons - 7.5%, 17-20 coupons - the rate is determined by the issuer | 1-6 coupons - 11.85% | 1-6 coupons - 10.35% | 1-6 coupons - 8.2% |
| Placement type | Open subscription, bookbuilding | Yield of primary placement, % pa | 8.16 % | 8.68 % | 13.16 % | 12.20 % | 10.62 % | 8.37 % |
| Frequency of coupon payment | 2 times per year | Yield at the price of the last transaction as of December 29, 2017, % pa | Series 01 - 8.07% Series 02 - 7.71% | Series 07 - 7.14% Series 08 - 8.53% | Series 09 - 7.88% | Series BO-P01 - 6.51% Series BO-P02 - 12.2% Series BO-P03 - 12.2% | Series BO-P04 - 7.37% | Series BO-P05 - 7.71% |