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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

CONTINUING CONNECTED TRANSACTIONS TRANSPORTATION CONTRACTS, SALE OF RAW MATERIALS, HEAT SUPPLY CONTRACTS AND TRANSPORT LOGISTICS SERVICES CONTRACTS

Reference is made to the announcement of the Company dated 14 November 2017 in relation to the Previously Disclosed Transportation Contract for 2017-2018; to the announcements of the Company dated 30 December 2016 and 28 February 2017 in relation to the Previously Disclosed Heat Supply Contracts and to the announcement of the Company dated 13 November 2017 in relation to the Previously Disclosed Transport Logistics Services Contract for 2017-2018.

The Company announces that members of the Group entered/will enter into contracts/additional agreements with associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to the members of the Group.

The Company further announces that members of the Group, as sellers, entered/will enter into raw materials supply contracts with the associates of En+/Mr. Deripaska, as buyers.

The Company further announces that members of the Group entered/will enter into contracts with associates of En+, pursuant to which the associates of En+ agreed to supply heat energy to the members of the Group.

The Company further announces that members of the Group and associates of En+ entered/will enter into contracts/addendums/additional agreement pursuant to which the associates of En+ agreed to provide transport logistics services to the members of the Group.

TRANSPORTATION CONTRACTS

THE NEW TRANSPORTATION CONTRACTS

Reference is made to the announcement of the Company dated 14 November 2017 in relation to the Previously Disclosed Transportation Contract for 2017-2018.

The Company announces that members of the Group entered/will enter into contracts/additional agreements with associates of En+, pursuant to which the associates of En+ agreed to provide transportation services to the members of the Group (the “**New Transportation Contracts**”) with major terms set out below:

| Date of contract | Customer (member of the Group) | Service provider (associate of En+) | Transportation services | Estimated consideration payable for the year ending 31 December 2018, 31 December 2019 and 31 December 2020 excluding VAT (USD) | Scheduled termination date | Payment terms | |
|------------------|--------------------------------|---|--|--|---|------------------|--|
| 1 | 1 January 2018 | JSC “RUSAL Krasnoyarsk” | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (cargo, passenger vehicles, lifting machines and special equipment) | 2018: 2,649,485 2019: 2,769,973 2020: 2,901,853 (Note 1) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 2 | 1 January 2018 | JSC “RUSAL Krasnoyarsk” | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (services of passenger vehicles) | 2018: 747,954 2019: 801,272 2020: 860,347 (Note 2) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 3 | 1 January 2018 | PJSC “RUSAL Bratsk” (Shelekhov) | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (cargo, passenger vehicles, lifting machines and special equipment) | 2018: 4,557,527 2019: 4,876,567 2020: 5,071,607 (Note 3) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 4 | 1 January 2018 | PJSC “RUSAL Bratsk” (Shelekhov) | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (services of passenger vehicles) | 2018: 91,879 2019: 98,310 2020: 102,264 (Note 4) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 5 | 1 January 2018 | Sayanogorsk Railcar Repair Works Limited Liability Company (SVRZ) | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (cargo, passenger vehicles, lifting machines and special equipment) | 2018: 20,162 2019: 20,969 2020: 21,808 (Note 5) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 6 | 1 January 2018 | Sayanogorsk Railcar Repair Works Limited Liability Company (SVRZ) | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (services of passenger vehicles) | 2018: 4,379 2019: 4,817 2020: 5,298 (Note 6) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 7 | 1 January 2018 | PJSC “RUSAL Bratsk” | Limited Liability Company “KraMZ-Auto” | Purchase of passenger-and-freight services (services on transportation of cargoes, special equipment services, services of passenger vehicles) | 2018: 2,326,316 2019: 2,419,369 2020: 2,518,323 (Note 7) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |

| Date of contract | Customer (member of the Group) | Service provider (associate of En+) | Transportation services | Estimated consideration payable for the year ending 31 December 2018, 31 December 2019 and 31 December 2020 excluding VAT (USD) | | Scheduled termination date | Payment terms |
|------------------|--|---|--|--|---|----------------------------|---|
| | | | | 2018 | 2019 and 2020 | | |
| 8 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | Limited Liability Company "KraMZ-Auto" | Purchase of passenger-and-freight services (services of passenger vehicles) | 2018: 272,131 2019: 299,344 2020: 329,279 (Note 8) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 9 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | Limited Liability Company "KraMZ-Auto" | Purchase of passenger-and-freight services (cargo, passenger vehicles, lifting machines and special equipment) | 2018: 2,559,157 2019: 2,661,527 2020: 2,767,986 (Note 9) | 31 December 2020 | Within 10 banking days from the date of receipt of the original invoice, billed on the basis of the signed certificate of rendered services. |
| 10 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | OVE | Services for the transportation and provision of railway transport services, as well as provision of cars | 2018: 4,854,044 (Note 10) | 31 December 2018 | Payment for services is carried out every ten days within 10 working days from the date of receipt of the invoice. |
| 11 | 27 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC «Kremniy» | Limited Liability Company "KraMZ-Auto" | Transportation services | 2018:11,922 (Note 11) | 31 December 2018 | Payment in 10 days after receiving invoice for services provided |
| 12 | 27 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC «Kremniy» | JSC «Irkutskenergotrans» | Transportation services | 2018:5,594 (Note 12) | 31 December 2018 | Payment in 60 days after receiving invoice for services provided |
| 13 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | Limited Liability Company "Russian Engineering Company" (Sayanogorsk) | Limited Liability Company "KraMZ-Auto" | Passenger vehicles (LIAZ buses) and cargo transportation (freight transport) | 2018: 85,495 2019: 94,045 2020: 103,449 (Note 13) | 31 December 2020 | Payment to be made in two equal installations of 50% of the total amount, one before the 15th of the month following the report month, and the other before the 30th of the month following the report month after the receipt from contractor of the original copy of the invoice for the total amount of services performed and accepted by the customer, on the basis of performed works acceptance certificates signed by the parties |
| 14 | 25 December 2017 (the terms of the contract will commence on 1 January 2018) | «IT-Service» LLC | Limited Liability Company "KraMZ-Auto" | Provision of vehicles and special equipment for the crew and provision of services to manage them and for their technical exploitation | 2018: 25,409 2019: 26,426 2020: 27,483 (Note 14) | 31 December 2020 | Payment within 60 days from the date of signing and provision of original invoice |
| 15 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | RUSAL SAYANAL JSC | Limited Liability Company "KraMZ-Auto" | Passenger forwarding by buses | 2018: 26,940 2019: 29,634 2020: 32,597 (Note 15) | 31 December 2020 | Payment within 10 days after receipt of the VAT invoice |

| Date of contract | Customer (member of the Group) | Service provider (associate of En+) | Transportation services | Estimated consideration payable for the year ending 31 December 2018, 31 December 2019 and 31 December 2020 excluding VAT (USD) | | Scheduled termination date | Payment terms |
|---|---|---|--|---|--|--|---|
| | | | | 2018 | 2019 | | |
| 16 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | RUSAL SAYANAL JSC | Limited Liability Company "KraMZ-Auto" | Cargo transportation | 2018: 341,026 2019: 391,336 2020: 456,357 (Note 16) | 31 December 2020 | Payment within 15 days after receipt of the VAT invoice |
| 17 | Additional agreement dated 28 December 2017 to the original contract dated 20 January 2016 (the terms of the additional agreement will commence on 1 January 2018) | RUSAL SAYANAL JSC | OVE | Cargo transportation | 2018: 29,893 (Note 17) | 31 December 2018, may be extended by signing an additional agreement | Payment within 10 days after receipt of the VAT invoice |
| 18 | Additional agreement dated 27 December 2017 to the original contract dated 27 February 2017 (the terms of the additional agreement will commence on 1 January 2018) | LLC «SUAL-PM» | Limited Liability Company "KraMZ-Auto" | Transportation services | 2018: 27,530 (Note 18) | 31 December 2018 | Payment within 10 days after receipt of invoice |
| 19 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | Limited Liability Company "Russian Engineering Company" (Shelekhov) | Limited Liability Company "KraMZ-Auto" | Motor transportation services | 2018: 176,692 2019: 187,327 2020: 199,036 (Note 19) | 31 December 2020 | Payment to be made in two equal installments of 50% of the consideration, one before the 15th of the month following the report month, and the other before the 30th of the month following the report month after receipt of the invoice on the basis of performed works acceptance certificates signed by the parties |
| 20 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | Limited Liability Company "Russian Engineering Company" (Bratsk) | Limited Liability Company "KraMZ-Auto" | Motor transportation services | 2018: 17,557 (Note 20) | 31 December 2018 | Payment to be made in two equal installments of 50% of the consideration, one before the 15th of the month following the report month, and the other before the 30th of the month following the report month after receipt of the invoice on the basis of performed works acceptance certificates signed by the parties |
| Total estimated consideration payable for the year | | | | | 2018: 18,831,091 2019: 14,680,916 2020: 15,397,687 | | |

Notes:

1. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 140,753 mash/hour; 2019: 140,856 mash/hour; and 2020: 141,188 mash/hour.
2. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 36,440 mash/hour; 2019: 36,491 mash/hour; and 2020: 36,623 mash/hour.
3. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 247,727 mash/hour; 2019: 247,727 mash/hour; and 2020: 247,727 mash/hour.
4. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 12,099 mash/hour; 2019: 12,099 mash/hour; and 2020: 12,099 mash/hour.
5. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 1,662 mash/hour; 2019: 1,662 mash/hour; and 2020: 1,662 mash/hour.
6. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 1,200 mash/hour; 2019: 1,200 mash/hour; and 2020: 1,200 mash/hour.
7. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 152,897 mash/hour; 2019: 152,897 mash/hour; and 2020: 153,058 mash/hour.
8. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 21,967 mash/hour; 2019: 21,967 mash/hour; and 2020: 21,967 mash/hour.
9. The basis of calculation is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 191,293 mash/hour; 2019: 191,293 mash/hour; and 2020: 191,293 mash/hour.
10. The service fee is calculated by multiplying the weight of cargos, tariff for transportation (subject to state regulation) and the distance (being 58 kilometres).

11. The basis of calculation is the price for planned services (approximately between USD13 and USD30 per 1 machine hour) and the estimated volume: approximately 724 machine hours).
12. The basis of calculation is the price for planned services (approximately between USD15 and USD30 per 1 machine hour) and the estimated volume: approximately 312 machine hours).
13. The basis of calculation is determined by the number of trips to transfer passengers along routes established in advance, and the cost of one fare. The number of trips is determined by the bus schedule (varies from 42 to 105 trips, depending on the route). The cost of one trip is approximately: 2018: from USD13.23 to USD44.11; 2019: USD15.77 to USD52.56; and 2020: USD17.35 to USD57.82.

The basis of calculation of freight transport is the price per unit of services rendered, expressed in mash/hour depending on type and kind of equipment during the reporting period (month). The estimated volume of supplies is 2018: 42,721 mash/hour; 2019: 41,381 mash/hour; and 2020: 41,551 mash/hour.

14. The basis of calculation is the price for services and the estimated volume: approximately 2166.2 machine hours per year.
15. The basis of calculation is the price for services and the estimated volume: monthly payment is approximately: 2018: USD2,245; 2019: USD2,470; and 2020: USD 2,717.
16. The service fee is based upon the number of operator hours (average cost per operator hour is approximately USD19-24); the number of cargo trips (average cost per cargo trip is approximately USD140-150); and an additional payment of approximately USD50,000 per year.
17. The service fee is based upon the cost of transportation (approximately USD0.04 per ton/km) and the distance (approximately 733,120 ton/km).
18. The basis of calculation is the price for planned services (approximately between USD13 and USD36 per 1 machine hour) and the estimated volume: approximately 1,862 machine hours).
19. The basis of calculation is determined by the demand schedules for transportation services indicating vehicle types engaged, quantity of vehicle-hours and vehicle-hour cost (ranging from USD13.40 to USD28.62 depending on vehicle type).
20. The basis of calculation is determined by the demand schedules for transportation services indicating vehicle types engaged, quantity of vehicle-hours and vehicle-hour cost (ranging from USD6 to USD21 depending on vehicle type).

The consideration under the New Transportation Contracts is to be paid in cash via bank transfer or bilateral clearing or by the offsetting of reciprocal obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Transportation Contracts and the Previously Disclosed Transportation Contract should be aggregated for the financial year ending 31 December 2018, as they were entered into by members of the Group with the associates of En+, and the subject matter of each contract relates to the provision of transportation services by the associates of En+ to the Group.

The annual aggregate transaction amounts that are payable by the Group to the associates of En+ under the New Transportation Contracts and the Previously Disclosed Transportation Contract for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 are estimated to be approximately USD18.961 million, USD14.681 million and USD15.398 million respectively.

In accordance with the Company's procurement policies and using tools such as the Company's procurement portal, the Company invited several organizations to take part in the tender in relation to the required transportation services. Regarding the contracts mentioned in items 1 to 9, items 11 to 16 and items 18 to 20 in the table above, the Company's procurement managers, in line with the best-in-class experience and know-how of the Company's procurement policies, with approval from the Company's bidding committee chose the contractor offering the best terms and conditions (the service provider offered the lowest price, was able to provide all necessary inventory, the service provider is conveniently located and was able to meet the needs of the plant in full) and then entered into the contract with the chosen service provider. Regarding the contracts mentioned in items 10 and 17 in the table above, as OVE owns the only railway track section which is required for the transportation services, the contract was entered into.

The contract price under the New Transportation Contracts has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for transportation services of the same type and quality and those offered by the associate of En+ to independent third parties. The estimated annual aggregate transaction amounts were derived from the estimated total contract price under the New Transportation Contracts, which was based on the need of transportation services by the Group for the relevant years.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transportation Contracts were entered into for the purpose of transporting goods, cargoes and/or passenger forwarding of the Group. The Company considers that the transactions contemplated under the New Transportation Contracts are for the benefit of the Company, as the services provided are required in the production process of the Group and the service provider offered a competitive price and is capable of meeting the Group's transportation needs.

The Directors (including the independent non-executive Directors) consider that the New Transportation Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transportation Contracts are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the New Transportation Contracts, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each of Limited Liability Company “KraMZ-Auto”, JSC «Irkutskenergotrans» and OVE. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the New Transportation Contracts.

LISTING RULES IMPLICATIONS

Each of Limited Liability Company “KraMZ-Auto”, JSC «Irkutskenergotrans» and OVE is an indirect subsidiary of En+, and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of Limited Liability Company “KraMZ-Auto”, JSC «Irkutskenergotrans» and OVE is a connected person of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the New Transportation Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transportation Contracts and the Previously Disclosed Transportation Contract for each of the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Details of the New Transportation Contracts will be included in the relevant annual report and accounts of the Company in accordance with Rule 14A.71 of the Listing Rules where appropriate.

SALE OF RAW MATERIALS

RAW MATERIALS SUPPLY CONTRACTS

The Company announces that members of the Group, as sellers, entered/will enter into raw materials supply contracts with the associates of En+/Mr. Deripaska, as buyers, with major terms set out below (the “**Raw Materials Supply Contracts**”):

| Date of contract | Seller (member of the Group) | Buyer (associate of En+/Mr. Deripaska) | Raw materials to be supplied | Estimated delivery volume for the year ending 31 December 2018 | Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD) | Scheduled termination date | Payment terms |
|--|--|---|--|---|--|---|--|
| 1 1 January 2018 | JSC “RUSAL Krasnoyarsk” | KraMZ-Auto LLC | Gasoline, diesel fuel, oil and other petroleum products | Petrol — 36 tons Petroleum products — 28.998 tons | 54,382 (Note 1) | 31 December 2018 | Payment upon delivery within 10 business days, or the conduct of the netting, in the presence of counter-obligations. |
| 2 1 January 2018 | PJSC “RUSAL Bratsk” (Shelekhov) | KraMZ-Auto LLC | Gasoline, diesel fuel, oil and other petroleum products | Petrol — 91.9 tons Petroleum products — 31.15 tons Diesel fuel — 761 tons | 733,704 (Note 2) | 31 December 2018 | Payment upon delivery within 10 business days, or the conduct of the netting, in the presence of counter-obligations. |
| 3 1 January 2018 | PJSC “RUSAL Bratsk” | KraMZ-Auto LLC | Gasoline, diesel fuel, oil and other petroleum products | Oil — 13.08 tons Petroleum products — 1.72 tons | 18,455 (Note 3) | 31 December 2018 | Payment upon delivery within 10 business days, or the conduct of the netting, in the presence of counter-obligations. |
| 4 1 January 2018 | JSC “RUSAL Sayanogorsk” | KraMZ-Auto LLC | Gasoline, diesel fuel, oil, grease and other petroleum products | Petrol — 60 tons Petroleum products — 5,298 tons Diesel fuel — 480 tons | 354,295 (Note 4) | 31 December 2018 | Payment upon delivery within 10 business days, or the conduct of the netting, in the presence of counter-obligations. |
| 5 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC “RUSAL Achinsk” | Achinsk Cement LLC | Coal | 155,415 tons | 6,993,675 (Note 5) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month in the amount of 25% of approved volume of sales. Payment for the following weeks should be made no later than the last business day of the previous week. |

| Date of contract | Seller (member of the Group) | Buyer (associate of En+/Mr. Deripaska) | Raw materials to be supplied | Estimated delivery volume for the year ending 31 December 2018 | Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD) | Scheduled termination date | Payment terms |
|---|------------------------------|--|------------------------------|--|--|---|---|
| 6 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Nepheline sludge | 240,027 tons | 915,303 (Note 6) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month. Payment for the following weeks should be made no later than the last business day of the previous week. |
| 7 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Limestone | 743,072 tons | 3,115,206 (Note 7) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month. Payment for the following weeks should be made no later than the last business day of the previous week. |
| 8 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Pulverized coal | 12,000 tons | 608,790 (Note 8) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month. Payment for the following weeks should be made no later than the last business day of the previous week. |
| 9 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Clay from overburden | 65,834 tons | 55,630 (Note 9) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month. Payment for the following weeks should be made no later than the last business day of the previous week. |
| 10 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Fuel oil | 3,650 tons | 894,250 (Note 10) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month in the amount of 25% of approved volume of sales. Payment for the following weeks should be made no later than the last business day of the previous week. |

| Date of contract | Seller (member of the Group) | Buyer (associate of En+/Mr. Deripaska) | Raw materials to be supplied | Estimated delivery volume for the year ending 31 December 2018 | Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD) | Scheduled termination date | Payment terms |
|---|------------------------------------|---|---|--|--|---|--|
| 11 28 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC "RUSAL Achinsk" | Achinsk Cement LLC | Diesel fuel | 7.2 tons | 4,335 (Note 11) | 31 December 2018 May be extended by additional agreement | Payment for first week should be made no later than the 30th of the previous month in the amount of 25% of approved volume of sales. Payment for the following weeks should be made no later than the last business day of the previous week. |
| 12 1 January 2018 | RUSAL Sayanogorsk JSC | Stroyservice LLC | Gasoline, diesel fuel, oils, lubricants, and construction materials | Petrol — 90 tons Diesel fuel — 99 tons Oil, grease — 8.98 tons Construction materials — 12,018 m ³ | 1,428,679 (Note 12) | 31 December 2018 | Payment upon delivery, no later than 10 working days from the date of issue of the invoice for the shipped goods |
| Total estimated consideration payable for the year | | | | | 15,176,704 | | |

Notes:

1. The contract price is agreed between the parties and based on per unit price of each product: petrol — up to 673.59 USD/ton; and other petroleum products — up to 1,039.12 USD/ton.
2. The contract price is agreed between the parties and based on per unit price of each product: petrol — up to 702.7 USD/ton; other petroleum products — up to 3,280.3 USD/ton; and diesel fuel — up to 745 USD/ton.
3. The contract price is agreed between the parties and based on per unit price of each product: oil— up to 1,278.75 USD/ton; and other petroleum products — up to 1,004.93 USD/ton.
4. The contract price is agreed between the parties and based on per unit price of each product: petrol — up to 768.78 USD/ton; other petroleum products — up to 1,159.17 USD/ton; and diesel fuel — up to 629.22 USD/ton.
5. The contract price is agreed between the parties and based on per unit price: 45 USD/ton.
6. The contract price is agreed between the parties and based on per unit price: 3.82 USD/ton.
7. The contract price is agreed between the parties and based on per unit price: 4.2 USD/ton.
8. The contract price is agreed between the parties and based on per unit price: 50.74 USD/ton.

9. The contract price is agreed between the parties and based on per unit price: 0.85 USD/ton.
10. The contract price is agreed between the parties and based on per unit price: 245 USD/ton.
11. The contract price is agreed between the parties and based on per unit price: 602 USD/ton.
12. The contract price is agreed between the parties and based on per unit price of each product: petrol — up to USD768.78/ton; diesel fuel — up to USD629.22/ton; oil and grease — up to USD879.82/ton; and construction materials — up to USD107.28/m³.

The consideration under the Raw Materials Supply Contracts is to be paid in cash via bank transfer or the offsetting of reciprocal obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Raw Materials Supply Contracts should be aggregated, as they were entered into by members of the Group with the associates of En+/Mr. Deripaska, and the subject matter of each contract relates to the supply of raw materials by the Group to the associates of En+/Mr. Deripaska.

The annual aggregate transaction amount that is payable by the associates of En+/Mr. Deripaska to the Group under the Raw Materials Supply Contracts for the financial year ending 31 December 2018 is estimated to be approximately USD15.177 million.

The consideration payable under the Raw Materials Supply Contracts is calculated by multiplying the unit price by the volume. The unit price is set out in the notes to the table above.

The consideration payable under the Raw Materials Supply Contracts has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for raw materials of the same type and quality and those offered by members of the Group to independent third parties customers. The price list for the Raw Materials Supply Contracts is applicable to all buyers (including buyers who are independent third parties to the Group) of similar products. The selling price is based upon the purchase price + ordering costs + 0.1% general expenses + 2% margin. The annual aggregate amount is the maximum amount of consideration payable under the terms of the Raw Materials Supply Contracts based on the delivery volume estimated by the Directors.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the entering into of the Raw Materials Supply Contracts are for the benefit of the Company as the sale is profitable and the Group is assured of payment on a timely basis and there are less financial risks.

The Directors (including the independent non-executive Directors) consider that the Raw Materials Supply Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the Raw Materials Supply Contracts are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

Regarding contract numbers 1 to 4 and 12 in the table above, none of the Directors has a material interest in the transactions contemplated under contemplated under the Raw Materials Supply Contracts, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each of KraMZ-Auto LLC and Stroyservice LLC. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolutions approving the relevant Raw Materials Supply Contracts.

Regarding contract numbers 5 to 11 in the table above, none of the Directors has a material interest in the transactions, save for (a) Mr. Deripaska, who is a director of Basic Element and is interested in more than 50% of the issued share capital of Basic Element; (b) Ms. Gulzhan Moldazhanova, who is a director of Basic Element; and (c) Ms. Olga Mashkovskaya, who is a deputy chief executive officer for finance of Basic Element. Basic Element is the holding company of Achinsk Cement LLC. Accordingly, Mr. Deripaska, Ms. Gulzhan Moldazhanova and Ms. Olga Mashkovskaya did not vote on the Board resolutions approving the relevant New Raw Materials Supply Contracts.

LISTING RULES IMPLICATIONS

Each of KraMZ-Auto LLC and Stroyservice LLC is held by En+ as to more than 30% of the issued share capital and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of KraMZ-Auto LLC and Stroyservice LLC is a connected person of the Company under the Listing Rules. Achinsk Cement LLC is held by Basic Element as to more than 30% of the issued share capital. Basic Element is in turn held by Mr. Deripaska (an executive Director) as to more than 50% of the issued share capital. Achinsk Cement LLC is therefore an associate of Mr. Deripaska and is thus a connected person of the Company. Accordingly, the transactions contemplated under the Raw Materials Supply Contracts constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Raw Materials Supply Contracts for the financial year ending 31 December 2018 is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the

announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Raw Materials Supply Contracts will be included in the relevant annual report and accounts of the Company in accordance with Rule 14A.71 of the Listing Rules where appropriate.

HEAT SUPPLY CONTRACTS

THE NEW HEAT SUPPLY CONTRACTS

Reference is made to the announcements of the Company dated 30 December 2016 and 28 February 2017 in relation to the Previously Disclosed Heat Supply Contracts.

The Company announces that members of the Group entered/will enter into contracts with associates of En+, pursuant to which the associates of En+ agreed to supply heat energy to the members of the Group (the “**New Heat Supply Contracts**”), details of which are set out below:

| Date of contract | Purchaser (member of the Group) | Supplier (associate of En+) | Term of contract | Form of heat | Estimated amount of heat to be supplied for each year (approximate) | Estimated consideration payable each year excluding VAT (USD) | Payment terms | |
|------------------|---------------------------------|---------------------------------|-------------------|------------------------|---|---|--|---|
| 1 | 1 January 2018 | PJSC “RUSAL Bratsk” (Shelekhov) | JSC Irkutskenergo | Up to 31 December 2020 | Thermal energy in hot water | Thermal energy: 2018: 136,948 Gcal 2019: 136,948 Gcal 2020: 136,948 Gcal Hot water (coolant component): 2018: 199,505 m3 2019: 199,505 m3 2020: 199,505 m3 | Thermal energy: 2018: 1,908,667 2019: 2,099,534 2020: 2,309,487 Hot water (coolant component): 2018: 47,948 2019: 52,742 2020: 58,017 (Note 1) | First payment of 35% of the total price no later than the 18th day of the current month; second payment of 50% no later than the last day of the current month; and the third payment of 15% no later than the 10th day of the month following the settlement month. |
| 2 | 1 January 2018 | PJSC “RUSAL Bratsk” (Shelekhov) | JSC Irkutskenergo | Up to 31 December 2020 | Thermal energy in a pair | Thermal energy: 2018: 75,870 Gcal 2019: 75,870 Gcal 2020: 75,870 Gcal Chemically purified water: 2018: 103,185 m3 2019: 103,185 m3 2020: 103,185 m3 | Thermal energy: 2018: 1,323,325 2019: 1,429,191 2020: 1,543,526 Chemically purified water: 2018: 95,085 2019: 102,692 2020: 110,907 (Note 2) | First payment of 35% of the total price no later than the 18th day of the current month; second payment of 50% no later than the last day of the current month; and the third payment of 15% no later than the 10th day of the month following the settlement month. |

| Date of contract | Purchaser (member of the Group) | Supplier (associate of En+) | Term of contract | Form of heat | Estimated amount of heat to be supplied for each year (approximate) | Estimated consideration payable each year excluding VAT (USD) | Payment terms | |
|--|--|-----------------------------|-----------------------------|------------------------|---|---|---|---|
| 3 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | JSC Baykalenergo | Up to 31 December 2018 | Thermal energy in hot water | Thermal energy: 2018 : 428 Gcal | Thermal energy: 2018: 14,162 (Note 3) | Payment to be made monthly, no later than the 20th day of the month following the reporting period. |
| 4 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | JSC Baykalenergo | Up to 31 December 2018 | Thermal energy in hot water | Thermal energy: 2018 : 4,362.4 Gcal Coolant: 2018: 54,124.2m3 | Thermal energy: 2018: 146,436 Coolant: 2018: 15,586 (Note 4) | Payment to be made monthly, no later than the 20th day of the month following the reporting period. |
| 5 | 1 January 2018 | JSC "RUSAL Sayanogorsk" | Khakass Utility Systems LLC | Up to 31 December 2018 | Thermal energy | Thermal energy: 2018 : 340,458 Gcal Chemically purified water: 2018: 1,350,000 m3 | Thermal energy: 2018: 4,705,446 Chemically purified water: 2018: 110,969 (Note 5) | First payment to be paid no later than the 20th of the month of the current billing period (month) on the basis of the invoice, the purchaser pays 85% of the total cost of thermal energy. Second payment to be paid no later than the 10th day of the month following the billing period (month), the purchaser pays the difference between the cost of the actual amount of heat energy received and the amount paid previously. |
| 6 | 28 December 2017 (the terms of the contract will commence on 1 January 2018) | RUSAL SAYANAL JSC | Khakass Utility Systems LLC | Up to 31 December 2020 | Heat and chemically purified water | Heat: 2018: 34,000 Gcal 2019: 34,000 Gcal 2020: 34,000 Gcal Chemically purified water: 2018: 77,000 m3 2019: 77,000 m3 2020: 77,000 m3 | 2018: 463,087 2019: 532,550 2020: 612,436 (Note 6) | Payment no later than the 20th day of the month following the accounting month |
| Total estimated consideration for the year: | | | | | | | 2018: 8,830,711 2019: 4,216,709 2020: 4,634,373 | |

Notes:

1. The thermal energy rate is in accordance with the thermal energy tariff and the hot water (coolant component) tariff. The thermal energy tariff for each year is as follows: 2018 — 836.23 RUB/Gcal to 13.94 USD/Gcal; 2019 — 919.86 RUB/Gcal to 15.34 USD/ Gcal; and 2020 — 1,011.85 RUB/Gcal to 16.87 USD/Gcal. The hot water (coolant component) tariff for each year is as follows: 2018 — 14.42 RUB /m³ to 0.24 USD m³; 2019 — 15.87 RUB/m³ to 0.27 USD/m³; and 2020 — 17.46 RUB/m³ to 0.30 USD/m³.
2. The thermal energy rate is in accordance with the thermal energy tariff and the chemically purified water tariff. The thermal energy tariff for each year is as follows: 2018 — 1,046.52 RUB/Gcal to 17.45 USD/ Gcal; 2019 — 1,130.25 RUB/Gcal to 18.84 USD/ Gcal; and 2020 — 1,220.67 RUB/Gcal to 20.35 USD/ Gcal. The chemically purified water tariff for each year is as follows: 2018 — 55.29 RUB/m³ to 0.93 USD/m³; 2019 — 59.72 RUB/m³ to 1.00 USD/m³; and 2020 — 64.5 RUB /m³ to 1.08 USD/m³.
3. The thermal energy rate is in accordance with the thermal energy tariff as follows: for the first half of 2018 — 1,874.98 RUB/Gcal to 31.25 USD/Gcal; and for the second half of 2018 — 2,156.23 RUB/Gcal to 35.94 USD/Gcal.
4. The thermal energy rate is in accordance with the thermal energy tariff and the coolant tariff. The thermal energy tariff is as follows: for the first half of 2018 — 1,874.98 RUB/Gcal to 31.25 USD/Gcal; and for the second half of 2018 — 2,156.23 RUB/Gcal to 35.94 USD/ Gcal. The coolant tariff is as follows: for the first half of 2018 — 16.02 RUB/m³ to 0.27 USD/m³; and for the second half of 2018 — 18.42 RUB/m³ to 0.31 USD/m³.
5. The thermal energy rate is in accordance with the thermal energy tariff and the chemically purified water tariff. The thermal energy tariff is as follows: for the first half of 2018 — 790.59 RUB/Gcal to 13.18 USD/Gcal; and for the second half of 2018 — 877.37 RUB/Gcal to 14.63 USD/Gcal. The chemically purified water tariff is as follows: for the first half of 2018 — 4.73 RUB/m³ to 0.08 USD/m³; and for the second half of 2018 — 5.14 RUB/m³ to 0.09 USD/m³.
6. The thermal energy rate is in accordance with the heat tariff and the chemically purified water tariff. The heat tariff is as follows: 2018: USD13.4; 2019: USD15.5; and 2020: USD17.8. The chemically purified water tariff is as follows: 2018: USD0.08; 2019: USD0.09; and 2020: USD0.11.

The consideration under the New Heat Supply Contracts will be settled in cash via wire transfer or the offsetting of reciprocal obligations.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts should be aggregated, as they were entered into by members of the Group with the associates of En+, and the subject matter of each contract relates to the heat supply by the associates of En+ to the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of En+ under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for each of the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 is estimated to be approximately USD8.949 million, USD4.335 million and USD4.635 million respectively.

Regarding contract numbers 1 and 2 in the table above, JSC Irkutskenergo is the only provider in generation of thermal energy in hot water in the Irkutsk region and the tariffs are regulated by the tariff service of the Irkutsk region, therefore the relevant New Heat Supply Contracts were entered into. Regarding contract numbers 3 and 4 in the table above, JSC Baykalenergo is the only provider in the transport of heat in Sayanogorsk region and has the necessary licenses and permits to render the relevant services, therefore the relevant New Heat Supply Contracts were entered into. Regarding contract numbers 5 and 6 in the table above, Khakass Utility Systems LLC is the only provider in the city of Sayanogorsk in the supply of thermal energy and the rates are regulated by the State Committee on tariffs and energy of the Republic of Khakassia, therefore the relevant New Heat Supply Contracts were entered into.

The contract price under the New Heat Supply Contracts has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for the heat of the same type and quality and those offered by the associates of En+ to independent third parties. The annual aggregate transaction amount is derived from the total contract price under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts, which was based on the need of heat by the Group for the year.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Heat Supply Contracts will be entered into for the purpose of obtaining heat for the Group's production process and for its facilities. The Company considers that the transactions contemplated under the New Heat Supply Contracts are for the benefit of the Company as there is no alternative supplier available in the respective regions.

The Directors (including the independent non-executive Directors) consider that the New Heat Supply Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Heat Supply Contracts are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the New Heat Supply Contracts, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each of JSC Irkutskenergo, JSC Baykalenergo and Khakass Utility Systems LLC. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the New Heat Supply Contracts.

LISTING RULES IMPLICATIONS

Each of JSC Irkutskenergo, JSC Baykalenergo and Khakass Utility Systems LLC is held by En+ (being a substantial shareholder of the Company) as to more than 30% of the issued share capital and is therefore an associate of En+ which is a substantial shareholder of the Company. Accordingly, each of JSC Irkutskenergo, JSC Baykalenergo and Khakass Utility Systems LLC is a connected person of the Company under the Listing Rules. The transactions contemplated under the New Heat Supply Contracts therefore constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts for the financial year ending 31 December 2017 is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and the shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the New Heat Supply Contracts and the Previously Disclosed Heat Supply Contracts will be included in the next annual report and accounts of the Company in accordance with Rule 14A.71 of the Listing Rules where appropriate.

TRANSPORT LOGISTICS SERVICES CONTRACTS

THE NEW TRANSPORT LOGISTICS SERVICES CONTRACTS

Reference is made to the announcement of the Company dated 13 November 2017 in relation to the Previously Disclosed Transport Logistics Services Contract for 2017-2018.

The Company announces that members of the Group and associates of En+ entered/will enter into contracts/addendums/additional agreement pursuant to which the associates of En+ agreed to provide transport logistics services to the members of the Group (the “**New Transport Logistics Services Contracts**”) with major terms set out below:

| No. | Date of contract/ addendum | Customer (member of the Group) | Service provider (associate of En+) | Services | Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD) | Scheduled termination date | Payment terms |
|-----|---|--------------------------------------|---|---|--|-------------------------------|--|
| 1 | 2 Addendums dated 27 December 2017, which are the addendums to the original contract dated 29 December 2016 | JSC “UC RUSAL TH” | «Russian Transport Company» LLC | Organization of transportation of goods railway transport | 1,708,595 (Note 1) | 31 December 2019 | Payment before the 22nd of the month following the month of transportation |
| 2 | Addendum dated 27 December 2017, which is an addendum to the original contract dated 16 February 2017 (the terms of the addendum will commence on 1 January 2018) | JSC “UC RUSAL TH” | «Russian Transport Company» LLC | Organization of transportation of goods railway transport | 5,702,666 (Note 2) | 31 December 2018 | Payment on the first working day of every ten days of the calendar month |
| 3 | Addendum dated 27 December 2017, which is an addendum to the original contract dated 13 January 2017 (the terms of the addendum will commence on 1 January 2018) | RTI LIMITED | Global Commodity Transport Limited | Freight forwarding services for the transportation of goods from Mongolia | 541,560 (Note 3) | 31 December 2018 | 100% prepayment |
| 4 | Additional agreement dated 27 December 2017 to the original contract dated 30 December 2015 | JSC “UC RUSAL TH” | En+ Logistics | Freight forwarding services for the transportation of alumina, aluminum, raw materials and wastes | 2,792,754 (Note 4) | 31 December 2018 | Payment within 10 days from the date of invoicing |
| 5 | Contract dated 27 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC “RUSAL Achinsk” | En+ Logistics | Freight forwarding services for the transportation of raw materials | 168,647 (Note 5) | 31 December 2018 | Payment within 10 days from the date of invoicing |
| 6 | Contract dated 27 December 2017 (the terms of the contract will commence on 1 January 2018) | JSC “RUSAL Boxitogorsk” | En+ Logistics | Freight forwarding services for transportation of electrocorundum and acid-resistant products | 9,660 (Note 6) | 31 December 2018 | Payment within 10 days from the date of invoicing |

| No. | Date of contract/ addendum | Customer (member of the Group) | Service provider (associate of En+) | Services | Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD) | Scheduled termination date | Payment terms |
|-----|--|--------------------------------------|---|----------|--|-------------------------------|---------------|
| | Total estimated consideration payable for the year | | | | 10,923,882 | | |

Notes:

1. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 12,997 wagons).
2. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 45,245 wagons).
3. The basis of calculation is the price for transportation multiplied by the estimated volume required for the year ending 31 December 2018 (approximately 270,780 tons).
4. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 45,560 wagons).
5. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 2,000 wagons).
6. The basis of calculation is the price for transportation of a wagon multiplied by the estimated number of wagons required for the year ending 31 December 2018 (approximately 160 wagons).

The consideration under the New Transport Logistics Services Contracts is to be paid in cash via bank transfer.

THE ANNUAL AGGREGATE TRANSACTION AMOUNT

The contract price payable under the New Transport Logistics Services Contracts has been determined with reference to the market price and on terms no less favourable than those prevailing in the Russian market for transport logistics services of the same type and quality and those offered by the associates of En+ to independent third parties. For the contracts/addendums/additional agreement in number 1 to 6 in the table above, in accordance with the Company's procurement policies and using tools such as the Company's procurement portal, the Company invited several organizations to take part in the tender in relation to the required transport logistics services. The Company's procurement managers, in line with the best-in-class

experience and know-how of the Company's procurement policies, with approval from the Company's bidding committee chose the service provider offering the best terms and conditions (the chosen service provider offered competitive rates with rolling stock guarantee and was able to provide the services required).

Pursuant to Rule 14A.81 of the Listing Rules, the New Transport Logistics Services Contracts are required to be aggregated with the Previously Disclosed Transport Logistics Services Contract as they were each entered into by the Group with the associates of En+ and the subject matter of each contract relates to the provision of transport logistics services by the associates of En+ to the Group.

The annual aggregate transaction amount that is payable by the Group to the associates of En+ under the New Transport Logistics Services Contracts and the Previously Disclosed Transport Logistics Services Contract for the financial year ending 31 December 2018 is estimated to be up to approximately USD21.394 million. This annual aggregate transaction amount is estimated by the Directors based on the need for the transport logistics services by the Group and the contract price.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The New Transport Logistics Services Contracts were entered into for the purpose of obtaining logistics services. The Company considers that the transactions contemplated under the New Transport Logistics Services Contracts are for the benefit of the Company as the services provided are required in the production process of the Group.

The Directors (including the independent non-executive Directors) consider that the New Transport Logistics Services Contracts are on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Transport Logistics Services Contracts are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the New Transport Logistics Services Contracts save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova, who are directors of En+, being the holding company of each of «Russian Transport Company» LLC, Global Commodity Transport Limited and En+ Logistics. Mr. Deripaska is also indirectly interested in more than 50% of the issued share capital of En+. Accordingly, Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the New Transport Logistics Services Contracts.

LISTING RULES IMPLICATIONS

Each of «Russian Transport Company» LLC, Global Commodity Transport Limited and En+ Logistics is an indirect subsidiary of En+ and is therefore an associate of En+ which is a substantial shareholder of the Company. Therefore each of «Russian Transport Company» LLC, Global Commodity Transport Limited and En+ Logistics is a connected person of the Company under the Listing Rules.

The estimated annual aggregate transaction amount of the continuing connected transactions under the New Transport Logistic Services Contracts and the Previously Disclosed Transport Logistics Services Contract for the financial year ending 31 December 2018 is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the New Transport Logistic Services Contracts will be included in the relevant annual report and accounts of the Company in accordance with Rule 14A.71 of the Listing Rules where appropriate.

PRINCIPAL BUSINESS ACTIVITIES

The Company is principally engaged in the production and sale of aluminium, including alloys and value-added products, and alumina.

Limited Liability Company “KraMZ-Auto” is principally engaged in the provision of transportation services.

JSC «Irkutskenergotrans» is principally engaged in the provision of transportation services.

OVE is principally engaged in the provision of transportation services and railway transport.

Achinsk Cement LLC is principally engaged in the production of cement.

Stroyservice LLC is principally engaged in the provision of transportation services and construction materials.

JSC Irkutskenergo is principally engaged in generating heat and electricity.

JSC Baykalenergo is principally engaged in generating heat and electricity.

Khakass Utility Systems LLC is principally engaged in generating heat and electricity.

«Russian Transport Company» LLC is principally engaged in the organization of different kinds of transportation services.

Global Commodity Transport Limited is principally engaged in the organization of different kinds of transportation services.

En+ Logistics is principally engaged in in the organization of different kinds of transportation services.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

| | |
|-------------------------------------|--|
| “associate(s)” | has the same meaning ascribed thereto under the Listing Rules. |
| “Basic Element” | Basic Element Limited, a company incorporated in Jersey. |
| “Board” | the board of Directors. |
| “Company” | United Company RUSAL Plc, a limited liability company incorporated in Jersey, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. |
| “connected person” | has the same meaning ascribed thereto under the Listing Rules. |
| “continuing connected transactions” | has the same meaning ascribed thereto under the Listing Rules. |
| “Director(s)” | the director(s) of the Company. |
| “En+” | En+ Group Limited, a company incorporated in Jersey, a substantial shareholder of the Company. |
| “Group” | the Company and its subsidiaries. |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. |

| | |
|--|--|
| “Mr. Deripaska” | Mr. Oleg Deripaska, an executive Director. |
| “OVE” | JSC “Otdeleniye vremennoy expluatasii”, an indirect subsidiary of En+. |
| “percentage ratios” | the percentage ratios under Rule 14.07 of the Listing Rules. |
| “Previously Disclosed Transportation Contract” | the transportation contract between the member of the Group and the associate of En+, pursuant to which the associate of En+ agreed to provide transportation services to the member of the Group during the years ending 31 December 2017 and 31 December 2018, as disclosed in the announcement of the Company dated 14 November 2017. |
| “Previously Disclosed Heat Supply Contracts” | the heat supply contracts entered into between members of the Group and associates of En+, pursuant to which the associates of En+ agreed to supply heat energy to members of the Group as disclosed in the announcements of the Company dated 30 December 2016 and 28 February 2017. |
| “Previously Disclosed Transport Logistics Services Contract” | the contract entered into between the member of the Group and the associate of En+ as disclosed in the Company’s announcement dated 13 November 2017 in relation to the receipt of transport logistics services by the member of the Group for the years ending 31 December 2017 and 31 December 2018. |
| “substantial shareholder” | has the same meaning ascribed thereto under the Listing Rules. |
| “USD” | United States dollars, the lawful currency of the United States of America. |
| “VAT” | value added tax. |

By Order of the Board of Directors of
United Company RUSAL Plc
Aby Wong Po Ying
Company Secretary

29 December 2017

As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Siegfried Wolf, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya, Ms. Ekaterina Nikitina and Mr. Marco Musetti, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.

All announcements and press releases published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/info.aspx>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.