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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS REPAIR SERVICES**

Reference is made to the announcements of the Company dated 30 October 2017 and 11 December 2017 in relation to the Previously Disclosed Repair Services Contracts.

The Company announces that members of the Group entered into contracts with associates of En+, pursuant to which the associates of En+ agreed to provide repair services to the members of the Group.

#### **THE NEW REPAIR SERVICES CONTRACTS**

Reference is made to the announcements of the Company dated 30 October 2017 and 11 December 2017 in relation to the Previously Disclosed Repair Services Contracts.

The Company announces that members of the Group entered into contracts with associates of En+, pursuant to which the associates of En+ agreed to provide repair services to the members of the Group (the “**New Repair Services Contracts**”), details of which are set out below.

	Date of the contract	Customer (member of the Group)	Contractor (associate of En+)	Term of contract	Repair services	Estimated consideration payable for the year ending 31 December 2018 excluding VAT (USD)	Payment terms
1	29 December 2017 (the term of the contract commenced on 1 January 2018)	JSC “RUSAL Achinsk”	JSC “Bratskenergoremont”	Up to 31 December 2018, may be extended by an addendum	Maintenance of equipment	6,537,020 <i>(Note 1)</i>	A prepayment of 50% of the planned for execution of works is made according to the monthly financial schedule up to the 5th of the month, the final payment of 50% made within 10 calendar days after the end of the reporting month (taking into account actual performance and prepayment)
2	10 January 2018	PJSC “RUSAL Bratsk”	JSC “Irkutskenergoremont”	Up to 31 December 2018	Production equipment maintenance and repair works	1,546,322 <i>(Note 2)</i>	Within 60 calendar days of signing the Performed Works Certificate based on invoice
3	10 January 2018	Limited Liability Company “Russian Engineering Company”	JSC “Irkutskenergoremont”	Up to 31 December 2018	Production equipment maintenance and repair works	799,489 <i>(Note 3)</i>	Within 60 calendar days of signing the Performed Works Certificate based on invoice
	<b>Total estimated consideration payable for the year 2018</b>					8,882,831	

*Notes:*

1. The consideration is based on the contractor’s remuneration at USD9.65/hour excluding VAT for servicing of the plant.
2. The estimated consideration payable is calculated on the basis of labour cost which ranges from USD3.84 to USD4.53 per hour (excluding VAT).
3. The estimated consideration payable is calculated on the basis of labour cost which ranges from USD3.84 to USD4.53 per hour (excluding VAT).

The consideration under the New Repair Services Contracts is to be paid in cash via bank transfer or set-off (for contracts no. 2 and 3).

**THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

The contract price payable under the New Repair 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 repair services of the same type and quality and those offered by the associates of En+ to independent third parties. The

basis of calculation of payments under the New Repair Services Contracts is the price of contract offered by the associate of En+ which is based on the estimated costs (including labour costs and the necessary materials) for the relevant repair works. 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 repair 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 contractor offering the best terms and conditions (taking into account the price, the fact that the contractor performed similar works for the Group successfully previously and the availability of professionals with the required skill and experience) and then entered into the contract with the chosen contractor.

Based on the terms of the New Repair Services Contracts and the Previously Disclosed Repair Services Contracts, the annual aggregate transaction amount that is payable by the Group to the associates of En+ for the financial year ending 31 December 2018 is estimated to be approximately USD9.92 million.

The annual aggregate transaction amount is estimated by the Directors based on the amount of repair services to be received and the contract price.

## **THE AGGREGATION APPROACH**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the New Repair Services Contracts and the Previously Disclosed Repair Services Contracts should be aggregated, as they were entered into by the Group with the associates of the same group of connected persons who are parties connected or otherwise associated with one another, and the subject matter of each of the contracts relates to the receipt of repair and maintenance services by members of the Group.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Directors consider that the New Repair Services Contracts are for the benefit of the Company, as the contractor offered a competitive price.

The Directors (including the independent non-executive Directors) consider that the New Repair Services Contracts have been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and the transactions contemplated under the New Repair 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 Repair Services Contracts, save for Mr. Deripaska, Mr. Maxim Sokov, Ms. Olga Mashkovskaya, Ms. Gulzhan Moldazhanova and Mr. Vladislav Soloviev (since 1 January 2018 when his appointment as director of En+ was effective), who are directors of En+, being the holding company of JSC “Bratskenergoremont” and JSC “Irkutskenergoremont”. 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 Repair Services Contracts (except Mr. Vladislav Soloviev as Mr. Vladislav Soloviev’s appointment as director of En+ had not been effective at the time of the Board resolution).

## **LISTING RULES IMPLICATIONS**

JSC “Bratskenergoremont” and JSC “Irkutskenergoremont” are held by En+ as to more than 30% of the issued share capital and are therefore associates of En+ which is a substantial shareholder of the Company and thus 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 Repair Services Contracts and the Previously Disclosed Repair Services 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 the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Details of the New Repair Services Contracts and the Previously Disclosed Repair Services 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.

## **PRINCIPAL BUSINESS ACTIVITIES**

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

JSC “Bratskenergoremont” is principally engaged in activities for supporting of operability of the equipment, production of electric installation, all-construction works and others.

JSC “Irkutskenergoremont” is principally engaged in activities for supporting of operability of the equipment, thermal power plants.

## **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.
“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(s)”	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.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“Previously Disclosed Repair Services Contract”	the repair services contract between members of the Group and associates of En+, pursuant to which the associates of En+ agreed to provide repair services to the members of the Group during the year 2018, as disclosed in the announcements of the Company dated 30 October 2017 and 11 December 2017.

“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*

11 January 2018

*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.*