

10. Determination of the price (pecuniary valuation) of the services acquired by PJSC "Inter RAO" under the Directors', Officers' and Companies' Liability Insurance Policy to be executed between PJSC "Inter RAO" and JSC "SOGAZ".

11. Approval of the Directors', Officers' and Companies' Liability Insurance Policy to be executed between PJSC "Inter RAO" and JSC "SOGAZ" as a related-party transaction

Clauses 139 and 140 of Part B Section II of the Code of Corporate Management stipulate the following:

“139. It is important to take into account that corporate management is a complex process exposed to the risk that the resolutions adopted by the management bodies of the company as the result of reasonable and bona fide performance of their obligations end up being wrong resolutions and entail negative consequences for the company.

Taking into account the aforesaid, it is recommended that the company proceed to insurance of liability of the members of the board of directors to provide for reparation of damages in the event any damages are caused by the actions of the board of directors to the company or to any third persons. The insurance of liability will not only allow to compensate the damages suffered by the company, but will also assist to attract competent specialists to the board of directors, which might have otherwise been afraid of the possibility to be sued for large amounts.

140. The legislation equally vests the executive management of the company with the obligation to act reasonably and bona fide in the interests of the company. Taking into the account the aforesaid, it is recommended that the recommendations and comments set forth in the present Code as regards the reasonable and bona fide actions of the board of directors and the insurance of liability of the board of directors, be equally applied to the executive management of the Company”.

Liability insurance for directors, executives, and companies is approved by the Board of Directors as obligatory type of insurance within the Company in accordance with Provision on Insurance Coverage of PJSC "Inter RAO" (Minutes No. 83 dated December 17, 2012).

In addition to that, the liability insurance for directors, executives, and companies is required by the Decree of the President of the Russian Federation No. Pr-2206 dated August 3, 2011.

In connection with the expiry of the insurance agreement previously concluded in July 2016.

The Company provides liability insurance for directors, executives, and companies annually starting from 2011.

In connection with the expiry of the insurance agreement previously concluded in July 2016, it is necessary to conclude the same for a new term. Liability insurance agreement for directors, executives, and companies is approved by the Board of Directors as obligatory type of insurance within the Company in accordance with Provision on Insurance Coverage of OJSC "Inter RAO" (Minutes No. 83 dated December 17, 2012).

The said type of insurance is also included in the Insurance Program of the Company adopted by the Board of Directors on August 29, 2014 (Minutes No. 120 dated September 1, 2014).

In the resolution adopted on April 7, 2016, (Minutes No. 165 dated April 7, 2016), the Board of Directors of the Company recommended the Annual Shareholders General meeting to adopt a positive resolution on the issue of pricing (monetary evaluation) of the insurance services and the approval of the insurance agreement as a related party transaction.

Due to the expiry of the previously concluded insurance agreement in July 2016, LLC "Inter RAO – Procurement Management Center" has held an open request for proposals for the right to conclude a liability insurance agreement for directors, executives, and companies for the needs of PJSC "Inter RAO" in 2016-2017. Following the results of the procurement procedure, JSC "SOGAZ" was announced the winner (Minutes No. 8133/OZP-PVP of the Procurement Commission of LLC "Inter RAO — Procurement Management Center" on the issue of election the winner of the open request for proposals dated February 5, 2016).

In accordance with the insurance agreement concluded between PJSC "Inter RAO" (hereinafter — "the Insured") and JSC "SOGAZ" (hereinafter — "the Insurer"), the following companies shall be considered Insured Companies: PJSC "Inter RAO", former Russian affiliates of PJSC "Inter RAO" (only in relation to wrong actions committed within the period when such companies were affiliated companies of PJSC "Inter RAO"), current Russian affiliates of PJSC "Inter RAO" and some of the future affiliates of PJSC "Inter RAO" (for the purpose of the Agreement, Russian companies 50 % or more of authorized capital of which is owned or controlled directly or indirectly by PJSC "Inter RAO" shall be considered Russian affiliates of PJSC "Inter RAO"), as well as the following foreign companies: INTER RAO Holding B.V., INTER RAO Management B.V., Gardabani Holdings B.V., Silk Road Holdings B.V., INTER RAO Trust B.V., RAO Intertech B.V., INTER RAO Finance B.V., INTER RAO Credit B.V., and OrangeWings Ltd.

The liability insurance for directors, executives, and companies will allow to protect the property related interest of the Insured persons in the event of claims filed by third parties in connection with damages caused by the Insured persons as the result of their actions/omissions committed by them at their posts, as well as the property interests of the Insured persons in the event any claims are filed by third parties in connection with damages caused as the result of actions/omissions which constituted a violation of the legislation governing the relations resulting from purchase, sale, placement or offers to purchase or sell securities of the Insured companies.

A comparative analysis of the provisions of the current insurance agreement and the proposed insurance agreement are provided in the table below.

Current agreement (2015-2016)	Proposed agreement for 2016-2017	Comments
cl. 10 of the Insurance Agreement Insurance premium is USD 269,800. USA	cl. 10 of the Insurance Agreement Insurance premium is USD 255,000. USA	Decrease of the insurance premium by 5.3 %
cl. 13 of the Insurance Agreement Insurance rate is 0.1349 %	cl. 13 of the Insurance Agreement Insurance rate is 0.1275 %	Decrease of insurance rate by 5.3 %
Appendix 1. Insurance Policy Terms cl. 23. Sanctions Proviso 23.1 In the event any trade or economic sanctions are imposed against the Insured/the Insured persons/the Beneficiaries and/or the Insurer in accordance to UN resolutions, European Union regulations, European countries, the United Kingdom or the United States, the insurance compensation (compensation for damages) shall be paid in accordance with the present Clause 23. 23.2 The Parties hereby agree that upon the occurrence of an	Appendix 1. Insurance Policy Terms cl. 23. Sanctions proviso 23.1 In the event any trade or economic sanctions are imposed against the Insured/the Insured persons/the Beneficiaries and/or the Insurer in accordance to UN resolutions, European Union regulations, European countries, the United Kingdom or the United States, the insurance compensation (compensation for damages) shall be paid in accordance with the present Clause 23. 23.2 The Parties hereby agree that upon the occurrence of an event classifiable as an insured event under the Insurance agreement and after the	The decrease of the limits applicable to the insurance compensation for the term of Sanctions from USD 20 mln to USD 10 mln is due to the lack of stability at the foreign currency market and to the considerable increase in the US dollar exchange rate.

event classifiable as an insured event under the Insurance agreement and after the adoption of the decision by the Insurer to recognize this event as an insured event, the following procedure of payment of insurance compensation shall apply:

(i) The Insurer undertakes to make all the reasonable efforts to collect the insurance compensation from the Reinsurers in full, and to hold all the necessary negotiations with the Reinsurers and the reinsuring brokers in the framework of payment of compensation for damages, notwithstanding the existence of possible sanctions imposed on the Insurer/ the Insured/ the Insured persons or the Beneficiaries;

(ii) In the event at the moment when the Insurer signs the claim report for insurance compensation for an insured event and/or for advance payment / payment / compensation by the Insurer of the expenses in accordance with Section 8 of the Policy Terms related to the Insurer/ the Insured / the Insured persons / the Beneficiaries, any sanctions are in force, which impedes the payment of the reinsurance compensation by the respectful Reinsurer partially or in full under the insurance agreements, including the possible blocking of the monetary transfers by banks in connection to the existent Sanctions, the insurance compensation for such an insured event under Insurance Agreement and/or advance payment / payment /

adoption of the decision by the Insurer to recognize this event as an insured event, the following procedure of payment of insurance compensation shall apply:

(i) The Insurer undertakes to make all the reasonable efforts to collect the insurance compensation from the Reinsurers in full, and to hold all the necessary negotiations with the Reinsurers and the reinsuring brokers in the framework of payment of compensation for damages, notwithstanding the existence of possible sanctions imposed on the Insurer/ the Insured/ the Insured persons or the Beneficiaries;

(ii) In the event at the moment when the Insurer signs the claim report for insurance compensation for an insured event and/or for advance payment / payment / compensation by the Insurer of the expenses in accordance with Section 8 of the Policy Terms related to the Insurer / the Insured / the Insured persons / the Beneficiaries, any Sanctions are in force, which impedes the payment of the reinsurance compensation by the respectful Reinsurer partially or in full under the insurance agreements, including the possible blocking of the monetary transfers by banks in connection to the existent Sanctions, the insurance compensation for such an insured event under Insurance Agreement and/or advance payment/payment/compensation by the Insurer of the expenses in accordance with Section 8 of the Policy Terms for the term of such Sanctions shall be paid within the limits of ten million (10,000,000) US dollars in ruble equivalent;

(iii) The amount of the insurance compensation and/or costs in accordance with Section 8 of Policy Terms with respect to the amount exceeding ruble equivalent of ten

<p>compensation by the Insurer of the expenses in accordance with Section 8 of the Policy Terms for the term of such Sanctions shall be paid within the limits of twenty million (20,000,000) US dollars in ruble equivalent;</p> <p>(iii) The amount of the insurance compensation and/or costs in accordance with Section 8 of Policy Terms with respect to the amount exceeding ruble equivalent of twenty million (20,000,000) US dollars shall be paid to the Insurer / Insured / Beneficiaries after the obtaining by the Insurer of the reinsurance money under reinsurance agreement(s) in connection with the occurrence of insured event under the Insurance Agreement;</p> <p>(iv) The Insurer shall on the request of the Insured provide the written notices received from the corresponding Reinsurer(s) on the impossibility of payment of reinsurance money (compensation of the Insurer's damages), addressed to the Insurer or to the broker who placed the risks insured under the Insurance Agreement in reinsurance.</p>	<p>million (10,000,000) US dollars shall be paid to the Insurer / Insured / Beneficiaries after the obtaining by the Insurer of the reinsurance money under reinsurance agreement(s) in connection with the occurrence of insured event under the Insurance Agreement;</p> <p>(iv) The Insurer shall on the request of the Insured provide the written notices received from the corresponding Reinsurer(s) on the impossibility of payment of reinsurance money (compensation of the Insurer's damages), addressed to the Insurer or to the broker who placed the risks insured under the Insurance Agreement in reinsurance.</p>								
<p>Appendix 1. Policy Terms</p> <table border="1" data-bbox="256 1525 655 2056"> <tr> <td data-bbox="256 1525 655 1570">2.61 Subsidiary company</td> </tr> <tr> <td data-bbox="256 1570 655 1615">means any of the following:</td> </tr> <tr> <td data-bbox="256 1615 655 2056">(i) any Russian organization (including any legal entity) in which the Insurer (a) at any moment prior to the beginning of the Insurance term and/or (b) at the moment of beginning of the Insurance term, directly or indirectly, through one or several organizations (including any legal</td> </tr> </table>	2.61 Subsidiary company	means any of the following:	(i) any Russian organization (including any legal entity) in which the Insurer (a) at any moment prior to the beginning of the Insurance term and/or (b) at the moment of beginning of the Insurance term, directly or indirectly, through one or several organizations (including any legal	<p>Appendix 1. Policy Terms</p> <table border="1" data-bbox="710 1480 1189 2056"> <tr> <td data-bbox="710 1480 1189 1525">2.61 Subsidiary company</td> </tr> <tr> <td data-bbox="710 1525 1189 1570">means any of the following:</td> </tr> <tr> <td data-bbox="710 1570 1189 1973">(i) any Russian organization (including any legal entity) in which the Insurer (a) at any moment prior to the beginning of the Insurance term and/or (b) at the moment of beginning of the Insurance term, directly or indirectly, through one or several organizations (including any legal entities):</td> </tr> <tr> <td data-bbox="710 1973 1189 2056">(a) owned/owns and/or controlled/controls at least 50 %</td> </tr> </table>	2.61 Subsidiary company	means any of the following:	(i) any Russian organization (including any legal entity) in which the Insurer (a) at any moment prior to the beginning of the Insurance term and/or (b) at the moment of beginning of the Insurance term, directly or indirectly, through one or several organizations (including any legal entities):	(a) owned/owns and/or controlled/controls at least 50 %	<p>The list of Insured foreign companies has been updated: Inter RAO Europe B.V., INTER RAO GenCo B.V. and Asia Energy B.V. have been excluded.</p>
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(a) owned/owns and/or controlled/controls at least 50 %									

<p>entities):</p>	<p>of the authorized (share) capital of such an organization; and/or</p>	
<p>(a) owned/owns and/or controlled/controls at least 50 % of the authorized (share) capital of such an organization; and/or</p>	<p>(b) controlled/controls the election of the majority of the members of the board of directors (supervisory board) and/or collegiate executive body (management board) or any other management body of such an organization similar to the above mentioned bodies; and/or</p>	
<p>(b) controlled/controls the election of the majority of the members of the board of directors (supervisory board) and/or collegiate executive body (management board) or any other management body of such an organization similar to the above mentioned bodies; and/or</p>	<p>(c) in accordance with Art. 67.3 of the Civil Code of the Russian Federation (including all amendments and supplements) otherwise had/has the possibility to control the resolutions adopted by such an organization; and/or</p>	
<p>(c) in accordance with Art. 67.3 of the Civil Code of the Russian Federation (including all amendments and supplements) otherwise had/has the possibility to control the resolutions adopted by such an organization; and/or</p>	<p>(ii) any "New subsidiary company" in accordance to the extension set forth in Cl. 3.8 of the present Policy Terms; and/or</p>	
<p>(ii) any "New subsidiary company" in accordance to the extension set forth in Cl. 3.8 of the present Policy Terms; and/or</p>	<p>(iii) INTER RAO Holding B.V. (registration No. 34300159); and/or</p>	
<p>(iii) INTER RAO Holding B.V. (registration No. 34300159); and/or</p>	<p>(iv) INTER RAO Management B.V. (registration number 24278225); and/or</p>	
<p>(iv) INTER RAO Management B.V. (registration number 24278225); and/or</p>	<p>(v) Gardabani Holdings B.V. (registration number 33305566); and/or</p>	
<p>(v) Gardabani Holdings B.V. (registration number 33305566); and/or</p>	<p>(vi) Silk Road Holdings B.V. (registration number 33303554); and/or</p>	
<p>(vi) Silk Road Holdings B.V. (registration number 33303554); and/or</p>	<p>(vii) INTER RAO Trust B.V. (registration number 34308034); and/or</p>	
<p>(vii) INTER RAO Trust B.V. (registration number 34308034); and/or</p>	<p>(viii) RAO Intertech B.V. (registration number 51390167); and/or</p>	
	<p>(ix) INTER RAO Finance B.V. (registration number 52219593); and/or</p>	
	<p>(x) INTER RAO Credit B.V. (registration number 52397173); and/or</p>	
	<p>(xi) OrangeWings Ltd (registration number 1544710).</p>	

(viii) Asia Energy B.V. (registration number 34320807); and/or		
(ix) RAO Intertech B.V. (registration number 51390167); and/or		
(x) INTER RAO GenCo B.V. (registration number 60970499); and/or		
(xi) Inter RAO Europe B.V. (registration number 54125936); and/or		
(xii) INTER RAO Finance B.V. (registration number 52219593); and/or		
(xiii) INTER RAO Credit B.V. (registration number 52397173); and/or		
(xiv) OrangeWings Ltd (registration number 1544710).		

It is proposed that the annual shareholders general meeting approve the following resolution:

→ **On Item 10:**

The price (monetary valuation) of the services acquired by PJSC "Inter RAO" under the Directors', Officers' and Companies' Liability Insurance Policy between PJSC "Inter RAO" and JSC "SOGAZ" shall be determined in the amount equal to the amount of the insurance premium not exceeding USD 255,000 (Two hundred fifty five thousand).

It is proposed that the annual shareholders general meeting approve the following resolution:

→ **On Item 11:**

11.1. Approve the liability insurance agreement for directors, officers, and companies between PJSC "Inter RAO" and JSC "SOGAZ" (hereinafter the "Agreement") as a related-party transaction concluded on the following fundamental conditions:

11.1.1. Parties to the Agreement:

The Insured — PJSC "Inter RAO";

The Insurer — JSC "SOGAZ".

11.1.2. Parties insured under the Agreement:

Insured legal entities (hereinafter "Insured Companies") — PJSC "Inter RAO", former Russian subsidiaries of PJSC "Inter RAO" (only in relation to wrongdoings committed during the period when such companies were subsidiaries of PJSC "Inter RAO"), current Russian subsidiaries of PJSC "Inter RAO" and some of the future affiliates of PJSC "Inter RAO" (for the purpose of the Agreement, Russian companies 50% or more of whose authorized capital is owned or

controlled directly or indirectly by PJSC "Inter RAO" shall be considered Russian affiliates of PJSC "Inter RAO"), as well as the following foreign companies: INTER RAO Holding B.V., INTER RAO Management B.V., Gardabani Holdings B.V., Silk Road Holdings B.V., INTER RAO Trust B.V., RAO Intertech B.V., INTER RAO Finance B.V., INTER RAO Credit B.V., and OrangeWings Ltd.

Insured physical persons (hereinafter, "Insured Persons") — any person that has ever been, is or will become in future a member of the Board of Directors (Supervisory Board) of any Insured Company; any person that has held, holds or will hold a position / post or has executed, executes or will execute the functions / responsibilities of the sole executive body, deputy of the sole executive body, member of collegiate executive body (board, directorate, etc.), chief accountant, head of legal service (chief legal consultant, head of legal department, directorate, etc.), risk manager (head of subdivision, department, directorate, etc.), corporate secretary, secretary for the Board of Directors (Supervisory Board); some other employees of the Insured Companies; any person that has ever had, has or will have the right to sign documents and/or provide any representations and/or make any announcements (give commentaries) on behalf of any Insured Company; any person that has ever been, is or will become the director of a detached company, a shadow director, a de facto director, a member of a committee formed upon the resolution or approved by the Board of Directors of any Insured Company; any person named as a supposed member of the Board of Directors (Supervisory Board) or officer in any issue related documents, documents related to offer of securities, to listing, in prospects and reports of any Insured Company; any person that has ever been, is or will become a member of the Central Procurement Committee, the Permanent Procurement Commission, the Procurement Commission or any similar body of any Insured Company; the spouses, cohabitants, as well as managers, heirs, bankruptcy / inheritance trustees, legal representatives, legal successors, but only in relation to liability for action / omission of action by the Insured Persons in the positions / posts that they hold in the Insured Companies or detached companies.

The Insured Persons and the Insured Companies are jointly referred to as the "Insured".

11.1.3. Beneficiaries under the Agreement: The Insured, as well as any other third parties to which the Insured may cause harm/loss.

11.1.4. Price under the Agreement (amount of the insurance premium): no more than two hundred and fifty-five thousand (255,000) US dollars.

11.1.5. Subject matter of the Agreement: Subject to all the provisions of the Agreement, the Insurer undertakes to pay, upon the occurrence of any insured event stipulated in the Agreement, an insurance indemnity to the Insured and/or to any other eligible person in accordance with the Agreement.

11.1.6. Types of insurance coverage under the Agreement:

Insurance Coverage A — covers the Insured Persons' liability for actions / omissions committed by them while holding posts / positions in the Insured Companies and/or in stand-alone companies, as well as the costs and expenses incurred by the Insured Persons in connection with such liability.

Insurance Coverage B — covers the Insured Companies' costs and expenses incurred in connection with the Insured Companies' indemnifying the Insured Persons for the amounts of their liability for actions / omissions committed by them while holding posts / positions in the

Insured Companies and/or in stand-alone companies, as well as the costs and expenses incurred by the Insured Persons in connection with such liability.

Insurance Coverage C — covers the Insured Companies' liability for actions / omissions which constitute a violation of laws regulating relations in respect of the acquisition, sale, placement or offer to acquire or to sell the securities of such Insured Companies, as well as the costs and expenses incurred by the Insured Companies in connection with such liability.

11.1.7. Exclusions from insurance coverage under the Agreement:

The following shall not be covered by the Agreement:

— amounts of taxes payable by the Insured in question;

— any expenses or costs incurred in connection with the verification, monitoring, cleanup, removal, maintenance, processing, neutralization, detoxification or analysis of the effect of pollutants, or expenses or costs incurred in connection with the restoration of the initial condition of natural resources or property;

— actions / omissions of the Insured which took place after reorganization of PJSC "Inter RAO" such that PJSC "Inter RAO" ceases to exist or control over PJSC "Inter RAO" changes;

— administrative proceedings, procedural actions, and investigations initiated / conducted by the regulating authorities with respect to the Insured Companies in connection with the violation of legislation on securities;

— requirements associated with: (a) earning by the Insured in question of any income or financial gains to which such Insured had no legal right; (b) commission by the Insured in question of any intentional criminal offense or fraud; (c) prior requirements and circumstances; (d) bodily injuries and damage to property; (e) pension and social programs; (f) American requirements imposed by an Insured company or by a stand-alone company against an Insured person; (g) public placement (by public subscription) during the insurance period of securities of the Insured company certifying equity holding in such Insured Company.

11.1.8. Insurance period: from July 15, 2016, to July 14, 2017 (both dates inclusive).

11.1.9. Discovery periods start immediately after the insurance period or premature termination of the Insurance Agreement:

60 days automatically without payment of an additional insurance premium;

1 year upon payment of an additional insurance premium of 75% of the full annual insurance premium;

3 years upon payment of an additional insurance premium of 175% of the full annual insurance premium.

11.1.10. Franchises under the Agreement:

For Insured Persons – a maximum of fifty thousand (50,000) US dollars;

For Insured Companies – a maximum of one hundred and fifty thousand (150,000) US dollars.

11.1.11. Insured amount under the Agreement: Two hundred million (200,000,000) US dollars.

Additional insured amount for each independent director – one million (1,000,000) US dollars, provided that the additional insured amount for all independent directors in the aggregate will not exceed five million (5,000,000) US dollars.

Administrative and criminal fines levied upon an Insured (to the extent their insurance is provided for by applicable laws) are insured for up to five million (5,000,000) US dollars.

11.1.12. Objects of insurance under the Agreement:

— as it pertains to insurance against the Insureds' liability — the Insured's property interests related to the risk of an obligation arising to reimburse other persons for damages incurred.

— as it pertains to the insurance of the Insured's costs and expenses — the Insured's property interests related to any costs and expenses.

— as it pertains to the insurance of the Insured Companies' costs as a part of Insurance Coverage B – the Insured Companies' property interests related to reimbursement by the Insurance Companies of the amounts of the Insured Persons' liability for actions / omissions committed by them while holding posts / positions at the Insured Companies and/or at stand-alone companies, as well as costs and expenses incurred by Insured Persons in connection with such liability.

11.1.13. Insured events under the Agreement:

— as it pertains to the insurance of the Insureds' liability — the occurrence of all of the following circumstances: (a) incurrence by an Insured of an obligation to reimburse damages incurred by other persons in relation to any actions or omissions of the Insured; and (b) any claim made against the Insured for damages incurred by other persons specified in cl. (a) above;

— as it pertains to the insurance of the costs and expenses of the Insured — claims made against an Insured that may involve costs and expenses to such Insured or the necessity of bearing such costs and expenses in connection with such claim.

— as it pertains to the insurance of the costs and expenses of the Insured Companies as a part of Insurance Coverage B — claims made against any Insured Person which may involve costs / expenses to the Insured Company in connection with the reimbursement paid by such Insured Company in connection with such claim.

11.1.14. The Agreement shall enter into force upon signing and remain in effect until the expiry of the insurance, and in the case of a discovery period, until the expiry of the applicable discovery period.

11.1.15. In the case of the imposition of trade or economic sanctions by UN resolutions, regulatory documents of the European Union, states of Europe, Great Britain or the United States of America with respect to the Insured, Beneficiaries and/or Insurer which prevent payment of the insurance premium, the insurance premium for the period when such sanctions are in effect will be paid under the Agreement in rubles up to a maximum amount of ten million (10,000,000) US dollars. The amount of insurance indemnity and/or costs with respect to the amount exceeding the ruble equivalent of ten million (10,000,000) US dollars shall be paid to the Insurer / Insured / Beneficiaries after the Insurer obtains the reinsurance money under the reinsurance contract(s) in connection with the occurrence of loss under the Insurance Agreement.

