

11.10. Approval of Transactions with Banks During Regular Business Activities

In the course of its business activities, PJSC "Inter RAO" needs to conclude various deals, including but not limited to:

- opening letters of credit (including without cover), with the payment of commission;
- provision of services by the Contractors for organization of electronic data transmission systems and electronic payment systems, including those which provide acceptance from or transfer to the Contractors of electronic payment documents for debit account transactions, receipt of electronic account statements, and other electronic document flow; with payment for services at the rates of the relevant Contractor which are available at the moment of service delivery:
- opening of deposits (including with conversion) by the Company, with interest payment;
- Contractors opening PJSC "Inter RAO" accounts under conditions they set, and their performance of transactions on these accounts, with payment of remuneration by the Company for carrying out the relevant bank transactions as per tariffs of the corresponding Contractor applicable at the time of the transaction; entitlement of Contractors to direct debit funds from PJSC "Inter RAO" accounts opened by these contractors; maintenance of a minimum balance on the accounts opened by the Contractor for the Company with the payment of interest by the Contractor(s) to the Company;
- issue of bank guarantees without limitation in order to ensure performance of the Company's obligations with payment of commission by the Company;
- purchase and sale of currency;
- provision of loans to PJSC "Inter RAO" (receipt by PJSC "Inter RAO") in the form of an overdraft, with payment of loan interest and commission;
- purchase and sale of financial derivatives (including currency swaps), the underlying asset of which is a foreign currency;
- entry into rate swap transactions with the Company receiving and paying periodical payments calculated with floating and fixed interest rates.

The volume and period of transactions proposed for approval are determined by the Company's needs associated with regular business activity. Tariffs, cost of services, interest and commission rates are determined by financial market conditions and calculated with allowance for existing treaties and agreements.

The general list of potential contractor banks for transactions is determined by their experience working with Inter RAO Group's enterprises and other organizations in the power sector. The Company currently enjoys well-established relations with more than 20 credit organizations. Transactions are made in accordance with limits for transactions with financial institutions established at PJSC "Inter RAO". As the need arises for concluding transactions, the Company sends requests to potential contractors and consolidates indicative offers it receives. According to the results of a comparative analysis of quotations, the Company selects the bank offering the most favorable conditions for a given transaction. In so doing, the selection is made both among contractors whose transactions have signs of a non-arm's-length transaction, and among contractors whose transactions do not have such features.

In accordance with Article 81 of Federal Law No. 208-FZ "On Joint-Stock Companies" dated December 26, 1995, the transactions offered for consideration are (or can be further recognized as) non-arm's-length transactions:

- Andrey Akimov is a member of the Board of Directors of JSC ROSNEFTEGAZ, a shareholder owning more than 20% of voting shares of PJSC "Inter RAO", and is a member of the Board of Directors of Bank GPB (JSC). Andrey Akimov is also the Chairman of the Management Board of Bank GPB (JSC). The member of the Board of Directors of PJSC "Inter RAO" Anatoly Gavrilenko is simultaneously a member of the Board of Directors of Bank GPB (JSC).
- Matthias Warnig is the Deputy Chairman of the Board of Directors of JSC Oil Company Rosneft, a shareholder owning, jointly with its affiliate JSC ROSNEFTEGAZ, more than 20% of the Company's voting shares and is simultaneously a Supervisory Board member of VTB Bank (PJSC).

- Father of the Chairman of the Management Board of the Company Yu.V. Kovalchuk owns more than 20% of the voting shares of JSB Russia OJSC.

According to Article 49 Clause 3 of the Law "On Joint Stock Companies", the resolutions of the General Shareholders Meeting on the approval of non-arm's-length transactions shall be made only at the suggestion of the Board of Directors.

In accordance with Article 83 Clause 7 and Article 77 of the Law "On Joint Stock Companies", when the General Shareholders Meeting approves a related-party transaction, the price of such transaction shall be approved by the Board of Directors.

It is proposed that shareholders vote for two transaction groups depending on the group of interested parties who do not vote on these items.

☞ Recommendations to the annual General Meeting on approving such transactions were given by the Board of Directors at the meeting on April 7, 2016 (Minutes No. 165 dated April 7, 2016); in addition, the price (monetary value) of the property (monetary funds) under these transactions was determined in the following amount:

➔ *Determine the price (monetary value) of the property or obligations under a non-arm's-length transaction (a number of related transactions) entered into between PJSC "Inter RAO" and GPB Bank (JSC), and/or VTB Bank (PJSC), (hereinafter referred to separately as the Contractor), in the following amount (for all transactions with each of the Contractors without any limitation of total number of transactions with one or several (or with all) Contractors, provided that the sum of prices (monetary values) of the property or obligations under all concurrent transactions, which are combined below on the grounds of the transaction type as a separate subparagraph and entered into with any one Contractor, does not exceed the amount determined in the corresponding subclause):*

1. On opening letters of credit (including those without security) in the maximum amount of ten billion (10,000,000,000) rubles or its equivalent in US dollars or euro, with payment of fees at a rate of no more than 3.5 % per annum in rubles/US dollars/euro.

2. On Contractors rendering services on the organization of electronic data transmission systems and electronic payment systems, including those which provide acceptance from or transfer to the Contractors of electronic payment documents for debit account transactions, receipt of electronic account statements, and other electronic document flow; the fees are payable at the rates of the relevant Contractor which are available at the moment of service delivery.

3. On the Company opening deposits (including those with conversion) in an amount of no more than twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro, with payment of interest at a rate of no more than 0.05% per annum in the respective currency.

4. On opening of the Company's account(s) and execution of transactions on such accounts at the rates of the relevant Contractor which are available at the moment of the transaction on such accounts; on granting the Contractors the right to direct debit funds from the Company's accounts opened by Contractors, and maintenance on the Company's accounts opened by the Contractors of a minimum balance in the ceiling amount of no more than twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro, with payment by a relevant Contractor of interest at a rate of no more than 0.05% per annum in the respective currency.

5. On the issue of bank guarantees without limitation, with the purpose of PJSC "Inter RAO" performing its obligations to third parties, in the maximum total amount of forty billion (40,000,000,000) rubles or its equivalent in US dollars or euro, with payment of fees for issuing the bank guarantee at a rate of no more than 4% per annum in rubles/US dollars/euros of the amount of the issued bank guarantee.

6. Purchase and sale of foreign currency in the maximum total amount of ten billion (10,000,000,000) rubles or its equivalent in US dollars or euro, at the exchange rate for sale by the Company at least equal to the official exchange rate of the Bank of Russia as of the date of the transaction, and at the exchange rate for purchase by the Company no greater than the official exchange rate of the Bank of Russia as of the date of transaction and multiplied by 1.1.

7. On granting to PJSC "Inter RAO" (acceptance by PJSC "Inter RAO") of loans in the form of an overdraft in the maximum total amount of twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro for a lending period for each transaction of no more than ninety (90) days, with the agreement term of no more than two (2) years, with interest payments on loans and loan fees in rubles at a rate of no more than the Bank of Russia key rate +10% per annum, for loans in US dollars and euro— at a rate calculated on the basis of a rate not exceeding LIBOR/EURIBOR + 7% per annum.

8. With derivative financial instruments for the purchase and sale of foreign currency (including a currency swap) in the total ceiling amount of basic assets of twenty billion (20,000,000,000) rubles or its equivalent in foreign currency at least equal to the official exchange rate of the Bank of Russia as of the date of transaction, in the event of foreign currency sale, and no more than the official exchange rate of the Bank of Russia as of the date of the transaction, multiplied by 1.1, in the event of foreign currency purchase.

9. The interest rate swap and cross-currency interest rate swap, under which the Contractor pays PJSC "Inter RAO" periodic payments based on the calculation of the MOSPRIME/LIBOR/EURIBOR rate, and PJSC "Inter RAO" shall pay the contracting party periodic payments based on the calculation of a rate that is not more than 20% per annum (for interest rate swaps in rubles) and not more than 10% per annum (for interest rate swaps in US dollars and euro) for a total ceiling amount of the underlying asset of twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro for a period of not more than ten (10) years.

The price for all approved transactions was determined as part of a unified resolution of the Board of Directors.

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

11.10.1. Approve transactions between PJSC "Inter RAO", of the one part, and GPB Bank (PJSC), and/or VTB Bank (PJSC) (hereinafter referred to individually as the "Contractor"), of the other part as non-arm's-length transactions (several inter-related transactions), which may be performed in the future by PJSC "Inter RAO" as part of its regular business activity, under the following conditions (conditions shall be defined for all transactions with each of the Contractors without limitation on the total number of transactions with one or several (all) of the Contractors, but providing that the sum of prices (monetary evaluation) of assets or liabilities on all simultaneous transactions, combined below on the basis of the type of transaction in a separate subclause and concluded with any one of the Contractors shall not exceed the values specified in the corresponding subclause):

11.10.1.1. Transactions on the opening of letters of credit (including without coverage) for a total ceiling amount of the letters of credit of ten billion (10,000,000,000) rubles or its equivalent in US dollars or euro, with payment of commission at a rate of not more than three point five (3.5) percent per annum in rubles/US dollar/euro, the effective term of each letter of credit being not more than ten (10) years.

11.10.1.2. Transactions, under which PJSC "Inter RAO" receives services from Contractors for organizing electronic communication systems and electronic payment systems, including those providing for the reception from or transfer by Contractors of electronic payment documents for performed debit transactions on accounts, receipt of electronic account statements, handling other electronic documents, with payment for the services at the tariffs of the relevant Contractor effective at the time of service provision, the term of service provision being not more than ten (10) years.

11.10.1.3. Transactions on placement of deposits (including with conversion) in a total ceiling amount not exceeding twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro for a period of not more than ten (10) years with interest payable to the Company at a rate of not less than zero point zero five (0.05%) in the respective currency.

11.10.1.4. Transactions, in accordance with which the Contractors open accounts for PJSC "Inter RAO" and carry out operations on such accounts under the terms set by them, with the payment of remuneration by the Company for the relevant banking transactions as per tariffs of the relevant Contractor, applicable at the time of the transaction; the agreements on granting Contractors the rights to direct debit funds from the accounts of PJSC "Inter RAO" opened by these Contractors; transactions for maintaining a minimum balance on the accounts opened by the Contractors for the Company of a ceiling amount of not more than twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro, with interest paid by the Contractor(s) to the Company at a rate not less than zero point zero

five (0.05%) per annum in the respective foreign currency for a period of not more than ten (10) years.

11.10.1.5. Transactions for the issue of bank guarantees without limitation on their number in order to ensure performance of the Company's liabilities for the maximum total amount of all issued bank guarantees up to forty billion (40,000,000,000) rubles or its equivalent in US dollars or euro with the Company's payment of the commission fee for the issue of the bank guarantees at a rate of not more than four (4) percent per annum in RUB/EUR/USD with an effective term for each of the bank guarantees of not more than ten (10) years.

11.10.1.6. Purchase and sale transactions of foreign currency to a total ceiling amount of 10,000,000,000 (ten billion) rubles or its equivalent in US dollars or euro at the exchange rate for the sale of foreign currency by the Company not less than the rate established by the Bank of Russia on the transaction date, and at the rate of currency purchase by the Company not higher than that set by the Bank of Russia on the transaction date and multiplied by 1.1.

11.10.1.7. Transactions involving PJSC "Inter RAO" obtaining loans in the form of an overdraft, with a total ceiling amount not exceeding 20,000,000,000 (twenty billion) rubles or its equivalent in US dollars or euro for a lending period for each transaction not exceeding ninety (90) days, with the effective term of the agreement of not more than two (2) years, with interest payments on loans and commission on loans in rubles at a rate of not more than the Bank of Russia key rate plus ten (10) percent per annum, for loans in US dollars and euro - at a rate calculated based on a rate not exceeding LIBOR/EURIBOR + 7 (seven) percent per annum.

11.10.1.8. Transactions with derivative financial instruments for the purchase and sale of foreign currency (including currency swaps) for a total ceiling amount of the underlying asset of twenty billion (20,000,000,000) rubles or its equivalent in foreign currency for a period of not more than ten (10) years, at a rate not lower than that set by the Bank of Russia as of the transaction date, in the event of sale of foreign currency, and not higher than that set by the Bank of Russia as of the transaction date multiplied by one point one (1.1), in the event of foreign exchange purchases.

11.10.1.9. The interest rate swap, cross-currency interest rate swap transactions, under which the Contractor makes periodic payments to PJSC "Inter RAO" based on the calculation of the MOSPRIME/LIBOR/EURIBOR rate, and PJSC "Inter RAO" shall make periodic payments to the Contractor based on the calculation of rate not more than twenty (20) % per annum (for interest rate swaps in rubles) and not more than 10 (ten) % per annum (for interest rate swaps in US dollars and euro) for a total ceiling amount of the underlying asset of 20,000,000,000 (twenty billion) rubles or its equivalent in US dollars or euro for a period of not more than ten (10) years.

11.10.2. Approve the transactions between PJSC "Inter RAO", of the one part, and of JSB ROSSIYA (JSC) (hereinafter, the "Contractor"), of the other part, as non-arm's-length transactions (several inter-related transactions), and which may be performed in future in the course of the regular business activity of PJSC "Inter RAO", on the following material terms and conditions (conditions shall be defined for all transactions with the Contractor without limiting the total number of transactions, but providing that the sum of prices (monetary evaluations) of assets or liabilities on all simultaneous transactions, combined below on the basis of the type of transaction in a separate subclause and concluded with the Contractor shall not exceed the values specified in the corresponding subclause):

11.10.2.1. Transactions on the opening of letters of credit (including without coverage) for a total ceiling amount of the letters of credit of ten billion (10,000,000,000) rubles or its equivalent in US dollars or euro, with payment of commission at a rate of not more than three point five (3.5) percent per annum in rubles/US dollar/euro, the effective term of each letter of credit being not more than ten (10) years.

11.10.2.2. Transactions, under which PJSC "Inter RAO" receives services from Contractors for organizing electronic communication systems and electronic payment systems, including those providing for the reception from or transfer by Contractors of electronic payment documents for performed debit transactions on accounts, receipt of electronic account statements, handling other electronic documents, with payment for the services at the tariffs of the relevant Contractor effective at the time of service provision, the term of service provision being not more than ten (10) years.

11.10.2.3. Transactions on placement of deposits (including with conversion) in a total ceiling amount not exceeding twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro for a period of not more than ten (10) years with interest payable to the Company at a rate of not less than zero point zero five (0.05%) in the respective currency.

11.10.2.4. Transactions, in accordance with which the Contractors open accounts for PJSC "Inter RAO" and carry out operations on such accounts under the terms set by them, with the payment of remuneration by the Company for the relevant banking transactions as per tariffs of the relevant Contractor, applicable at the time of the transaction; the agreements on granting Contractors the rights to direct debit funds from the accounts of PJSC "Inter RAO" opened by these Contractors; transactions for maintaining a minimum balance on the accounts opened by the Contractors for the Company of a ceiling amount of not more than twenty billion (20,000,000,000) rubles or its equivalent in US dollars or euro, with interest paid by the Contractor(s) to the Company at a rate not less than zero point zero five (0.05%) per annum in the respective foreign currency for a period of not more than ten (10) years.

11.10.2.5. Transactions for the issue of bank guarantees without limitation on their number in order to ensure performance of the Company's liabilities for the maximum total amount of all issued bank guarantees up to forty billion (40,000,000,000) rubles or its equivalent in US dollars or euro with the Company's payment of the commission fee for the issue of the bank guarantees at a rate of not more than four (4) percent per annum in RUB/EUR/USD with an effective term for each of the bank guarantees of not more than ten (10) years.

11.10.2.6. Purchase and sale transactions of foreign currency to a total ceiling amount of 10,000,000,000 (ten billion) rubles or its equivalent in US dollars or euro at the exchange rate for the sale of foreign currency by the Company not less than the rate established by the Bank of Russia on the transaction date, and at the rate of currency purchase by the Company not higher than that set by the Bank of Russia on the transaction date and multiplied by 1.1.

11.10.2.7. Transactions involving PJSC "Inter RAO" obtaining loans in the form of an overdraft, with a total ceiling amount not exceeding 20,000,000,000 (twenty billion) rubles or its equivalent in US dollars or euro for a lending period for each transaction not exceeding ninety (90) days, with the effective term of the agreement of not more than two (2) years, with interest payments on loans and commission on loans in rubles at a rate of not more than the Bank of Russia key rate plus ten (10) percent per annum, for loans in US dollars and euro - at a rate calculated based on a rate not exceeding LIBOR/EURIBOR + 7 (seven) percent per annum.

11.10.2.8. Transactions with derivative financial instruments for the purchase and sale of foreign currency (including currency swaps) for a total ceiling amount of the underlying asset of twenty billion (20,000,000,000) rubles or its equivalent in foreign currency for a period of not more than ten (10) years, at a rate not lower than that set by the Bank of Russia as of the transaction date, in the event of sale of foreign currency, and not higher than that set by the Bank of Russia as of the transaction date multiplied by one point one (1.1), in the event of foreign exchange purchases.

11.10.2.9. The interest rate swap, cross-currency interest rate swap transactions, under which the Contractor makes periodic payments to PJSC "Inter RAO" based on the calculation of the MOSPRIME/LIBOR/EURIBOR rate, and PJSC "Inter RAO" shall make

periodic payments to the Contractor based on the calculation of rate not more than 20% per annum (for interest rate swaps in rubles) and not more than 10% per annum (for interest rate swaps in US dollars and euro) for a total maximum amount of the underlying asset of 20,000,000,000 (twenty billion) rubles or its equivalent in US dollars or euro for a period of not more than ten (10) years.