

## 11.2. Approval of the Company's interrelated agreements of suretyship or guarantee with PJSC "Inter RAO" to creditor banks, securing the obligations of INTER RAO Credit B.V. under credit agreements and surety agreements of the Company in favor of INTER RAO Credit B.V. in the normal course of business activities

The main activities of INTER RAO Credit B.V. include foreign loans for Inter RAO Group as well as intercompany credit and loan transactions. This mechanism enables a reduction in the cost of attracted credit resources. The maximum effect is achieved by attracting long-term loan resources secured by the head company in terms of investment transactions with such major international and Russian financial institutions as the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Vnesheconombank, and others. The described scheme allows unification and minimization of non-financial obligations in terms of attracting loans, such as cross default, possibility of changing the company's control/activities, possibility of asset alienation and so on, as well as simplifying the procedure of obtaining financial resources.

The scope of obligations is conditioned by the amount of refinancing the long-term part of the Group's credit portfolio and/or financing the current and investment activities of Inter RAO Group companies. In accordance with the statements under IFRS for 2015, Inter RAO Group's credit portfolio amounts to RUB 76.3 bln, including RUB 33.7 bln of short-term credits and loans and RUB 42.6 bln of long-term obligations.

The Group's investment program deficit during 2016, in accordance with the 2015-2020 medium-term investment program which was approved by the Management Board of PJSC "Inter RAO", will amount to no more than RUB 32.9 bln.

A resolution on this item is therefore made in terms of the approved business plan of the Group for 2016 and will not exceed the maximum debt in accordance with the Declaration on the Maximum Debt, which was approved by the Board of PJSC "Inter RAO" (Minutes No. 94 dated June 19, 2013) (Debt/EBITDA no more than 3.0).

The general list of banks – counter-parties in transactions is determined by their having experience of working with Inter RAO Group's enterprises and other organizations of the power sector and by their having signed non-disclosure agreements with PJSC "Inter RAO" and/or INTER RAO Credit B.V.

Obligations of INTER RAO Credit B.V. to Banks are secured by surety/guarantee of PJSC "Inter RAO".

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 non-arm's-length transactions, whereby the interested parties are:

Under contracts 11.2.1.1, 11.2.1.2:

- In regard to transactions between PJSC "Inter RAO" and JSB "ROSSIYA" (OJSC), the interested party is the Chairman of the Management Board of PJSC "Inter RAO" B. Yu. Kovalchuk, because his father is a shareholder of JSB "ROSSIYA" (OJSC), who owns more than 20% of the bank's authorized capital.

- In regard to the Russian Regional Development Bank (RRDB), the interested party is also the Chairman of the Management Board of PJSC "Inter RAO" B. Yu. Kovalchuk being a member of the bank's Board of Directors.

- JSC ROSNEFTEGAZ can also be acknowledged as an interested party, being a shareholder owning, jointly with its affiliates, more than 20% of the voting shares of PJSC "Inter RAO", because the affiliate of JSC ROSNEFTEGAZ (PJSC "Inter RAO") owns 100 percent of shares of INTER RAO Credit B.V. - a legal entity which is a beneficiary party to the transaction.

Under contracts 11.2.1.3, 11.2.1.4:

- JSC ROSNEFTEGAZ can be acknowledged as an interested party, being a shareholder owning, jointly with its affiliates, more than 20% of the voting shares of PJSC "Inter RAO" because

the affiliate of JSC ROSNEFTEGAZ (PJSC "Inter RAO") owns 100 percent of shares of INTER RAO Credit B.V. – a legal entity which is a beneficiary party to the transaction.

- In regard to transactions with Bank GPB (JSC) and/or VTB Bank (PJSC):
  - 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 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).

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:

➔ *Under the suretyship or guarantee agreement(s), without limitation of their number (for each of the Banks), concluded between PJSC "Inter RAO", on the one part, and Bank GPB (JSC) and/or VTB Bank (PJSC) and/or Sberbank of Russia (PJSC) and/or JSB "ROSSIYA" (OJSC) and/or ALFA-BANK (JSC) and/or Absolut Bank (PJSC) and/or Sobinbank (OJSC) and/or EXIMBANK OF RUSSIA (JSC) and/or CREDIT BANK OF MOSCOW (JSC) and/or SJB SVIAZ-BANK (PJSC) and/or ROSBANK (PJSC) and/or Otkritie Financial Corporation Bank (PJSC) and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" and/or Eurasian Development Bank and/or JSC Bank of Tokyo-Mitsubishi UFJ (Eurasia) and/or European Bank For Reconstruction and Development and/or JSC Nordea Bank and/or ING Bank N.V and/or Commerzbank AG and/or HSBC Holdings plc and/or JSC Raiffeisenbank and/or Mizuho Bank and/or Sumitomo Mitsui Banking Corporation and/or UniCredit Group and/or Bank of America Corporation and/or Barclays Bank and/or "BNP PARIBAS BANK" JSC and/or Goldman Sachs and/or Deutsche Bank and/or Intesa Sanpaolo and/or Royal Bank of Scotland and/or Bank of America Merrill Lynch and/or Citigroup and/or China Construction Bank (CCB) and/or UBS and/or Societe Generale and/or Bank of Georgia and/or Industrial and Commercial Bank of China (ICBC) and/or ICICI Bank and/or JPMorgan Chase & Co and/or KfW Bankengruppe and/or IFC Group and/or World Bank Group and/or Morgan Stanley and/or Amsterdam Trade Bank N. V. and/or Crédit Agricole S.A. and/or CREDIT SUISSE GROUP AG and/or The European Investment Bank and/or legal entities recognized to be affiliated with those stated above in accordance with the legislation in the jurisdiction of registration of the aforementioned, on the other part, (jointly referred to as the "Banks" and separately as the "Bank"), to secure all payment obligations of INTER RAO Credit B.V. under credit agreements aiming to finance the general business activities, save for financing of the purchase of the main power engineering equipment as a part of implementing Inter RAO Group's investment projects against security on the part of the export credit agency signed by INTER RAO Credit B.V. and by any of the Banks to the maximum total amount of all suretyship/guarantee agreements to the amount not exceeding one hundred billion (100,000,000,000.00) rubles or an equivalent amount in US dollars or euro, for a crediting period up to five (5) years from the credit agreements signature date, increased by the absolute value of the amount of interest not exceeding fourteen point five (14.5) percent per annum or a key rate of the Central Bank of Russia plus three point five (3.5) percent per annum or according to a rate calculated based on a rate not exceeding Mosprime plus three point five (3.5) percent per annum for the credit agreements in rubles, for the credit agreements in US dollars or euro no more than eight (8) percent per annum or accrued according to the floating rate not exceeding the sum of LIBOR/EURIBOR rate plus seven point five (7.5) percent per annum, and a commission for granting credit in an amount not*

exceeding two (2) percent of the credit limit, the amount of all commissions, and other costs of arranging and servicing the credit agreements and suretyship/guarantee agreements.

→ Under the suretyship or guarantee agreements in regard to the obligations of INTER RAO Credit B.V. (Debtor) arising from the credit agreement(s) concluded between the Debtor and Bank GPB (JSC) and/or VTB Bank (PJSC) and/or Sberbank of Russia (PJSC) and/or JSB "ROSSIYA" (OJSC) and/or ALFA-BANK (JSC) and/or Absolut Bank (PJSC) and/or Sobinbank (OJSC) and/or EXIMBANK OF RUSSIA (JSC) and/or CREDIT BANK OF MOSCOW (JSC) and/or SJB SVIAZ-BANK (PJSC) and/or ROSBANK (PJSC) and/or Otkritie Financial Corporation Bank (PJSC) and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" and/or Eurasian Development Bank and/or JSC Bank of Tokyo-Mitsubishi UFJ (Eurasia) and/or European Bank For Reconstruction and Development and/or JSC Nordea Bank and/or ING Bank N.V and/or Commerzbank AG and/or HSBC Holdings plc and/or JSC Raiffeisenbank and/or Mizuho Bank and/or Sumitomo Mitsui Banking Corporation and/or UniCredit Group and/or Bank of America Corporation and/or Barclays Bank and/or "BNP PARIBAS BANK" JSC and/or Goldman Sachs and/or Deutsche Bank and/or Intesa Sanpaolo and/or Royal Bank of Scotland and/or Bank of America Merrill Lynch and/or Citigroup and/or China Construction Bank (CCB) and/or UBS and/or Societe Generale and/or Bank of Georgia and/or Industrial and Commercial Bank of China (ICBC) and/or ICICI Bank and/or JPMorgan Chase & Co and/or KfW Bankengruppe and/or IFC Group and/or World Bank Group and/or Morgan Stanley and/or Amsterdam Trade Bank N. V. and/or Crédit Agricole S.A. and/or CREDIT SUISSE GROUP AG and/or The European Investment Bank and/or legal entities recognized to be affiliated with those stated above in accordance with the legislation in the jurisdiction of registration of the aforementioned, in the amount of consideration for provision of surety/guarantee of PJSC "Inter RAO" (Guarantor) of no more than zero point three (0.3) percent per annum of the amount of liability secured by the surety/guarantee that includes the main debt and interest (and VAT at eighteen (18) percent) (save for the penalty accrued in connection with the Debtor's default under the credit agreement(s)). The amount of a transaction in absolute terms will not exceed one billion seven hundred and seventeen million five hundred thousand (1,717,500,000) rubles (plus VAT at eighteen (18) percent) for the whole period of provision of the surety and/or guarantee or not exceeding three hundred and forty-three million five hundred thousand (343,500,000) rubles (plus VAT at eighteen (18) percent) per annum.

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:**

**11.2.1. To approve as a related-party transaction (several interrelated transactions) concluded in the normal course of business activities of PJSC "Inter RAO":**

**11.2.1.1. The suretyship or guarantee agreement(s) between PJSC "Inter RAO", on the one part, and JSB "ROSSIYA" (OJSC), and/or Russian Regional Development Bank JSC, and/or legal entities recognized as affiliated with regard to the above mentioned in accordance with the laws of the countries of registration of the above listed persons, on the other part (collectively hereinafter referred to as "Banks", and each individually as "Bank"), signed by each of the Banks under the following material terms (the terms shall be approved for every contract without limiting their total number, however, provided that the Company's obligations under all valid suretyship/guarantee agreements approved by this Clause shall not exceed the limitations set out below):**

**11.2.1.1.1. Parties to the suretyship/guarantee agreement(s): PJSC "Inter RAO" — the Guarantor; the Bank — the Creditor;**

**11.2.1.1.2. Subject matter of the suretyship/guarantee agreement(s): The Guarantor shall be jointly and severally liable to the Creditor for the performance by INTER RAO Credit B.V. (Beneficiary or Debtor) of the obligations to the Creditor to repay the principal debt, interest, forfeits, commissions, and any other charges stipulated in the credit agreements signed by and between the Creditor and the Debtor.**

11.2.1.1.3. The essence of obligations secured by the surety/guarantee and price under the agreements (the maximum amount to which the agreement(s) may be signed): Performance of all payment obligations of the Debtor to the Creditor that have arisen following the receipt by the Debtor of funds for financing the normal course of business activities, save for financing of the purchase of the main power engineering equipment as a part of implementation of Inter RAO Group's investment projects against security on the part of the export credit agency(ies), to the amount of the main debt not exceeding one hundred billion (100,000,000,000) rubles or an equivalent amount in US dollars or euro, for a lending period up to five (5) years from the signature date of credit agreements, increased by the amount of interest at the rate for a loan in rubles, the absolute value whereof shall not exceed fourteen point five (14.5) percent per annum, or the key rate of the Central Bank of the Russian Federation plus three point five (3.5) percent per annum, or at a rate calculated based on a rate not exceeding Mosprime plus three point five (3.5) percent per annum, for loans in US dollars or euro — at a rate of no more than eight (8) percent per annum or at the floating rate not exceeding the maximum rate of LIBOR/EURIBOR plus seven point five (7.5) percent per annum, commissions for granting the loan in the amount not exceeding two (2) percent of the limit for every credit agreement, the amounts of all commissions and other costs of arranging and servicing the credit agreements and suretyship/guarantee agreements, as well as penalties accrued in connection with Debtor's default under the credit agreements.

11.2.1.1.4. Validity term of the suretyship/guarantee agreement(s): up to three (3) years after the term of an obligation secured by a surety/guarantee expires.

11.2.1.2. The suretyship or guarantee agreement(s), securing obligations of INTER RAO Credit B.V. under the credit agreement(s), shall be subject to the following material terms and conditions (for each of the agreements):

11.2.1.2.1. Parties to the agreement(s): INTER RAO Credit B.V. — the Debtor; PJSC "Inter RAO" — the Surety (Guarantor).

11.2.1.2.2. Subject matter of the agreement(s): For the consideration paid by the Debtor, the Surety/Guarantor shall provide a surety/guarantee for the Debtor's performance under the credit agreement(s) made by and between the Debtor and JSB "ROSSIYA" (JSC) and/or Bank RRDB (JSC) and/or legal entities recognized to be affiliated in accordance with the applicable legislation in the jurisdiction of the aforementioned (separately referred to as the "Creditor") for the aggregated amount of any or all contracts with any or all Creditors up to one hundred billion (100,000,000,000.00) rubles or its equivalent in US dollars or euro for a credit term no more than five (5) years, plus the interest sum at a rate, the absolute value of which shall not exceed fourteen point five (14.5) percent per annum or the key rate of the Central Bank of the Russian Federation plus three point five (3.5) percent per annum, or a rate calculated based on a rate not exceeding Mosprime plus three point five (3.5) percent per annum, or for credits in US dollars or euro — at a rate of no more than eight (8) percent per annum or at the floating rate not exceeding a rate of LIBOR/EURIBOR plus seven point five (7.5) percent per annum, and the commission for granting the credit in an amount not exceeding two (2) percent of the limit for every credit agreement, the amounts of all commissions and other costs for arranging and servicing the credit agreements and suretyship/guarantee agreements, as well as penalties accrued in connection with Debtor's default under the credit agreements.

11.2.1.2.3. Effective term of the agreement: up to three (3) years after the term of an obligation secured by a surety/guarantee expires.

11.2.1.2.4. The consideration paid by the Debtor to the Guarantor for provision of the surety/guarantee (price of the agreement(s)/the maximum amount of the agreement(s)) shall be no more than point three (0.3) percent per annum (plus VAT at eighteen (18) percent) of the obligation, secured by the surety/guarantee including principal and interest, excluding penalties accrued following the Debtor's default under the credit agreements.

11.2.1.3. The suretyship or guarantee agreement(s) between PJSC "Inter RAO", on the one part, and Bank GPB (JSC) and/or VTB Bank (PJSC) and/or Sberbank of Russia (PJSC) and/or ALFA-BANK(JSC) and/or Absolut Bank (PJSC) and/or Sobinbank (OJSC) and/or EXIMBANK OFRUSSIA (JSC) and/or CREDIT BANK OF MOSCOW (JSC) and/or SJB SVIAZ-BANK (PJSC) and/or ROSBANK (PJSC) and/or Otkritie Financial Corporation Bank (PJSC) and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" and/or Eurasian Development Bank and/or JSC Bank of Tokyo-Mitsubishi UFJ (Eurasia) and/or European Bank For Reconstruction and Development and/or JSC Nordea Bank and/or ING Bank N.V. and/or Commerzbank AG and/or HSBC Holdings plc and/or JSC Raiffeisenbank and/or Mizuho Bank and/or Sumitomo Mitsui Banking Corporation and/or UniCredit Group and/or Bank of America Corporation and/or Barclays Bank and/or "BNP PARIBAS BANK" JSC and/or Goldman Sachs and/or Deutsche Bank and/or Intesa Sanpaolo and/or Royal Bank of Scotland and/or Bank of America Merrill Lynch and/or Citigroup and/or China Construction Bank (CCB) and/or UBS and/or Societe Generale and/or Bank of Georgia and/or Industrial and Commercial Bank of China (ICBC) and/or ICICI Bank and/or JPMorgan Chase & Co and/or KfW Bankengruppe and/or IFC Group and/or World Bank Group and/or Morgan Stanley and/or Amsterdam Trade Bank N. V. and/or Crédit Agricole S.A. and/or CREDIT SUISSE GROUP AG and/or The European Investment Bank and/or legal entities recognized as affiliated with regard to the aforementioned in accordance with the laws of the countries of registration of the persons listed above, on the other part (collectively hereinafter referred to as the "Banks", and each individually as the "Bank") signed by each of the Banks under the following material terms (the terms shall be approved for every contract without limiting their total number, however, provided that the Company's obligations under all valid suretyship/guarantee agreements approved by this Clause shall not exceed the limitations set out below):

11.2.1.3.1. Parties to the suretyship/guarantee agreement(s): PJSC "Inter RAO" — the Surety (Guarantor); the Bank — the Creditor.

11.2.1.3.2. Subject matter of the suretyship/guarantee agreement(s): The Surety (Guarantor) shall be jointly and severally liable to the Creditor for performance by INTER RAO Credit B.V. (the Beneficiary or the Debtor) of the respective Debtor's obligations to repay principal debt, interest, penalties, commissions, and any other charges to the Creditor, subject to the credit agreement signed by and between the Creditor and the Debtor.

11.2.1.3.3. The essence of obligations secured by the surety/guarantee and price under the agreements (the maximum amount to which the agreement(s) may be signed): The Debtor's performance of all payment obligations to the Creditor following the Debtor's receipt of the money to finance the normal course of business activities, excluding the purchase of the main power equipment within the scope of Inter RAO Group's investment projects, secured by export credit agency(ies), in an amount not exceeding one hundred billion (100,000,000,000.00) rubles or its equivalent in US dollars or euro for a term of no more than five (5) years from the date of execution of the credit agreements, plus the interest sum at a rate, the absolute value of which shall not exceed fourteen point five (14.5) percent per annum or the key rate of the Central Bank of the Russian Federation plus three point five (3.5) percent per annum, or a rate calculated based on a rate not exceeding Mosprime plus three point five (3.5) percent per annum, or for loans in US dollars or euro — at a rate of no more than eight (8) percent per annum or at a floating rate not exceeding a rate of LIBOR/EURIBOR plus seven point five (7.5) percent per annum, and the commission for granting the loan, in an amount not exceeding two (2) percent of the limit for every credit agreement, the amounts of all commission and other costs of arranging and servicing the credit agreements and suretyship/guarantee agreements, as well as penalties accrued in connection with the Debtor's default under the credit agreements.

11.2.1.3.4. Effective term of the suretyship/guarantee agreement(s): up to three (3) years after the term of an obligation secured by a surety/guarantee expires.

11.2.1.4. The suretyship or guarantee agreement(s), securing obligations of INTER RAO Credit B.V. under the credit agreement(s), shall be subject to the following material terms and conditions (for each of the agreements):

11.2.1.4.1. Parties to the agreement(s): INTER RAO Credit B.V. — the Debtor; PJSC "Inter RAO" — the Surety (Guarantor).

11.2.1.4.2. Subject matter of the agreement(s): For the consideration paid by the Debtor, the Guarantor shall provide a surety/guarantee for the Debtor's performance under the credit agreement(s) made by and between the Debtor and Bank GPB (JSC) and/or VTB Bank (PJSC) and/or Sberbank of Russia (PJSC) and/or ALFA-BANK(JSC) and/or Absolut Bank (PJSC) and/or Sobinbank (OJSC) and/or EXIMBANK OF RUSSIA (JSC) and/or CREDIT BANK OF MOSCOW (JSC) and/or SJB SVIAZ-BANK (PJSC) and/or ROSBANK (PJSC) and/or Otkritie Financial Corporation Bank (PJSC) and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" and/or Eurasian Development Bank and/or JSC Bank of Tokyo-Mitsubishi UFJ (Eurasia) and/or European Bank For Reconstruction and Development and/or JSC Nordea Bank and/or ING Bank N.V. and/or Commerzbank AG and/or HSBC Holdings plc and/or JSC Raiffeisenbank and/or Mizuho Bank and/or Sumitomo Mitsui Banking Corporation and/or UniCredit Group and/or Bank of America Corporation and/or Barclays Bank and/or "BNP PARIBAS BANK" JSC and/or Goldman Sachs and/or Deutsche Bank and/or Intesa Sanpaolo and/or Royal Bank of Scotland and/or Bank of America Merrill Lynch and/or Citigroup and/or China Construction Bank (CCB) and/or UBS and/or Societe Generale and/or Bank of Georgia and/or Industrial and Commercial Bank of China (ICBC) and/or ICICI Bank and/or JPMorgan Chase & Co and/or KfW Bankengruppe and/or IFC Group and/or World Bank Group and/or Morgan Stanley and/or Amsterdam Trade Bank N. V. and/or Crédit Agricole S.A. and/or CREDITSUISSE GROUP AG and/or The European Investment Bank and/or legal entities recognized to be affiliated in accordance with the applicable legislation in the jurisdiction of the aforementioned (separately referred to as the "Creditor") for the aggregate amount of any or all agreements made with one or several Creditors of up to one hundred billion (100,000,000,000.00) rubles, or its equivalent in US dollars or euro for a credit term of not more than five (5) years, plus the interest sum at a rate, the absolute value of which shall not exceed fourteen point five (14.5) percent per annum or the key rate of the Central Bank of the Russian Federation plus three point five (3.5) percent per annum, or a rate calculated based on a rate not exceeding Mosprime plus three point five (3.5) percent per annum, or for loans in US dollars or euro — at a rate of no more than eight (8) percent per annum or at a floating rate not exceeding a rate of LIBOR/EURIBOR plus seven point five (7.5) percent per annum, and commission for granting the loan in an amount not exceeding two (2) percent of the limit for every credit agreement, the amounts of all commission and other costs of arranging and servicing the credit agreements and suretyship/guarantee agreements, as well as penalties accrued in connection with the Debtor's default under the credit agreements.

11.2.1.4.3. Effective term of the agreement: up to three (3) years after the term of an obligation secured by a surety/guarantee expires.

11.2.1.4.4. The consideration paid by the Debtor to the Guarantor for provision of the surety/guarantee (price of the agreement(s)/the maximum amount of the agreement(s)) shall be no more than point three (0.3) percent per annum (plus VAT at eighteen (18) percent) of the obligation, secured by the surety/guarantee including principal and interest, excluding penalties accrued following the Debtor's default under the credit agreements.