

### 11.3. Approval of the Company's interrelated agreements on suretyship 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., with the aim of financing the purchase of the main power equipment within the scope of Inter RAO Group's investment projects

Given the scarcity of sources of funding of the Group's investment program in 2016 in the amount of RUB 32.9 billion, in accordance with the 2015-2020 medium-term investment program approved by the Management Board of PJSC "Inter RAO" and the related necessity to raise borrowed capital, together with the commercial lending as part of core business activity, it is also planned to use a mechanism of export loans for the Group companies' purchase of the main power equipment with receipt of the export credit agencies' insurance coverage.

At the same time, both direct lending aimed at financing certain supply of equipment and refinancing of already paid supplies may be applied, followed by allocation of funds to financing and refinancing of the costs of the Group companies as related to the implementation of their investment programs.

Application of the above financing scheme will provide for savings on the medium-term debt financing mechanisms used in the Group in the amount of at least 3% per annum in euro. At the same time, lending terms when using the insurance mechanisms of an export credit agency (up to 11-12 years) significantly exceed the average lending term granted by commercial banks in the absence of such insurance coverage (up to 7 years).

Under the said loans, INTER RAO Credit B.V., an Inter RAO Group company that performs centralized external borrowing and inter-company lending and borrowing operations of the Group, acts as the Borrower. Raising external borrowing through INTER RAO Credit B.V. allows to reduce the amount of the Group's debt as a whole and of each subsidiary individually, by aggregating the raising of funds and exploiting the drawing potential and borrowing capacity of the whole Group and not of each individual subsidiary. The Group's credit rating is significantly higher than that of any of the operating subsidiaries due to the significant positive impact that state participation and support renders on the credit rating level.

In addition, the described arrangement makes it possible, due to centralized borrowing, to minimize non-financial obligations as part of raising borrowing, such as cross-default, possibility of changing control/company activity, the ability to transfer assets, and so on, as well as to simplify the procedure for obtaining financial resources.

The provision of guarantee(s) [by] PJSC "Inter RAO" is necessary to secure performance by INTER RAO Credit B.V. of all payment obligations under potentially possible external debt borrowings for financing the purchase of main power equipment as part of Inter RAO Group investment projects against the export credit agency's guarantee reaching up to RUB 5 billion, as established taking into account the limit of medium-term financing and refinancing of the Group companies' investment activities, and with due regard to the investment projects currently planned and related to importing main power equipment of foreign manufacture.

Pursuant to enactment on January 1, 2012, of Federal Law No. 227-FZ dated July 18, 2011, "On Amendments to Individual Legislative Acts of the Russian Federation Improving the Principles of Determination of Prices for Taxation Purposes" and transfer pricing rules, PJSC "Inter RAO" must execute inter-company sureties **on a paid basis**.

The size of such fee (Guarantor's remuneration) shall be no more than zero point three (0.3) percent per annum (including VAT at 18%) of the obligation secured by the surety/guarantee that includes principal and interest (except for penalties (fines) charged in connection with the Debtor's failure to perform its payment obligations under the loan agreement(s)).

Given the revenue structure of Inter RAO Group, the transactions shall be approved under multicurrency price terms. At the moment, however, there are no plans to attract or issue loans in any currency other than Russian rubles. Performing transactions in foreign currency is possible only in exceptional cases and may be caused by the implementation of an investment project abroad or by high commercial performance compared to the financing terms in Russian rubles.

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 agreements 11.3.1.1, 11.3.1.2:

- 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 related 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 agreements 11.3.1.3 – 11.3.1.4:

- 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", resolutions of the General Shareholders Meeting on the approval of related-party transactions shall be made only when proposed by 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 affiliated with the aforementioned entities (hereinafter separately referred*

to as the "Bank") suretyship agreement(s) and/or guarantee(s) provided by PJSC "Inter RAO" without limiting the number thereof (to each of the Banks), to secure the payment obligations of INTER RAO Credit B.V. subject to credit agreements made to fund main power equipment acquisition within the scope of the Inter RAO Group investment projects, secured by export credit agency financing, by and between INTER RAO Credit B.V. and any of the Banks for the total of surety/guarantee agreement(s) not exceeding five billion 00/100 (5,000,000,000.00) rubles or its equivalent in US dollars or euro for a term of not more than twelve (12) years from the date the credit agreements are executed, plus the interest sum at a rate, the absolute value of which shall not exceed thirteen (13) percent per annum or the key rate of the Central Bank of the Russian Federation plus two (2) percent per annum, or a rate calculated based on a rate not exceeding Mosprime plus two (2) percent per annum, or to the extent of US dollar- or euro-denominated agreements, at a rate not exceeding four (4) percent per annum or a rate calculated based on a rate not exceeding LIBOR/EURIBOR plus three point five (3.5) percent per annum; and commission for granting the credit in an amount not exceeding three (3) percent of the limit stipulated thereby and other expenses on arrangement and servicing of the credit and surety/guarantee agreement(s).

→ Under the surety or the guarantee agreement(s), securing obligations of INTER RAO Credit B.V. (the Debtor) to 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 affiliated with the aforementioned banks, the consideration paid for provision of the surety/guarantee shall be zero 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 fines (penalties) accrued following the Debtor's default under the credit agreement(s). In absolute terms, the total price of the transaction shall not exceed two hundred and three million four hundred thousand (203,400,000.00) rubles (plus VAT at eighteen (18) percent) for the whole term of surety/guarantee provision, or not more than sixteen million nine hundred and fifty thousand (16,950,000.00) 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:**

**11.3.1. Approve the following agreements as non-arm's-length transactions (several interrelated transactions):**

**11.3.1.1. Surety agreement(s) made by and between PJSC "Inter RAO" and JSB "ROSSIYA" (JSC) and/or RRDB Bank (JSC), and/or legal entities recognized to be affiliated with the aforementioned banks (hereinafter jointly referred to as the "Banks" and separately as "Bank") and/or provision by PJSC "Inter RAO" of guarantee(s) to secure all payment obligations of INTER RAO Credit B.V. under credit agreements made for the acquisition of main power equipment within the scope of the Inter RAO Group investment projects, secured by export credit agency financing made by INTER RAO Credit B.V. with any of the Banks subject to the following material terms and conditions (for each of the agreements):**

**11.3.1.1.1. The parties: PJSC "Inter RAO" — the Guarantor; the Bank —the Creditor;**

**11.3.1.1.2. Subject matter: The Surety (Guarantor) shall be jointly and severally liable to the Creditor for performance by INTER RAO Credit B.V. (hereinafter — the Beneficiary or the Debtor) of the respective Debtor's obligations to repay principal, interest, penalties, commission, and other charges to the Creditor subject to the credit agreement made by and between the Creditor and the Debtor.**

**11.3.1.1.3. The nature of the obligations secured by the surety or the guarantee and the price of the agreement(s): The Debtor's performance of all payment obligations to the Creditor following the Debtor's receipt of the money for the main power equipment acquisition within the scope of the Inter RAO Group investment projects secured by export credit agency financing in the amount not exceeding five billion (5,000,000,000) rubles or its equivalent in US dollars or euro for the term of not more than twelve (12) years from the date of execution thereof, plus the interest sum at a rate, the absolute value of which shall not exceed thirteen (13) percent per annum or the key rate of the Central Bank of the Russian Federation plus two (2) percent per annum, or Mosprime plus two (2) percent per annum, or to the extent of US dollars or euro denominated agreements, at a rate not exceeding four (4) percent per annum or LIBOR/EURIBOR plus three point five (3.5) percent per annum; and commission for granting the credit in an amount not exceeding three (3) percent of the limit stipulated thereby and other expenses on the arrangement and servicing of the agreement(s) as well as the fine (penalties) accrued following the Debtor's default under the credit agreement(s).**

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

**11.3.1.2. Surety or guarantee agreements securing the obligations of INTER RAO Credit B.V. related to possible foreign borrowings for the purposes of the main power equipment acquisition within the scope of the Inter RAO Group investment projects secured by export credit agency financing on the following material terms and conditions (for each of the agreements):**

**11.3.1.2.1. Parties to the agreement(s):**

**INTER RAO Credit B.V. – the Debtor;**

**PJSC "Inter RAO" – the Surety (the Guarantor).**

**11.3.1.2.2. 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 for acquisition of the main power equipment within the scope of the Inter RAO Group investment projects, secured by export credit agency financing by and between the Debtor and JSB "ROSSIYA" (JSC) and/or Bank RRDB (JSC), and/or legal entities affiliated with the aforementioned (separately referred to as the "Creditor") for the maximum total amount of any or all agreements made with any or several Creditors not exceeding five billion (5,000,000,000.00) rubles or its equivalent in US dollars or euro, for a term of not more than twelve (12) 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 thirteen (13) percent per annum, or the key rate of the Central Bank of the Russian Federation plus two (2) percent per annum, or Mosprime plus two (2) percent per annum, or to the extent of US dollar- or euro-denominated agreements, at a rate not exceeding four (4) percent per annum, or LIBOR/EURIBOR plus three point five (3.5) percent per annum, and commission for granting the credit in an amount not exceeding three (3) percent of the limit stipulated thereby and other expenses on arrangement and servicing of the credit and surety/guarantee agreement(s), as well as the fine (penalties) accrued following the Debtor's default under the credit agreement(s).**

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

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

**11.3.1.3. The suretyship agreement(s) between PJSC "Inter RAO" 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 CREDIT SUISSE GROUP AG, and/or The European Investment Bank and/or legal entities recognized to be affiliated with the aforementioned banks (hereinafter jointly referred to as the "Banks" and separately as the "Bank") and/or provision by PJSC "Inter RAO" of guarantee(s) to secure all payment obligations of INTER RAO Credit B.V. under credit agreements made for acquisition of the main power equipment within the scope of the Inter RAO Group investment projects secured by export credit agency financing made with any of the Banks shall be subject to the following material terms and conditions (for each of the agreements):**

**11.3.1.3.1. The parties: PJSC "Inter RAO" — the Guarantor; the Bank —the Creditor;**

**11.3.1.3.2. Subject matter: The Surety (Guarantor) shall be jointly and severally liable to the Creditor for performance by INTER RAO Credit B.V. (hereinafter — the Beneficiary or the Debtor) of the respective Debtor's obligations to repay principal, interest, penalties, commission, and other charges to the Creditor subject to the credit agreement made by and between the Creditor and the Debtor.**

**11.3.1.3.3. The nature of the obligations secured by the surety or the guarantee and the price of the agreement(s): The Debtor's performance of all payment obligations to the Creditor following the Debtor's receipt of the money for acquisition of the main power equipment within the scope of the Inter RAO Group investment projects, secured by export credit agency financing in an amount not exceeding five billion (5,000,000,000.00) rubles or its equivalent in US dollars or euro for a term of not more than twelve (12) years from the date of execution thereof, plus interest sum at a rate, the absolute value of which shall not exceed thirteen (13) percent per annum, or the key rate of the Central Bank of the Russian Federation plus two (2) percent per annum, or Mosprime plus two (2) percent per annum, or to the extent of US dollar- or euro-denominated agreements, at a rate not exceeding four (4) percent per annum or LIBOR/EURIBOR plus three point five (3.5) percent per annum, and commission for granting the credit in an amount not exceeding three (3) percent of the limit stipulated thereby and other expenses on arrangement and servicing the agreement(s), as well as the fine (penalties) accrued in connection with the Debtor's default under the credit agreements.**

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

**11.3.1.4. Surety or guarantee agreements securing the obligations of INTER RAO Credit B.V. related to possible foreign borrowings for the purposes of the main power equipment acquisition within the scope of the Inter RAO Group investment projects secured by export credit agency financing on the following material terms and conditions (for each of the agreements):**

**11.3.1.4.1. Parties to the agreement(s):**

**INTER RAO Credit B.V. – the Debtor;**

**PJSC "Inter RAO" – the Surety (the Guarantor).**

**11.3.1.4.2. Subject matter of the agreement(s): For the consideration paid by the Debtor, the Surety/Guarantor shall provide surety or guarantee for the Debtor's performance under the credit agreements made for the acquisition of the main power equipment within the scope of the Inter RAO Group investment projects, secured by export credit agency financing by and between the Debtor and GPB Bank (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 JSB 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 other legal entities affiliated thereto (hereafter separately referred to as the "Creditor") for the maximum total amount of any or all agreements made with any or several Creditors not exceeding five billion (5,000,000,000.00) rubles or its equivalent in US dollars or euro, for a term of not more than twelve (12) years from the date of execution thereof, plus interest at a rate, the absolute value of which shall not exceed thirteen (13) percent per annum, or the key rate of the Central Bank of the Russian Federation plus two (2) percent per annum, or Mosprime plus two (2) percent per annum, or to the extent of US dollar- or euro-denominated agreements, at a rate not exceeding four (4) percent per annum or LIBOR/EURIBOR plus three point five (3.5) percent per annum, and the commission for granting the credit in an amount not exceeding three (3) percent of the limit stipulated thereby and other expenses on the arrangement and servicing of the agreement(s), as well as the fine (penalties) accrued following the Debtor's default under the credit agreements.**

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

**11.3.1.4.4. The consideration paid by the Borrower to the Surety/Guarantor for provision of the surety/guarantee (price of the agreements) shall be not more than 0.3 (zero point three) percent per annum (plus VAT at eighteen (18) percent) of the obligation secured by the surety/guarantee including principal debt and interest, excluding fines (penalties) accrued following the Borrower's default under the credit agreements.**

