

11.6. Approval of Loan Agreement with BGC LLC

Purpose of adoption of the resolution: signing a supplemental agreement to the loan agreement between PJSC "Inter RAO" and a party controlled by it, which is of significant importance, – BGC LLC, for the purposes of covering costs for financing the investment project "Construction of a 440 MW CCPP at Zatonskaya CHPP".

On July 10, 2015, the Board of Directors of PJSC "Inter RAO" determined the position of the Company's representatives in the Board of BGC LLC on the item "On Approving the Contract on Finalizing the Construction of a 440 MW CCPP at Zatonskaya CHPP – a Branch of BGC LLC" (an extract from minutes No. 148 dated July 10, 2015, is attached hereto). A consortium comprised of LLC "Kaskad-Energo" (the consortium leader) and JSC "PDC SOYUZ" is acting as the contractor. The cost of works, services, and supplies which are or may be required from the contractor under the stated contract amounts to ten billion five hundred and thirty-six million four hundred and thirty-six thousand eight hundred and fifty-eight (10,536,436,858) rubles and is determined on the basis of procurement procedures for determining the winner of the competitive negotiations (Minutes No. 5990/OKP-PVP dated February 17, 2015) for executing works on finalizing the construction of a 440 MW CCPP at Zatonskaya CHPP – a branch of BGC LLC, which was approved by the Company's Business Plan for 2015.

In order to execute the above-mentioned resolution of the Board of Directors, the attraction of debt financing is required for the purposes of implementing the investment project, which is stipulated both by the Business Plan of BGC LLC and the Project Data Sheet.

At the moment, however, the local market conditions are largely dependent on external factors that limit the ability of credit institutions to finance the corporate sector. The limited access of Russian banks to the foreign capital market, as well as currency market instability resulting from the fall of the ruble against foreign currencies, has impacted the cost of financing the real economy.

The Government of the Russian Federation is implementing a Program for the Support of Investment Projects Implemented on the Territory of the Russian Federation on the Basis of Project Financing (Government Regulation No. 1044 dated October 11, 2014) (hereinafter the Program). The stated Regulation provides for the possibility of attracting debt resources under significantly more beneficial terms compared to market terms.

In order to improve the efficiency of the implemented investment project, a resolution was adopted to participate in this Program (Order of PJSC "Inter RAO" No. IRAO/681 dated December 24, 2014 "On the Implementation of Measures for Reducing the Cost of Financing the Group's Investment Expenditures and Expanding the Use of State Support Measures"). Having presented the best offer, Sberbank PJSC was chosen as the credit organization providing debt funds as part of the effective Program (Minutes of the Central Procurement Committee No. 13 dated July 28, 2015).

On September 17, 2015, the Board of Directors of the Company adopted a resolution "On Approving the Transaction Related to Attracting Financial Resources to BGC LLC which Entails or May Entail the Creation of Obligations of BGC LLC in an Amount Equal to or Exceeding the Sum Equivalent to One Hundred Fifty Million (150,000,000) Rubles" between PJSC "Inter RAO" and BGC LLC for an amount no more than seven billion and forty-five million fourteen thousand nine hundred and ten (7,045,014,910) rubles, including the principal debt in the amount of five billion nine hundred million (5,900,000,000) rubles and interest of one billion one hundred and forty-five million fourteen thousand nine hundred and ten (1,145,014,910) rubles (minutes of the meeting of the Board of Directors No. 153 dated September 17, 2015), for the purposes of financing the investment project "Construction of a 440 MW CCPP at Zatonskaya CHPP".

However, because of the need to increase the amount of the principal debt from 5,900,000,000 to 10,536,000,000 rubles, the approval of the General Shareholders' Meeting is required, as the total amount of the transaction subject to supplemental agreement No. 1 exceeds 2% of the book value of the Company's assets (hereinafter the BVA).

The contract is being concluded with the aim of financing the continuation of construction of the 440 MW CCPP at Zatonskaya CHPP – a branch of BGC LLC.

The amount of the transaction is determined on the basis of the procurement procedures for determining the winner of the competitive negotiations for executing works for finalizing the construction of the 440 MW CCPP at Zatonskaya CHPP – a branch of BGC LLC, confirmed by the BP of BGC LLC for 2015.

The investment project "Finalizing the Construction of a 440 MW CCPP at Zatonskaya CHPP" was submitted for consideration as part of participation in the Program to Support Investment Projects Implemented on the Territory of the Russian Federation on the Basis of Project Financing (approved by Regulation of the Government of the Russian Federation No. 1044 dated October 11, 2014). As part of participation in the stated Program, PJSC "Inter RAO" shall attract borrowed funds from a credit institution which is a Program participant and extend credit to BGC LLC for financing the construction of the 440 MW CCPP at Zatonskaya CHPP.

The interest rate shall be set as an absolute value in the amount of no more than twelve (12.0%) percent per annum, based on the interest rate set by the Bank of Russia when granting credit funds to the authorized banks for the purposes of refinancing the credits issued by them to borrowers in accordance with the Program to Support Investment Projects Implemented on the Territory of the Russian Federation on the Basis of Project Financing, which was approved by Regulation of the Government of the Russian Federation No. 1044 dated October 11, 2014, plus three (3) per cent per annum.

At the time of consideration of the matter, the interest rate set by the Central Bank of the Russian Federation for providing authorized banks with credit funds for the purposes of refinancing credits issued by the authorized banks to end borrowers is nine (9.0%) percent.

The total amount of the transaction(s) will amount to no more than nineteen billion three hundred and eighty-six million two hundred and forty thousand (19,386,240,000) rubles, including the principal debt in the amount of ten billion five hundred and thirty-six million (10,536,000,000) rubles, and interest in the amount of eight billion eight hundred and fifty million two hundred and forty thousand (8,850,240,000) rubles.

In accordance with Article 81 of Federal Law No. 208-FZ "On Joint-Stock Companies", dated December 26, 1995, the transaction offered for consideration is a related-party transaction.

Members of the Management Board of PJSC "Inter RAO" I. I. Mirsiyapov, P. I. Okley, and D. N. Palunin, who are simultaneously Board Members of BGC LLC, are recognized as interested parties in this transaction.

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.

Recommendations to the annual General Meeting to approve such transaction were given by the Board of Directors at the meeting on April 7, 2016 (minutes No. 165 dated April 7, 2016), and the price (monetary value) of the property (monetary funds) under this transaction was determined in the following amount:

→ *The price (monetary value) of the loan agreement between PJSC "Inter RAO" (the Lender) and BGC LLC (the Borrower) as amended by Supplemental Agreement No. 1, which is a related party transaction, shall not exceed nineteen billion three hundred and eighty-six million two hundred and forty thousand (19,386,240,000) rubles, including the principal debt of ten billion five hundred and thirty-six million (10,536,000,000) rubles and interest of eight billion eight hundred and fifty million two hundred and forty thousand (8,850,240,000) rubles.*

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

11.6. To approve the loan agreement between PJSC "Inter RAO" and BGC LLC as amended by Supplemental Agreement No. 1, which is a related party transaction concluded on the following fundamental terms:

11.6.1. Parties to the agreement:

PJSC "Inter RAO" as "the Creditor",

BGC LLC as "the Borrower".

11.6.2. Subject matter of the agreement as amended by supplemental agreement No. 1: The Creditor shall transfer to the Borrower funds (hereinafter the "Loan") in an amount not exceeding ten billion five hundred thirty-six million (10,536,000,000) rubles, and the Borrower undertakes to repay the Loan and pay the interest in accordance with the terms of the agreement. The purpose of the loan is to finance the construction of a 440 MW CCPP at Zatonskaya CHPP — a branch of BGC LLC.

11.6.3. The agreement price as amended by supplemental agreement No. 1: no more than nineteen billion three hundred and eighty-six million two hundred and forty thousand (19,386,240,000) rubles, including the principal debt in the amount of ten billion five hundred and thirty-six million (10,536,000,000) rubles, and interest of eight billion eight hundred and fifty million two hundred and forty thousand (8,850,240,000) rubles.

11.6.4. Interest rate: in the absolute value no more than twelve percent (12%) per annum (according to the Program to Support Investment Projects Implemented on the Territory of the Russian Federation on the Basis of Project Financing, which was approved by Regulation of the Government of the Russian Federation No. 1044 dated October 11, 2014).

11.6.5. Validity term of the agreement: until complete fulfillment by the parties of all their obligations under the agreement.

11.6.6. Loan repayment term: no more than seven (7) years from the date of the issue of the Loan.