

16.10. Approval of the electric power purchase and sale transactions between JSC Inter RAO and AB INTER RAO Lietuva classified as several interrelated transactions that may be settled in future in the course of ordinary business operations and as interested-party transactions.

JSC Inter RAO and AB INTER RAO Lietuva¹ have the experience of cooperation since 2003. As of today, the companies are the parties to long-term contracts for electric power supply to/from the Baltic states until 2020, contract for electric power supply from energy systems of the Baltic states to the United Energy Systems of Russia when providing emergency aid, contract for electric power supply from the United Energy Systems of Russia to energy systems of the Baltic states when providing emergency aid, contracts for electric power supply to ensure the simultaneous operation of the United Energy Systems of Russia and energy systems of the Baltic states.

Electric power purchase and sale contracts in effect may be extended, and where required – new power supply contracts may be entered into, should the transactions be approved, which will have a positive effect on financial foreign economic performance with respect to the Baltic states later on.

Electric power supplied under the contracts between JSC Inter RAO and AB INTER RAO Lietuva provides up to 40% of the annual electric power balance of Lithuania and may be replaced with electric power supplied from Belarus, Ukraine and Sweden if terminated.

Transactions submitted for approval are profitable for the Company. Obligations of JSC Inter RAO under the aforesaid contracts are secured by its status of the subject of the wholesale electric power (capacity) market of the Russian Federation and also by purchasing of electric power for export purposes to the extent required for the performance of such obligations.


The price of electric power under the transactions shall be estimated based on the weighted average (forecasted) price of electric power purchase and sale at the respective power market as of the date of such transaction, customs duties, infrastructural organization service fees for the purposes of ensuring the compliance with mandatory condition of cost-effective supplies, and approved for an annual, and/or monthly, and/or hourly term.

As per article 81 of the Federal Law on Joint Stock Companies the transactions submitted for approval are classified as interested-party transactions on the grounds that:

The members of the Management Board of JSC Inter RAO Mr Ilnar Ilbatyrovich Mirsiyapov and Mr Dmitriy Nikolayevich Palunin are the members of the Management Board of AB INTER RAO Lietuva, the member of the Management Board of JSC Inter RAO Mr Aleksandr Aleksandrovich Pakhomov is the member of the Supervisory Board of AB INTER RAO Lietuva, the members of the Management Board of JSC Inter RAO Ms Karina Valeryevna Tsurkan is the Chairman of the Management Board of AB INTER RAO Lietuva.

According to clause 3, Article 49 of the Federal Law “On Joint-Stock Companies”, the resolution of the General Meeting of Shareholders on approval of the interested party transactions may be adopted at the suggestion of the Board of Directors only.

According to clause 7, Article 83 and Article 77 of the Federal Law “On Joint-Stock Companies” when the interested party transaction is subject to the approval by the General Meeting of Shareholders the price of such transaction shall be determined by the Board of Directors.

 Recommendations to the Annual General Meeting on the approval of these transactions were made at the meeting of the Board of Directors on April 07, 2015

¹ AB INTER RAO Lietuva (is included in the Inter RAO Group) is the only distributor of Russian electric power in the Baltic states licensed as independent supplier and authorized to import/export electric power in the Baltic states, through the agency of which JSC Inter RAO trades in electric power in the Baltic region,

(Minutes dated April 09, 2015 № 138), as well as the price (monetary value) of the property (funds) under the agreement was determined in the following amounts:

→ *The price (monetary value) of the property (electric power) under the purchase and sale transactions between JSC Inter RAO (Seller/Buyer) and AB INTER RAO Lietuva (Buyer/Seller), classified as interested-party transactions and transactions (several interrelated transactions) that may be settled in future in the course of ordinary business operations of JSC Inter RAO, is determined to the maximum amount applicable to such transactions, equal to EUR 270,000,000.00 (two hundred and seventy million euros).*

The price under the electric power purchase and sale transactions taken in conjunction with the contracts earlier entered into between JSC Inter RAO and AB INTER RAO Lietuva (No 02-440/2008-1 dated October 22, 2008, No 02-440/2008-2 dated October 30, 2008, No 02-420/2009-00001 dated March 05, 2009, No 01-440/2009-00001 dated December 22, 2009, No 01-440/2009-00002 dated December 22, 2009, No 02-440/2010-00001 dated April 27, 2010, No 02-440/2010-00003 dated May 20, 2010, No 02-440/2010-00004 dated September 07, 2010, No 01-440/2011-00001 dated March 25, 2011, and No 02-440/2011-00001 dated March 25, 2011) shall not exceed RUB 1,377,407,341.99 (one billion three hundred and seventy seven million four hundred and seven thousand three hundred and forty one euros and 99 eurocents).

Annual General Meeting of Shareholders is proposed to adopt the following resolutions:

16.10. Approve the electric power purchase and sale transactions between JSC Inter RAO and AB INTER RAO Lietuva, classified as interested-party transactions and transactions (several interrelated transactions) that may be settled in future in the course of ordinary business operations of JSC Inter RAO, entered into on the following material terms and conditions:

16.10.1. Parties to the transactions:

JSC Inter RAO – Seller or Buyer,

AB INTER RAO Lietuva – Buyer or Seller.

16.10.2. Subject-matter of the transactions: the Seller shall deliver (supply) to the Buyer, and the Buyer shall accept and pay for, electric power.

16.10.3. Electric power supply period: January 01 to December 31, 2016 (hereinafter, the Supply Period).

16.10.4. The price of electric power shall be estimated based on the weighted average (forecasted) price of electric power purchase and sale at the respective power market as of the date of such transaction, customs duties, infrastructural organization service fees, for the purposes of ensuring the compliance with mandatory condition of cost-effective supplies, and approved for an annual, and/or monthly, and/or hourly term. The maximum amount of the transactions settled within the Supply Period shall be equal to EUR 270,000,000.00 (two hundred and seventy million euros).