

16.2. Approval of inter-related Guarantee Agreement(s) to be executed between JSC “Inter RAO” and the creditor banks for the fulfillment by INTER RAO Credit B.V. of its obligations under the credit agreements and agreements on granting a guarantee as an interested party transaction (transactions) performed in the ordinary course of business.

The core business of INTER RAO Credit B.V. implies external borrowing for INTER RAO Group and intragroup borrowing and lending. This mechanism provides for lower cost of borrowed funds raised. The maximum effect is achieved with long-term borrowed funds raised against the security of the parent company within the investment transactions with international and Russian major financial institutions, such as European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Vnesheconombank, etc. Then, the system described provides for harmonized and minimized non-financial obligations within fundraising activities, such as cross-default, adjusting controls/ business and disposal of assets, etc., and for a simplified fundraising procedure.

The extent of the obligations is due to the volumes of refinancing of the long-term part of the Group’s loan portfolio and/or financing of current business and investment activities of INTER RAO Group companies. According to 2014 IFRS statements, the loan portfolio of INTER RAO Group is equal to RUB 107.1 bln., including RUB 42.9 bln. for short-term loans and borrowings and RUB 64.2 bln. for long-term liabilities.

According to the mid-term 2014-2019 investment program approved by the Management Board of JSC INTER RAO, the deficit of the Group’s investment program is equal to 31.7 RUB bln. maximum.

To this effect, issue 1 is resolved under Group’s approved business plan for the year of 2015, and does not result in exceeded debt limit specified in Debt Limit Declaration approved by the Board of Directors of JSC INTER RAO (minutes No. 94 dated June 16, 2013 (Debt/ EBITDA 3.0 maximum)).

The full list of Banks implied for the contractors results from the experience with Inter RAO Group operations and other enterprises of the electricity sector, and confidentiality agreements executed with JSC Inter RAO and/or INTER RAO Credit B.V.

The surety/guarantee of JSC INTER RAO shall stand for the security for the obligations of INTER RAO Credit B.V. to the Banks.

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

- Member of the Board of Directors, the Chairman of the Management Board of the Company B. Yu. Kovalchuk as he is a member of the Supervisory Board of JSC Russian Regional Development Bank (RRDB) at the same time and his father Yu. V. Kovalchuk holds more than 20% of voting shares in the JSC AB ROSSIYA.

- Member of the Board of Directors of the Company V. A. Dmitriev as he is the Chairman of the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank), the Chairman of CJSC Roseximbank and at the same time Vnesheconombank holds more than 20% of voting shares in OJSC Svyaz Bank.


- Member of the Management Board of JSC Inter RAO D.N. Palunin as he is Director A of Inter RAO Credit B.V.;

- Member of the Management Board of JSC Inter RAO A.A. Pakhomov, as he is Sole Executive Officer of Inter RAO Management B.V. that is Director B of Inter RAO Credit B.V.

- Member of the Board of Directors of the Company O.M. Budargin as he a member of the Supervisory Board of JSC Russian Regional Development Bank (RRDB).

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

→ *For surety or guarantee agreement(s) executed between JSC Inter RAO, on the one part, and GPB (JSC), and/or JSC VTB Bank, and/or Russian Regional Development Bank (RRDB), and/or VTB Capital plc, and/or JSC Sberbank of Russia, and/or JSB ROSSIA, and/or JSC ALFA-BANK, and/or JSCB Absolut Bank (JSC), and/or JSC Sobinbank, and/or CJSC ROSEXIMBANK, and/or JSC CREDIT BANK OF MOSCOW, and/or JSCB Sviaz-Bank, and/or JSCB ROSBANK, and/or JSC Bank Petrocommerce, and/or State Corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)”, and/or Eurasian Development Bank, and/or CJSC 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 CJSC 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 CJSC BNP Paribas, 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 affiliated to the above listed organizations, as provided for with the legislation of their countries of registration, on the other part (collectively referred to as the “Banks”, and individually as a “Bank”) without any restrictions with regards to their number (for any Bank) to the total ceiling amount for all the surety or guarantee agreements equal to 50,000,000,000.00 (Fifty billion, 00/100) Russian roubles maximum, or to any USD or Euro equivalent, and for the maximum loan term of 5 (Five) years after the loan agreements execution, increased by the absolute interest charged at the key rate of the Central Bank of the Russian Federation plus 15 (Fifteen) per cent per annum or Mosprime rate plus 10 (Ten) per cent per annum – in roubles terms, or 8 (Eight) per cent p.a. maximum or at the floating rate calculated as LIBOR/ EURIBOR rate plus 7.5 (Seven point five) per cent p.a. – in USD or Euro terms; plus the origination fee no higher than 2 (Two) per cent of the credit line, plus all the fees and other expenses charged to execute and maintain the loan agreements.*

→ *For surety or guarantee service agreement(s) regarding obligations of INTER RAO Credit B.V. (hereinafter referred to as the Debtor) arising from the loan agreement(s) executed between the Debtor and GPB (JSC), and/or JSC VTB Bank, and/or Russian Regional Development Bank (RRDB), and/or VTB Capital plc, and/or JSC Sberbank of Russia, and/or JSB ROSSIA, and/or JSC ALFA-BANK, and/or JSCB Absolut Bank (JSC), and/or JSC Sobinbank, and/or CJSC ROSEXIMBANK, and/or JSC CREDIT BANK OF MOSCOW, and/or JSCB Sviaz-Bank, and/or JSCB ROSBANK, and/or JSC Bank Petrocommerce, and/or State Corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)”, and/or Eurasian Development Bank, and/or CJSC 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 CJSC 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 CJSC BNP Paribas, 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 affiliated to the above listed organizations, as provided for with the legislation of their countries of registration, the surety/ guarantee service remuneration of JSC Inter RAO (the Underwriter) shall be 0.3 (Zero point three) per cent p.a. maximum of the surety/guarantee-secured obligation, comprised of the principal plus the interest amounts (exclusive of 18 (Eighteen) per cent VAT) (net of forfeits (penalties) charged on the Debtor for the non-fulfillment of its payment obligations under the loan agreement(s)).

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

16.2. Approve as an interested party transaction (several interrelated transactions) performed in the ordinary course of business the following agreements:

16.2.1. Surety or guarantee agreement(s) executed between JSC Inter RAO, on the one part, and GPB (JSC), and/or JSC VTB Bank, and/or Russian Regional Development Bank (RRDB), and/or VTB Capital plc, and/or JSC Sberbank of Russia, and/or JSC AB ROSSIA, and/or JSC ALFA-BANK, and/or JSCB Absolut Bank (JSC), and/or JSC Sobinbank, and/or CJSC ROSEXIMBANK, and/or JSC CREDIT BANK OF MOSCOW, and/or JSCB Sviaz-Bank, and/or JSCB ROSBANK, and/or JSC Bank Petrocommerce, and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)", and/or Eurasian Development Bank, and/or CJSC 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 CJSC 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 CJSC BNP Paribas, 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 affiliated to the above listed organizations, as provided for with the legislation of their countries of registration, on the other part (collectively referred to as the "Banks", and individually as a "Bank"), executed with any Bank under the following material terms (to be approved for any contract without limiting their total amount, but always provided that the Company's obligations under all the concurrent surety/guarantee agreement approved under this Clause do not go beyond the restrictions detailed below):

16.2.1.1. Parties to the surety or guarantee agreement(s): JSC Inter RAO as the Underwriter; a Bank as the Lender;

16.2.1.2. Subject of the surety or guarantee agreement(s): The Underwriter shall be jointly and severally liable (responsible) to the Lender for the repayment of the principal amount, the interest, the forfeit, the fees and any other charges by INTER RAO Credit B.V. (the Beneficiary or the Debtor), as provided for in the loan agreement executed between the Lender and the Debtor.

16.2.1.3. The nature of obligations secured by the surety/ guarantee and the price of contracts (underwriting limit): The Debtor shall repay the Lender(s) funds provided for the regular business activities, except for power-generating equipment acquisition within the investment projects of INTER RAO Group against the security of the export credit agency(-ies), to the principle amount equal to 50,000,000,000.00 (Fifty billion, 00/100) Russian roubles maximum, or to any USD or Euro equivalent, and for the maximum loan term of 5 (Five) years after the loan agreements execution, increased by the absolute interest charged at the key rate of the Central Bank of the Russian Federation plus 15 (Fifteen) per cent per annum or Mosprime rate plus 10 (Ten) per cent per annum – in roubles terms, or 8 (Eight) per cent p.a. maximum or charged at LIBOR/ EURIBOR rate plus 7.5 (Seven point five) per cent p.a. – in USD or Euro terms; plus the origination fee no higher than 2 (Two) per cent of the credit line, plus all the fees and other expenses charged to execute and maintain the loan agreements, plus

forfeits (penalties) charged on the Debtor for the non-fulfillment of its payment obligations under the loan agreement(s);

16.2.1.4. Surety or guarantee agreement(s) validity term: up to 3 (Three) years after the fulfillment of the obligation secured by the surety/guarantee.

16.2.2. Surety or guarantee service agreement(s) for the obligations of INTER RAO Credit B.V., arising from the loan agreement(s) executed under the following material terms and conditions (for every agreement):

16.2.2.1. The parties to the Agreement(s): INTER RAO Credit B.V. as the Debtor; JSC Inter RAO – as the Underwriter.

16.2.2.2. Subject of the agreement(s): In return for the remuneration paid by the Debtor the Underwriter shall provide the surety/ guarantee for the Debtor's discharge of its obligations under the loan agreement(s) executed between the Debtor and GPB (JSC), and/or JSC VTB Bank, and/or Russian Regional Development Bank (RRDB), and/or VTB Capital plc, and/or JSC Sberbank of Russia, and/or JSB ROSSIA, and/or JSC ALFA-BANK, and/or JSCB Absolut Bank (JSC), and/or JSC Sobinbank, and/or CJSC ROSEXIMBANK, and/or JSC CREDIT BANK OF MOSCOW, and/or JSCB Sviaz-Bank, and/or JSCB ROSBANK, and/or JSC Bank Petrocommerce, and/or State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)", and/or Eurasian Development Bank, and/or CJSC 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 CJSC 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 CJSC BNP Paribas, 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 Cr dit Agricole S.A., and/or CREDIT SUISSE GROUP AG, and/or The European Investment Bank, and/or legal entities recognized affiliated to the above listed organizations, as provided for with the legislation of their countries of registration (hereinafter individually referred to as a "Lender") to the total ceiling amount of any one agreement or all the agreements executed with one or several Lenders equal to 50,000,000,000.00 (Fifty billion, 00/100) Russian roubles or any USD or Euro equivalent and the maximum loan term of 5 (Five years), increased by the absolute interest amount, charged at the rate no higher than the rate of the Central Bank of the Russian Federation plus 15 (Fifteen) per cent per annum, or Mosprime rate plus 10 (Ten) per cent per annum for RUB loan facilities or 8 (Eight) per cent p.a. maximum for USD or Euro loan facilities or charged at the floating interest rate with the maximum values calculated as LIBOR/ EURIBOR rate plus 7.5 (Seven point five) per cent p.a. for USD and Euro-currency facilities, plus the origination fee no higher than 2 (Two) per cent of the credit line for every loan agreement, and with all the fees and other expenses charged to execute and maintain the loan agreements, and forfeits (penalties) charged on the Debtor for the non-fulfillment of its payment obligations under the loan agreement(s).

16.2.2.3. The agreement validity term: up to 3 (Three) years after the fulfillment of the obligation secured by the surety/guarantee.

16.2.2.4. The extent of the remuneration paid by the Debtor in favor of the Underwriter for the surety/ guarantee service (stipulated price/ underwriting limit maximum is 0.3 (Zero point three) per cent p.a. of the surety/guarantee-secured obligation, comprised of the principal plus the interest amounts (exclusive of 18 (Eighteen) per cent VAT) (net of forfeits (penalties) charged on the Debtor for the non-fulfillment of its payment obligations under the loan agreement(s)).