

16.3. Approval of the agreement (-s) of loan (-s) between JSC Inter RAO and INTER RAO Credit B.V." as a related party transaction(s) performed in the ordinary course of business

In accordance with the medium-term plan-forecast of JSC Inter RAO and the approved Budget Plan of the Company for 2015, for the effective distribution of available funds within the Group it is seemed appropriate the approval of intra-group financing from the INTER RAO Credit B.V. to the address of JSC Inter RAO in the amount of up to RUB 15 bln as and when JSC Inter RAO feels the need in loan resources.

The proposed for approve transactions contractor is a 100% "grandchild" of JSC Inter RAO – INTER RAO Credit B.V. (through 100% ownership of INTER RAO Finance B.V.).

The proposed for approve transaction will be completed on terms consistent with market conditions at the time of execution, besides, the interest rate will be determined taking into account loan capital market conditions and terms of the planned for signing credit agreements (not more than 5 years).

At the same time, the level of margin is determined taking into account the level of expenditures of INTER RAO Credit B.V. in arranging financing, but not lower than 0.125.

Based on the structure of revenue of the Inter RAO Group, transactions are approved on terms of multicurrency prices. However, at present time, the management of INTER RAO Credit B.V. is not planning to take credits and loans in currencies other than the Russian ruble. Transactions in foreign currency is possible only in exceptional cases and may be caused by the implementation of the investment project abroad or high commercial efficiency in comparison with the financing terms in the Russian rubles.

On March 31, 2015 the balance sheet assets of the Company constitute RUB 354,553,338 thou. The aggregate amount of related transactions constitutes RUB 164,981,250 thou or 46.7% of the balance sheet assets of the Company on 31.03.2015


In accordance with paragraph 1, provision 78 of the Federal Law "On Joint-Stock Companies", the above mentioned related transactions are not considered large, as they are carried out in the ordinary course of business activity.

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 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.

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:

→ *Determine the price (monetary evaluation) of assets (monetary funds), which is the subject of the loan agreement (-s) concluded between JSC Inter RAO (the Borrower) and INTER RAO Credit B.V. (the Lender) in the amount of funds transferred by the Lender to the Borrower, which shall not exceed RUB 15,000,000,000.00 (fifteen billion) or the equivalent in US dollars or Euros for the loan period of not more than 5 (five) years from the date of signing the loan agreements, increased by the amount of interest rate for loans in rubles that in absolute value shall not exceed the key rate of the Central Bank of the Russian Federation plus 15.25 (fifteen point twenty-five) percent per annum or*

shall not exceed a rate with Mosprime rate taken as a base plus 10.25 (ten point twenty-five) percent per annum; for loans in US dollars or Euros the rate shall not exceed 8.25 (eight point twenty-five) percent per annum or shall not exceed a rate with LIBOR/ EURIBOR rate taken as a base plus 7.75 (seven point seventy-five) percent per annum and the commissions for the issuance of a loan in the amount not exceeding 2.125 (two point one hundred twenty-five) percent of the loan amount, the sum of all the commissions and other expenses on organization and maintenance of the loan agreement (-s).

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

16.3. Approve the loan agreement (-s) between JSC Inter RAO and INTER RAO Credit B.V. (hereinafter – Agreement (-s)) as the transaction (-s) committed in the ordinary course of business activity, and which is (are) a related-party transaction (-s), concluded on the following principal conditions:

16.3.1. The Parties of the Agreement (-s): JSC Inter RAO – "The Borrower"; INTER RAO Credit B.V. – "The Lender".

16.3.2. The subject of the Agreement (-s): The lender shall provide the Borrower with monetary funds comprising up to RUB 15,000,000,000.00 (fifteen billion) or its equivalent in US dollars or Euros, and the Borrower undertakes an obligation to return the same amount of money in a stipulated in the Agreement (-s) term and to pay interest at a rate prescribed by the Agreement (-s), commissions for the issuance of the loan, commissions and other expenses for the organization and maintenance of the Agreement (-s), as well as penalties (fines), accrued in connection with the Borrower default on any payment obligations under the Agreement (-s). The monetary funds under the Agreement (-s) are provided to the Borrower in tranches on the basis of written statements of the Borrower.

16.3.3. The price of the Agreement (-s) (the ceiling amount that the agreement (-s) can be entered into):

– For loan agreements in Russian rubles: at a rate that in absolute value shall not exceed the key rate of the Central Bank of the Russian Federation plus 15.25 (fifteen point twenty-five) percent per annum or shall not exceed a rate with Mosprime rate taken as a base plus 10.25 (ten point twenty-five) percent per annum.

– For contracts in US dollars and Euros: at a rate that shall not exceed 8.25 (eight point twenty-five) percent per annum or shall not exceed a rate with LIBOR/ EURIBOR rate taken as a base plus 7.75 (seven point seventy-five) percent per annum.

– The commission for the issuance of a loan in the amount not exceeding 2.125 (two point one hundred twenty-five) percent of the loan ceiling amount.

– The sum of all the commissions and other expenses on organization and maintenance of the loan agreement (-s).

16.3.4. The term of the Agreement (-s): up to 5 (five) years from the date of signing.