

APPROVED

by the Board of Directors of Open Joint Stock Company "INTER RAO UES" as of June 19, 2013 (minutes No. 94 of June 24, 2013)

Chairman of the Board of Directors of Open Joint Stock Company "INTER RAO UES"

_____/Grigoriy M. Kurtser /
(signature, corporate seal)

**Declaration of maximum permissible limit of debt burden
of INTER RAO UES Group**

Moscow,
2013

This Declaration of maximum permissible limit of debt burden of INTER RAO UES Group (the “Declaration”) establishes the procedure of determining the Limit for authority of JSC “INTER RAO UES” management in effecting loan & credit transactions (the “Limit”). This Declaration is established with a view to maintaining sufficient creditability and financial stability of the INTER RAO UES Group (the “Group”), abiding by the financial covenants established by credit agreements, and for the purposes of maintaining international credit ratings of JSC “INTER RAO UES”.

Abidance by the Limit established hereby for each reporting date (with regard to statements of the Group prepared in line with IFRS) is mandatory requirement for the management of the Company in making decisions concerning implementation of investment projects, M&A transactions, and planning financial and economic activity of the Group in the framework of business planning process.

An indispensable condition of attracting credits and loans of the Group within the Limit imposed by the Declaration is meeting the Limit Value of debt position of the Group (the “Limit Value”). Financial statements data of INTER RAO UES Group prepared in line with IFRS are the initial data for calculation of the Limit Value. Data of management accounting and medium-term model of financial state of the Group may be used for interim control over meeting the Limit Value within the accounting period, and its meeting in the midterm subject to application of IFRS rates and standards. Exceeding the Limit Value within each accounting period is acceptable only provided that it is temporary and the target Limit Value would be expected by the end of each accounting period.

In view of the foregoing, in calculation of the Limit value of the debt position and Limit of authority for Company’s management, the Debt coverage limit shall apply.

Calculation of ratio and fixing the Limit:

Item	Calculation formula	Limit Value
Debt coverage limit (DCL)	$DCL = FD/EBITDA$	≤ 3

Financial debt (FD) is determined as of the last reporting date as a grand total of long and short term credits and loans of the Group, as well as liabilities under leasing, suretyships with high probability of execution and other payable and off-balance sheet liabilities, as they are shown pursuant to IFRS standards.

Financial debt includes:

1. Borrowed money or intangible equivalents received in the framework of credit agreements;

2. Monetary funds received under credit facilities secured by promissory notes or as a part of issuing bond securities, interest-bearing securities or similar financing instruments;
3. Indebtedness under leasing or installment purchase agreements interpreted as lease of assets or financial lease pursuant to IFRS;
4. Sold or discounted debts receivable (except when it is sold without recourse);
5. Preferential redeemable shares;
6. Initial cost of the asset or service payable upon the acquisition or possession; advance or deferred payment in respect of persons holding assets acquired:
 - a) Considered as a method of arranging for funding or financing asset acquisition or construction;
 - b) Shall be reviewed for the periods exceeding 36 months before or after the acquisition or security effective date;
7. Any other transactions (including forward transactions, purchase & sales agreements) economic effect thereof is similar to borrowing;
8. Transactions with derivative financial instruments aimed at holding or gaining benefits from fluctuations in market rates or prices (in this case calculation of cost of operations with derivative instruments is based on market adjustments);
9. Open letters of credit and bank guarantee agreements.
10. Guarantees issued in favor of third parties.

EBITDA of the Group shall be assessed for 4 quarters prior to the last reporting date as earnings before interest, taxes, depreciation, and other non-cash expenses or revenues charged.

For these purposes, the Group shall be understood as INTER RAO UES JSC and its subsidiaries except for investments to associated and jointly controlled entities.

Considering that indicator of financial and economic activities are recognized in the profit and loss account on an accrual basis, to calculate EBITDA value for the quarters preceding last reporting date, EBITDA value for the entire previous year net of the EBITDA value for the same reporting date of the previous year shall be added to the EBITDA value as of the balance sheet date of the current year.

Member of the Board – Manager of the Financial & Economic Center shall within 30 calendar days of issue of the Group's financial statements prepared in line with IFRS notify the Company's Board of status of debt position of the Group, including actual indicators for the accounting period and predicted Limit for the oncoming quarter.

Procedure in case of exceeding the Limits

If the Company does not meet the Limit Value in accordance with the results of analysis of actual or predicted debt position Limit Value, each transaction resulting in exceeding the Limit Value shall be subject to approval by the Board of Directors of JSC “INTER RAO UES”.