

Date: [.....] 2016

PJSC "TNS ENERGO NN"

and

OJSC "KUBANSKAYA ENERGOSBYTOVAYA COMPANIYA"

and

PJSC "TNS ENERGO ROSTOV-ON-DON"

and

RCB BANK LTD

Deed of Guarantee

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THIS DEED is made on the [.....] day of 2016

BETWEEN:

- (1) **PUBLIC JOINT STOCK COMPANY "TNS ENERGO NIZHNY NOVGOROD"** a company incorporated in the Russian Federation (main state registration number 1055238038316) ("**Guarantor 1**");
- (2) **OPEN JOINT STOCK COMPANY "KUBANSKAYA ENERGOBYTOVAYA COMPANIYA"** a company incorporated in the Russian Federation (main state registration number 1062309019794) ("**Guarantor 2**");
- (3) **PUBLIC JOINT STOCK COMPANY "TNS ENERGO ROSTOV-ON-DON"** a company incorporated in the Russian Federation (main state registration number 1056164000023) ("**Guarantor 3**");

Guarantor 1, Guarantor 2 and Guarantor 3 together the "**Guarantors**" and each a "**Guarantor**";
and

- (4) **RCB BANK LTD** a bank organised and existing under the laws of Cyprus (registration number 72376), whose registered office is at 2 Amathuntos Street, CY-3105 Limassol, Cyprus (formerly named Russian Commercial Bank (Cyprus) Limited) (the "**Beneficiary**"),

together the "**Parties**" and each a "**Party**".

INTRODUCTION

The Beneficiary and the Obligor (as defined below) have entered into the TNS Deed of Guarantee (as defined below) and the Guarantors have agreed to guarantee, in favour of the Beneficiary, certain obligations of the Obligor pursuant to the TNS Deed of Guarantee on the terms set out in this Deed.

THIS DEED WITNESSES as follows:

1. Interpretation

1.1 In this Deed:

"Arbitral Tribunal" has the meaning given to that term in clause 10.6;

"Business Day" means a day other than a Saturday or Sunday or public holiday in Moscow, the Russian Federation, Nicosia, Cyprus or New York, USA;

"Dispute" has the meaning given to that term in clause 10.2;

"Existing Dispute" has the meaning given to that term in clause 10.6;

"First Arbitral Tribunal" has the meaning given to that term in clause 10.7;

"Liabilities" has the meaning given to that term in clause 2.1;

"Obligor" means PJSC GC "TNS Energo", a company incorporated in the Russian Federation (main state registration number 1137746456231), whose registered office is at 127051, Russian Federation, Moscow, Bolshoi Sukharevskiy pereulok bldg. 19, constr.2 Russia (formerly Open Joint Stock Company GC "TNS Energo");

"Notice" has the meaning given to that term in clause 9.1;

"Put and Call Option Agreement" means the Put and Call Option Agreement entered into by JSC "STK Firm" and the Beneficiary on or about the date of this Deed, as may be amended from time to time;

"Related Dispute" has the meaning given to that term in clause 10.6;

"Rules" has the meaning given to that term in clause 10.2;

"TNS Deed of Guarantee" means the deed of guarantee entered into by the Obligor and the Beneficiary on the date hereof; and

"Transaction Documents" has the meaning given to it in the Put and Call Option Agreement.

1.2 In this Deed, a reference to:

1.2.1 (i) a **"subsidiary"** is to be construed in accordance with section 1159 (and Schedule 6) of the Companies Act 2006 and, for the purposes of this definition, a person shall be treated as a member of another person if any of that person's subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its subsidiaries; and (ii) a **"subsidiary undertaking"** is to be construed in accordance with section 1162 (and Schedule 7) of the Companies Act 2006. A subsidiary and a subsidiary undertaking shall include any person the shares or ownership interests in which are subject to security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such security;

1.2.2 liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument;

1.2.3 a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Deed and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Deed;

1.2.4 a "person" includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality);

1.2.5 a person includes a reference to that person's legal personal representatives, successors and permitted assigns; and

1.2.6 a "Party" includes a reference to that Party's successors and permitted assigns;

1.2.7 a clause or Schedule, unless the context otherwise requires, is a reference to a clause of or Schedule to this Deed; and

1.2.8 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term and to any English statute shall be construed so as to include equivalent or analogous laws of any other jurisdiction.

1.3 The *ejusdem generis* principle of construction shall not apply to this Deed. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.4 The headings in this Deed do not affect its interpretation.

1.5 Any amount which is due and payable by the Guarantors to the Beneficiary under this Deed shall be paid to the Beneficiary and in such amounts (subject to the total amount due to the Beneficiary in relation to the relevant amount due) as the Beneficiary shall from time to time notify in writing (by written demand or otherwise) to the Guarantors.

2. Guarantee

2.1 Each of the Guarantors jointly and severally irrevocably and unconditionally guarantee to the Beneficiary the due and punctual performance of each obligation of the Obligor contained in the TNS Deed of Guarantee in relation to the payment of any amounts which the Obligor is liable to pay to the Beneficiary pursuant to the TNS Deed of Guarantee (any and all such amounts being the "**Liabilities**"). Each of the Guarantors shall pay to the Beneficiary from time to time on demand a sum of money which is equal to the Liabilities and which has not been paid at the time the demand is made.

2.2 The Guarantors' obligations under clause 2.1 are primary obligations and not those of a mere surety.

2.3 The Guarantors jointly and severally irrevocably and unconditionally agree to indemnify (and keep indemnified) the Beneficiary on demand against any loss, liability or cost incurred by the Beneficiary in connection with any failure by the Obligor to pay any of the Liabilities, including any enforcement action in connection therewith.

2.4 The Guarantors' obligations under clauses 2.1 and 2.3 are continuing obligations and are not satisfied, discharged or affected by an intermediate payment or settlement of account by, or a change in the constitution or control of, or merger or consolidation with any other person of, or the insolvency of, or bankruptcy, winding up or analogous proceedings relating to, the Obligor.

2.5 The obligations of the Guarantors under clauses 2.1 and 2.3 will not be affected by an act, omission, matter or thing which, but for this clause 2.5, would reduce, release or prejudice any of its obligations under clauses 2.1 and 2.3 without limitation and whether or not known to it or any Beneficiary.

2.6 So long as the Obligor remains under an actual or contingent obligation under the TNS Deed of Guarantee, the Guarantors shall not exercise a right which they may at any time have by reason of the performance of their obligations under clauses 2.1 and 2.3 to be indemnified by the Obligor, to claim a contribution from another surety of the Obligor's obligations or to take the benefit (wholly or partly and by way of subrogation or otherwise) of any of the Beneficiary's rights under the TNS Deed of Guarantee.

2.7 The Guarantors' liabilities under clauses 2.1 and 2.3 are not affected by the avoidance of an assurance, security or payment or a release, settlement or discharge which is given or made on the faith of an assurance, security or payment, in either case, under an enactment relating to bankruptcy or insolvency.

2.8 The Guarantors waive any right they may have of first requiring the Beneficiary (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantors under this clause 2. This waiver applies irrespective of any law or any provision of the TNS Deed of Guarantee to the contrary.

3. Representations, Warranties and Undertakings

The Guarantors jointly and severally represent and warrant to the Beneficiary that each representation and warranty set out in Schedule 1 is true and accurate on the date of this Deed. The Guarantors jointly and severally undertake to the Beneficiary that they will promptly notify the Beneficiary of any matter or change affecting the accuracy of or breaching any of the representations and warranties set out in Schedule 1.

4. Confidentiality

4.1 The Parties agree to keep all matters set out in this Deed strictly confidential.

4.2 Each of the Parties undertakes that each of its officers, directors and employees shall comply with the terms of clause 4.1.

4.3 Clauses 4.1 and 4.2 do not apply to the disclosure of matters set out in this Deed to the extent that it is required to be disclosed by law, by a rule of a listing authority by which a Party's shares are listed, by a stock exchange on which a Party's shares are listed or traded, or by the order of a competent court, authority, regulator or listing authority applicable to any Party, provided that the disclosure shall so far as practicable be made after consultation with the other Party and after taking into account the other Party's reasonable requirements as to its timing, content and manner of making dispatch.

4.4 This clause 4 shall continue to apply after the termination of this Deed without limit in time.

5. Announcements

5.1 Subject to clause 5.2, neither Party may make or issue a public announcement, communication or circular concerning the transactions referred to in this Deed unless it has first obtained each other Party's written consent, which may not be unreasonably withheld or delayed.

5.2 Clause 5.1 does not apply to a disclosure made pursuant to clause 4.3.

6. General

6.1 A variation of this Deed is valid only if it is in writing and signed by or on behalf of each Party.

6.2 The failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Deed or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

6.3 The rights and remedies contained in this Deed are cumulative and not exclusive of rights or remedies provided by law.

6.4 If any Guarantor fails to pay a sum due from them under this Deed on the due date of payment in accordance with the provisions of this Deed, the Guarantors shall pay interest on the overdue sum from the due date of payment until the date on which their obligation to pay the sum is

charged at the rate of fifteen per cent. per annum (whether before or after judgment). Interest accrues and is payable from day to day.

6.5 All payments made by the Guarantors under this Deed shall be made gross, free of right of counterclaim or set off and without deduction or withholding of any kind other than any deductions or withholding required by law.

6.6 If any of the Guarantors make a deduction or withholding required by law from a payment under this Deed, the sum due from the Guarantors shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the Beneficiary receives a sum equal to the sum it would have received had no deduction or withholding been made.

6.7 A person who is not a Party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6.8 The Guarantors shall be jointly and severally liable for their obligations under this Deed.

7. Entire Agreement

7.1 The Transaction Documents constitute the entire agreement, and set out the complete legal relationship, between the Parties in respect of the subject matter of the Transaction Documents and supersede any previous agreements relating to its subject matter.

7.2 Nothing in this clause 7 shall have the effect of limiting any liability arising from fraud.

8. Assignment

8.1 The Guarantors agree that the benefit of every provision in this Deed is given to the Beneficiary for itself and its successors in title and assigns. Accordingly, the Beneficiary may, without the consent of any Guarantor, assign the benefit of all or any of the Beneficiary's obligations under this Deed and/or any other benefit arising under or out of this Deed.

8.2 This Deed is personal to each of the Guarantors. Accordingly, none of the Guarantors shall assign, transfer, declare a trust of the benefit of or in any other way alienate any of their rights under this Deed whether in whole or in part.

9. Notices

9.1 A notice or other communication under or in connection with this Deed (a "**Notice**") shall be:

9.1.1 in writing;

9.1.2 in the English language; and

9.1.3 delivered personally, or sent by fax, email or internationally-recognised courier to the Party due to receive the Notice to the address set out in clause 9.3 or to an alternative address or person specified by that Party by not less than seven days' written Notice to the other Parties received before the Notice was dispatched.

9.2 Unless there is evidence that it was received earlier, a Notice is deemed given if:

9.2.1 delivered personally or by internationally-recognised courier, when left at the address referred to in clause 9.1.3;

sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine; and

9.2.2 sent by email, when the email is sent,

provided that if deemed receipt of any Notice occurs after 6.00 pm or is not on a Business Day, deemed receipt of the Notice shall be 9.00 am on the next Business Day. References to time in this clause 9.2 are to local time in the country of the addressee.

9.3 The address referred to in clause 9.1.3 is:¹

In relation to Guarantor 1:

Address: Beketova street, 3 "v", Nizhny Novgorod, 603950, Russia

Fax: +7 (831) 412-36-48

Email address: an.snezhko@nn.tns-e.ru

Attention: Snezhko Andrey Nikolaevich

In relation to Guarantor 2:

Address: Gimnazicheskaya Street 55/1, Krasnodar, 350000, Russia

Fax: +7 (861) 2990720

Email address: energosbyt@mail.kubansbyt.ru

Attention: Rozhkov Vitalii

In relation to Guarantor 3:

Address: per.Zhuravleva, 47, Rostov-on-Don, 344091, Russia

Fax: + 7 (863) 2035975

Email address: a.artyushenko@rostov.tns-e.ru

Attention: Artyushenko Alla

In relation to the Beneficiary:

Address: 2 Amathuntos Street P.O. Box 56868, 3310 Limassol, Cyprus

Fax: +357 25 342 192

Email address: Loan.admin@rcbcy.com

Attention: Loan Administration

¹ To be confirmed

10. Governing Law and Jurisdiction

- 10.1 This Deed is governed by the laws of England and Wales.
- 10.2 Any dispute, controversy or claim (a "**Dispute**") arising out of or in connection with this Deed, including one regarding the existence, validity or termination of this Deed or the consequences of its nullity shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration (the "**Rules**") in force at the date of this Deed, which Rules are deemed incorporated by reference into this clause 10.
- 10.3 The number of arbitrators shall be three. Each of the Guarantors and the Beneficiary shall nominate one arbitrator and the two Party-nominated arbitrators shall nominate the third, who shall act as chairman. Any provision of the Rules relating to the nationality of an arbitrator shall, to that extent, not apply.
- 10.4 The seat of arbitration shall be London, England, all hearings shall take place in London, England, and the language of arbitration shall be English.
- 10.5 The provisions of this clause 10 shall not prevent any Party to this Deed from taking proceedings in any court for enforcement of an arbitration award, or for interim or injunctive relief in connection with arbitration proceedings. Except as aforesaid, all rights of appeal or recourse to any court of law to determine any preliminary point of law and/or review any question of law and/or the merits or otherwise whatsoever are hereby excluded in relation to any arbitration or any award made therein. For the avoidance of doubt, this clause 10 is not intended to limit the powers of the court exercisable in support of arbitration proceedings pursuant to s. 44 of the Arbitration Act 1996. The parties exclude the jurisdiction of the courts under sections 45 and 69 of the Arbitration Act 1996.
- 10.6 If any Dispute arises which:
- (a) raises issues substantially the same as, or connected with, issues arising in a dispute pursuant to this Deed or any other Transaction Document which has been referred to arbitration in accordance with this clause 10 (an "**Existing Dispute**"); or
 - (b) arises out of substantially the same facts as are the subject of an Existing Dispute,
- (in either case, the later Dispute arising under this Deed or another Transaction Document being a "**Related Dispute**"), the arbitral tribunal appointed or to be appointed in respect of such Existing Dispute shall, where possible and to the extent permitted by the LCIA Court, also be appointed as the arbitral tribunal in respect of any Related Dispute (an arbitral tribunal appointed in respect of both the Existing Dispute and the Related Dispute being an "**Arbitral Tribunal**").
- 10.7 Where, pursuant to clause 10.6 above, there is an Existing Dispute and a Related Dispute, the Arbitral Tribunal, or to the extent an Arbitral Tribunal is unable to be appointed, the first-appointed arbitral tribunal whether appointed in respect of the Existing Dispute or the Related Dispute (the "**First Arbitral Tribunal**"), may, at the request of any Party, consolidate the whole or part thereof of both sets of arbitration proceedings prior to the service of a Statement of Claim in either set of proceedings provided the Arbitral Tribunal, or the First Arbitral Tribunal as the case may be, determines that:
- 10.7.1 it would be just and equitable to do so; and
 - 10.7.2 there are issues of fact or law common to the proceedings so that a consolidated proceeding would be more efficient than separate proceedings; and

- 10.7.3 no party would be unduly prejudiced as a result of such consolidation through undue delay or otherwise.
- 10.8 The parties to this Deed agree that, in the event of consolidation of proceedings pursuant to clause 10.7, any appointment of any arbitrator who is not a member of the Arbitral Tribunal or of the First Arbitral Tribunal will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:
- 10.8.1 the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated; and
- 10.8.2 his entitlement to be paid his proper fees and disbursements (and any such expenses shall be met by the party or parties that issued the Request for Arbitration).
- 10.9 The Parties hereby consent to the appointment of the same Arbitral Tribunal in respect of Existing Disputes and Related Disputes and to any subsequent consolidation of arbitration proceedings in the terms described in clauses 10.7 and 10.8 above.
- 10.10 The Parties hereby expressly agree that, in the event of consolidation of Disputes pursuant to clauses 10.7 and 10.8 above, (i) they may be prevented from exercising their right to nominate an arbitrator pursuant to clause 10.3 and that (ii) they will not oppose enforcement of any award issued pursuant to this clause 10 on the grounds that they were unable to nominate an arbitrator pursuant to clause 10.3.
- 10.11 The Parties also expressly agree that any party to any Transaction Document may, at the request of any Party and with the consent of the party to be joined and the arbitral tribunal, be joined as a party to any arbitral proceedings commenced under this Deed.
- 10.12 The parties agree to keep confidential all Disputes and matters relating to the arbitration, including related court proceedings, to the greatest extent possible.

11. Governing Language

This Deed is drawn up in the English language. If this Deed is translated into another language, the English language text prevails.

12. Counterparts

This Deed may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same deed.

Schedule 1

Representations and Warranties²

1. Each of the Guarantors:
 - 1.1 is an open joint stock company incorporated under the laws of the Russian Federation and has been in continuous and valid existence since incorporation; and
 - 1.2 has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under the this Deed.
2. The execution and performance of this Deed has been duly authorised by the Guarantors and, upon due execution, the same will constitute a legal, valid, binding and enforceable obligation of each of the Guarantors enforceable in accordance with its terms, subject, in the event of enforcement, to the laws of bankruptcy, general principles of equity and other laws affecting the rights of creditors generally.
3. The execution, delivery and performance of this Deed by the Guarantors does not and will not infringe any law or regulation of the Russian Federation or any other applicable jurisdiction and is not and will not be contrary to the provisions of the charter and/or other constitutional documents of any of the Guarantors and does not and will not result in any breach of the terms of, or constitute a default under, any instrument or agreement to which any of the Guarantors is a party or by which it or any of its property is bound.
4. All consents and approvals of any court, any governmental or regulatory body or any other person or party required by the Guarantors for the execution and performance of the terms of this Deed have been obtained.

² To be confirmed

IN WITNESS WHEREOF this Deed was executed and delivered as a deed on the date set out on the first page hereof.

EXECUTED as a **DEED** by **PUBLIC JOINT STOCK COMPANY "TNS ENERGO NIZHNY NOVGOROD"** acting by its General Director or an Authorised Signatory:

.....

Signature of director

EXECUTED as a **DEED** by **OPEN JOINT STOCK COMPANY "KUBANSKAYA ENERGOSBYTOVAYA COMPANIYA"**, acting by its General Director or an Authorised Signatory:

.....

Signature of director

EXECUTED as a **DEED** by **PUBLIC JOINT STOCK COMPANY "TNS ENERGO ROSTOV-ON-DON"**, acting by its General Director or an Authorised Signatory:

.....

Signature of director

EXECUTED as a **DEED** by **RCB BANK LTD**, acting by Director or an Authorised Signatory:

.....

Signature of director