

Cayman Exchangeable Funding 1 Limited
Debt Exchangeable for Common Stock (DECS) due 2010

Terms and Conditions

1. **GENERAL**

(a) Description.

The \$1,262,000,000 Debt Exchangeable for Common Stock due 2010 (the “DECS”) of Cayman Exchangeable Funding 1 Limited, an exempted company incorporated under the laws of the Cayman Islands (the “Issuer”), are constituted by a Trust Deed dated 24 October 2007, as amended and supplemented by a First Supplemental Trust Deed dated 28 November 2008 [and a Second Supplemental Trust Deed to be dated on or about \[●\]](#) (together, the “Trust Deed”), and made between the Issuer and Citibank, N.A., acting through its London Branch (the “Trustee”, which term shall include any trustee or trustees appointed pursuant to the Trust Deed).

The Issuer has entered into a paying, transfer, exchange and calculation agency agreement [dated 24 October 2007 as supplemented by a letter agreement dated 28 November 2008 and to be amended by a deed of amendment dated on or about \[●\] 2009](#) (the “Agency Agreement”) ~~dated 24 October 2007, each~~ with Citigroup Global Markets Deutschland AG as registrar, Citibank, N.A., acting through its London Branch, as paying, transfer and exchange agent, Citibank, N.A., acting through its London Branch, as calculation agent, Citibank, N.A., acting through its London Branch, as collateral agent, Citigroup Global Markets Limited as determination agent and Citigroup Global Markets Limited as liquidation agent. The registrar, the paying, transfer and exchange agent, the calculation agent, the collateral agent, the determination agent and the liquidation agent for the time being are referred to in these terms and conditions (the “Conditions”), respectively, as the “Registrar”, the “Paying, Transfer and Exchange Agent”, the “Calculation Agent”, the “Collateral Agent”, the “Determination Agent” and the “Liquidation Agent” and, together, the “Agents”. Pursuant to the terms of the Agency Agreement, the Agents have agreed to act and perform services on behalf of the Issuer with respect to these Conditions.

The statements in these Conditions include summaries of, and are subject to the detailed provisions of, the Trust Deed, which includes the form of the DECS. The Holders (as defined below) are entitled to the benefit of the Trust Deed and are bound by and are deemed to have notice of all the provisions of the Trust Deed, [the Debenture](#) and those applicable to them of the Agency Agreement.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal office hours by the Holders at the registered office of the Trustee for the time being, being at the date hereof at Citigroup Centre 2, Canada Square, Canary Wharf, London E14 5LB, and at the specified office of the Paying, Transfer and Exchange Agent.

References to “Conditions” are, unless the context requires otherwise, to this Condition 1 and the numbered paragraphs below.

(b) Exchange.

The DECS shall be exchangeable, subject to and in accordance with these Conditions, into their respective entitlements to American Depositary Receipts (the “ADRs”) representing ordinary shares of OAO LUKOIL (the “Ordinary Shares”), a company incorporated under the laws of the Russian Federation (the “Company”), and any other Exchange Property (as defined below), or for the relevant Deliverable Cash Amount (as defined below) in accordance with Condition 6(b) on the Maturity Date (as defined below), or for the relevant Redemption Amount (as defined below) on any Redemption Date (as defined below).

Delivery of the ADRs shall only be made through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) to accountholders who hold accounts in Euroclear and Clearstream.

(c) Form, Denomination and Title.

- (i) The DECS are in registered form, in denominations of \$100,000, as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption pursuant to Condition 6(d) or partial mandatory redemption pursuant to Condition 7(f) of the DECS.
- (ii) Title to the DECS will pass by transfer and registration, in accordance with the provisions of Condition 4.

In these Conditions, in relation to a DECS, “Holder” and “holder” mean the person in whose name a DECS is registered in the Register (as defined below) or, in the case of a joint holding, the first named thereof. The holder of any DECS will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of it) and no person will be liable for so treating the holder.

2. **DEFINITIONS**

(a) For the purposes of these Conditions:

“Aggregate Outstanding Principal Amount” means the Principal Amount outstanding *multiplied* by the number of DECS issued and outstanding at the applicable time; provided that the Aggregate Outstanding Principal Amount shall at all times equal the Minimum Exchange Value.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which the London Stock Exchange or banking institutions or trust companies in London and the City of New York are open for general business. If a date when any payment with

respect to the DECS is due falls on a day that is not a Business Day, the payment to be made on such date shall be made on the next succeeding Business Day with the same force and effect as if made on that date, and no additional interest shall accrue as a result of such delayed payment.

| “Calculation Trade Day” has the meaning given to it in Condition 6(a).

| “Cancellation Percentage” has the meaning given to it in Condition 6(e).

| “Cancellation Release Notice” has the meaning given to it in Condition 6(e).

| “Cancellation Release Property” has the meaning given to it in Condition 6(e).

“Cash Collateral Account” means the account of the Issuer established pursuant to a global custodial services agreement dated on or about the date hereof between the Issuer and Citibank, N.A., acting through its London branch (the “Custodian”).

“Cash Collateral Amount” means an amount in cash, as determined by the Calculation Agent in consultation with the Determination Agent, to be deposited by the Counterparty in the Cash Collateral Account pursuant to Conditions 6(b), 6(d), 7(d) and 7(f) hereof, in each case equal to (i) the Daily Exchange Ratio based on the CMV as of the Trading Day prior to the date the deposit is required to be made *multiplied by* (ii) the CMV as of the Trading Day prior to the date the deposit is required to be made.

“Cash Distribution” means any cash distributions in the form of cash dividends or cash distributions made on the Exchange Securities or any other Exchange Property (after deduction of any withholding tax or other required payments with respect to any such Cash Distribution).

“Closing Price” means, with respect to a Trading Day on which an Exchange Security is listed or quoted on the Exchange, the closing price of such Exchange Security on the applicable Exchange as appearing on or derived from Bloomberg screen page LKOD LI Equity HP after the close of trading for the ADRs or, with respect to other Exchange Securities, a source determined by the Determination Agent. If the Exchange Securities are quoted in a currency other than U.S. Dollars, conversions to U.S. Dollars of the Closing Price of the Exchange Securities will be made at the Relevant Rate in effect on the relevant Trading Day.

“CMV” means, with respect to the Exchange Property, the current market value thereof on any Trading Day, being the aggregate amount calculated by the Calculation Agent, in consultation with the Determination Agent, of:

- (a) the VWAP of publicly-traded Exchange Securities included in the Exchange Property on the relevant Trading Day as determined by the Calculation Agent (in consultation with the Determination Agent with respect to Exchange Securities other than ADRs) *multiplied by* the number of such publicly-traded Exchange Securities;

- (b) in the case of any publicly-traded Exchange Securities in respect of which the VWAP is not available, the Closing Price of such Exchange Securities on the relevant Trading Day, all as determined by the Calculation Agent (in consultation with the Determination Agent with respect to Exchange Securities other than ADRs) *multiplied by* the number of such publicly-traded Exchange Securities;
- (c) in the case of any assets included in the Exchange Property on such Trading Day for which a value cannot be determined pursuant to paragraph (a) or (b) above, their fair market value as determined by the Determination Agent or, if such fair market value cannot be determined on the relevant Trading Day, the implied market value of such assets as of the distribution date of the assets as determined by the Determination Agent; and
- (d) in respect of any cash included in the Exchange Property on such Trading Day, the amount of such cash on such Trading Day.

in each case converted (if necessary) into U.S. Dollars at the Relevant Rate on the relevant Trading Day, and provided that, with respect to Exchange Securities other than ADRs for the purposes of paragraphs (a) and (b) above, if such VWAP or Closing Prices are not available on any Trading Day (whether by reason of a suspension of trading in the relevant securities similar to a Market Disruption Event or otherwise), then the CMV of the relevant Exchange Securities shall be determined in accordance with paragraph (c) above.

“Collateral Agreement” means the security agreement entered into on 24 October 2007 as amended by an amendment agreement dated on or about [●] 2009, each among the Issuer, the Collateral Agent and the Counterparty.

“Counterparty” means Sabiana Limited, a company organized under the laws of the Republic of Cyprus, which is a wholly owned direct subsidiary of Reserve Invest Holding (Cyprus) Limited.

“Counterparty Collateral Account” means the segregated collateral account established by the Counterparty pursuant to the Counterparty Custody Agreement.

“Counterparty Custody Agreement” means the agreement entered into on 10 October 2007 by and between the Counterparty and the Custodian.

“Debenture” means the security agreement entered into on 24 October 2007 as amended by an amendment agreement dated on or about [●] 2009, each among the Issuer and the Trustee.

“Deliverable Cash Amount” means, in respect of any cash settlement of a redemption on the Maturity Date or on a Redemption Date pursuant to Conditions 6(b), 7(d) or 7(f), as the case may be, an amount in cash equal to the arithmetic average of the product of (i) the Daily Exchange Ratio on each Trading Day of the Calculation Period

or Mandatory Redemption Calculation Period, as the case may be, and (ii) the CMV on each such Trading Day.

“Excepted Property” means (i) the proceeds from the issuance of ordinary shares of the Issuer, (ii) the transaction fee paid to the Issuer on the Issue Date for the issuance of the DECS and entering into the transactions in connection therewith, (iii) the bank account in the Cayman Islands in which such funds are credited or deposited and (iv) any interest thereon.

“Exchange” means the London Stock Exchange or such other exchange on which any Exchange Securities are traded, or, if such securities are not listed for trading on the London Stock Exchange on the relevant day for a reason other than a Market Disruption Event, the principal securities exchange on which such securities are so listed or, if such securities are not listed on any exchange for a reason other than a Market Disruption Event, the automated inter-dealer quotation system on which prices of such securities are quoted or, if prices for such securities are not so reported by the relevant exchange or quotation system for a reason other than a Market Disruption Event, the over-the-counter market.

“Exchange Property” means the Initial Number of ADRs and subsequently such Exchange Securities and/or other property (including cash) constituting for the time being the Exchange Property in accordance with these Conditions, as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption or partial mandatory redemption of the DECS in a manner consistent with the reduction in the Minimum Exchange Value in accordance with Condition 6(d)(ix) or Condition 7(f)(v), as the case may be, [and/or as reduced in the event of a cancellation of DECS in accordance with Condition 6\(e\)](#), but excluding for the avoidance of doubt (i) Excepted Property and (ii) any Additional Coupon Amounts distributed pursuant to Condition 5(ed).

“Exchange Security” and “Exchange Securities” means any depositary receipt, share, option, warrant, bond, debenture, or other negotiable or transferable security or instrument credited to an account of the Counterparty held initially with Citibank, N.A. as custodian.

“Independent Dealers” means recognized independent investment banking firms (which may include an affiliate of the Calculation Agent or the Determination Agent) selected in good faith by the Determination Agent.

“Initial Number of ADRs” means 20,819,534.0681 ADRs, representing the number of ADRs pledged by the Counterparty pursuant to the Collateral Agreement on the Issue Date.

“Interest Prepayment Event” means the direction by the Issuer to the Liquidation Agent to sell any Treasuries in the Issuer Collateral Account pursuant to Condition 5(c) and the cessation thereafter of each Holder’s entitlement in respect of any Fixed Interest Amount, whether accrued but not yet paid or not yet accrued.

“Issue Date” means 24 October 2007, the date of issuance of the DECS.

“Issuer Collateral Account” means the segregated collateral account established by the Issuer in which the Treasuries are held.

“Mandatory Redemption Date” means the date on which the Issuer delivers to the Holders (i) the Relevant Proportion of the Exchange Property *plus*, unless an Interest Prepayment Event has occurred, the proceeds of sale of any remaining Treasuries, (ii) the Merger Payments or (iii) any Mandatory Redemption Amount, as the case may be, in each case in connection with a Mandatory Redemption Event.

“Market Disruption Event” means (i) any suspension of, or limitation imposed on, trading by the Exchange or otherwise, and whether by reason of movements in price exceeding the limits permitted by the Exchange or such other relevant exchange, trading platform or quotation system on which the ADRs or Ordinary Shares are listed, traded or quoted (the “Relevant Exchange”) or otherwise relating to the ADRs or the Ordinary Shares, (ii) the closure on any Trading Day of the Relevant Exchange prior to its scheduled weekday closing time unless such earlier closing time is announced by such exchange at least one hour prior to the actual closing time for the relevant trading session on such Relevant Exchange on such Trading Day and (iii) any event (other than as described in (i) or (ii) hereof) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the ADRs or the Ordinary Shares on the Relevant Exchange, in each case, as determined by the Determination Agent in its reasonable opinion to be material.

“Market Implied Volatility” means market expectations as to the future expected variation in the price of any security, asset or other component forming part of the Exchange Property.

“Maturity Date” means 17 November 2010, unless extended in light of any Market Disruption Event but in any event no earlier than eight (8) Business Days following the last Calculation Trading Day.

“Maximum Exchange Value” means the value equal to (i) 148% of the Share Reference Price (\$128.15986) *multiplied by* (ii) the Initial Number of ADRs, as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption pursuant to Condition 6(d) or partial mandatory redemption pursuant to Condition 7(f) of the DECS [and/or as reduced in the event of a cancellation of DECS pursuant to Condition 6\(e\)](#).

“Merger Event” means any of the following events, as reasonably determined by the Determination Agent:

- (a) any reclassification or change of the ADRs, the Ordinary Shares or any other securities or assets forming part of the Exchange Property that results in an irrevocable commitment to transfer all of such outstanding ADRs, Ordinary Shares or other securities or assets forming part of the Exchange Property;
- (b) any consolidation, amalgamation or merger of the Company or other issuer of any securities or assets forming part of the Exchange Property with or into another entity (other than a consolidation, amalgamation or

merger in which the Company or other issuer of any securities or assets forming part of the Exchange Property, as the case may be, is the continuing entity and which does not result in any reclassification or change as described in (a) above); or

- (c) any other takeover offer for the ADRs, Ordinary Shares or any other securities or assets forming part of the Exchange Property that results in a transfer or an irrevocable commitment to transfer all such ADRs, Ordinary Shares or securities or assets forming part of the Exchange Property, as the case may be.

“MICEX” means the Moscow Interbank Currency Exchange.

“Minimum Exchange Value” means the value equal to (i) 70% of the Share Reference Price (\$60.61615) *multiplied by* (ii) the Initial Number of ADRs, as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption pursuant to Condition 6(d) or partial mandatory redemption pursuant to Condition 7(f) of the DECS [and/or as reduced in the event of a cancellation of DECS pursuant to Condition 6\(e\)](#).

“Non-Deliverable Securities” means such securities (i) the transfer or delivery of which to the Holders would be unlawful under the laws of any applicable jurisdiction, (ii) the transfer or delivery of which to any Holder would be subject to receipt of any regulatory consents or approvals or (iii) over which a security interest cannot be created or enforced by way of foreclosure or sale by the Issuer or the Collateral Agent under the Collateral Agreement.

“Partial Redemption Percentage” means (i) in the case of a partial early redemption pursuant to Condition 6(d) hereof, the percentage of the Aggregate Outstanding Principal Amount to be redeemed or (ii) in the case of a Partial Mandatory Redemption Event, (x) the CMV of the relevant Exchange Property subject to the Mandatory Redemption Event as of the Announcement Date *divided by* (x) the CMV of the total Exchange Property as of the Announcement Date.

“Prepaid Forward Purchase Agreement” means the agreement entered into on 24 October 2007, as amended from time to time [\(including by an amendment agreement dated on or about \[●\] 2009\)](#), between the Counterparty and the Issuer pursuant to which the Counterparty has the obligation to deliver to the Issuer the Relevant Proportion of the Exchange Property or the Deliverable Cash Amount or any Redemption Amount as are due on the Maturity Date or on any Redemption Date, as the case may be.

“Principal Amount” means \$100,000 per DECS, as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption pursuant to Condition 6(d) or partial mandatory redemption pursuant to Condition 7(f) of the DECS.

“Pro Rata Share” means the (i) Principal Amount per DECS *multiplied by* (ii) the number of DECS held by the relevant Holder *divided by* (iii) the Aggregate Outstanding Principal Amount as of such date.

“Publicly Traded Equity” means ordinary shares, American Depositary Receipts, Global Depositary Receipts or other equity securities or similar equity-like instruments (such as equity-linked securities) listed and/or admitted to trading on a securities exchange or quoted on any automated inter-dealer quotation system.

“Realised Value” means:

- (a) where the Exchange Property is actually disposed of by the Liquidation Agent at the direction of the Issuer, in the open market or otherwise, on an arm’s length basis in good faith within 21 days after such property was due to be delivered to the relevant Holder, the net proceeds of such disposal (after deduction of any costs and expenses properly incurred) converted (if necessary) into U.S. Dollars at the Relevant Rate on the date such proceeds are received;
- (b) where the Exchange Property is not actually disposed of within such 21-day period, the U.S. Dollar amount (net of any costs and expenses which would have been properly incurred) the Issuer would, in the reasonable opinion of the Determination Agent, be able to realise in respect of such property (which may for these purposes include cash), by exercising reasonable efforts to sell the same in the open market within 21 days after such property was due to be delivered;
- (c) if the Determination Agent, is satisfied that an open market for the Exchange Property existed at no time during such 21-day period, the U.S. Dollar amount (net of any costs and expenses which would have been properly incurred) as the Issuer would, in the reasonable opinion of the Determination Agent at the time such opportunity first occurs, be able to realise in respect of the Exchange Property by exercising reasonable efforts to sell (whether in the open market or otherwise) the property at the first available opportunity during the period of six months following the expiry of such 21-day period; or
- (d) if the Determination Agent is satisfied at the end of the six-month period referred to in paragraph (c) above that the Issuer would not, despite exercising reasonable efforts, have been able to sell the relevant property during such period, zero.

“Redemption Amount” means the Early Redemption Amount, the Mandatory Redemption Amount, the Merger Payments or the Partial Mandatory Redemption Amount, as the case may be, as calculated by the Calculation Agent in accordance with Condition 6(d), 7(d) or 7(f), as the case may be.

“Redemption Date” means any Early Redemption Date (as defined in Condition 6(d)(vi), any Mandatory Redemption Date (as defined in Condition 7(c)(iii)) or the

date of any Partial Mandatory Redemption Event (as defined in Condition 7(a)(ii)), as the case may be.

“Relevant Jurisdiction” means the Cayman Islands, the Republic of Cyprus, any jurisdiction through which payment is made and (if different) any jurisdiction in which the payor is resident for tax purposes at the time of payment, and any political subdivision or taxing authority thereof or therein.

“Relevant Proportion” means (i) in the case of the Maturity Date, the Maturity Exchange Ratio or (ii) in the case of any Mandatory Redemption Date or the date of any Partial Mandatory Redemption Event, as the case may be, the Mandatory Redemption Ratio.

“Relevant Rate” means the rate available to the Calculation Agent for the conversion of U.S. Dollars into the currency to be converted at 12.00 hours, New York City time on the relevant Trading Day as determined by the Calculation Agent.

“RTS” means the Russian Trading System Stock Exchange.

“Secured Creditors” means any party to whom monies may now or in the future be applied in accordance with Clause 6 of the Trust Deed, including, for the avoidance of doubt, the Holders.

“Share Reference Price” means \$86.5945.

[“Surrendered DECS” has the meaning given to it in Condition 6\(e\).](#)

“Trading Day” means a Business Day on which the Exchange and each exchange or quotation system on which futures or options contracts relating to the Exchange Securities is open and on which there has not occurred or does not exist a Market Disruption Event.

“U.S. Dollars, “Dollars”, “\$” and “U.S. \$” mean United States Dollars.

“VWAP” means the volume-weighted average price for the publicly-traded Exchange Securities on the Exchange on the relevant Trading Day appearing on or derived from (i) Bloomberg page LKOD LI Equity AQR AUTO (or any successor page) in the case of the ADRs as determined by the Calculation Agent and/or (ii) the applicable Bloomberg page in the case of any other Exchange Securities (or, if no volume-weighted average price is reported, the last reported per share sale price on such day of the ADRs and/or any other Exchange Securities on the Exchange or, if no sale price is reported, the average of the bid and ask prices in the opening auction on such day), in each case in this clause (ii) as determined by the Determination Agent.

3. **STATUS**

The DECS constitute senior secured limited recourse obligations of the Issuer and will rank equally among themselves. The Issuer’s only assets for satisfying its obligations under the DECS are: (a) prior to any Interest Prepayment Event, the Treasuries (as defined below) that will mature semi-annually immediately prior to each Fixed Interest

Payment Date and (b) its rights under the Prepaid Forward Purchase Agreement and the Collateral Agreement (including without limitation, its rights in respect of, among other things, the Exchange Property and the Counterparty Collateral Account), and its rights in the Issuer Collateral Account and the Cash Collateral Account.

On the Issue Date, the Issuer purchased six series of zero coupon U.S. Treasury securities (the “Treasuries”), one of which will mature immediately prior to each Fixed Interest Payment Date:

CUSIP	Principal	Maturity
912820CY1	\$47,946,000.00	May 15, 2008
912833GD6	\$42,593,000.00	November 15, 2008
912820NB9	\$42,593,000.00	May 15, 2009
912820NU7	\$42,593,000.00	November 15, 2009
912833JU5	\$42,593,000.00	May 15, 2010
912820MJ3	\$42,593,000.00	November 15, 2010

Pursuant to the Collateral Agreement, the Counterparty has created a pledge over, among other things, the Exchange Property and the Counterparty Collateral Account in favour of the Issuer as security for the Counterparty’s obligations under the Prepaid Forward Purchase Agreement. Pursuant to the Debenture, the Issuer has assigned its rights and interests under, among others, the Prepaid Forward Purchase Agreement and the Collateral Agreement to the Trustee as trustee for itself and on behalf of the Secured Creditors, and created a charge over the Issuer Collateral Account and any other accounts of the Issuer (with the exception of the account in the Cayman Islands in which the Excepted Property is held) in favour of the Trustee as trustee for itself and on behalf of the Secured Creditors, in each case as security for the Issuer’s obligations to the Secured Creditors (which includes, for the avoidance of doubt, the Holders).

4. **REGISTRATION AND TRANSFER OF THE DECS**

(a) Registration.

The Issuer will cause a register (the “Register”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the DECS and the particulars of the DECS held by them and of all transfers, redemptions and exchanges of DECS.

(b) Transfer.

DECS may, subject to the terms of the Agency Agreement and to paragraphs (c) and (d) hereof, be transferred in whole but not in part only by lodging the relevant DECS (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying,

Transfer and Exchange Agent, together with such evidence as the Registrar or Paying, Transfer and Exchange Agent, as the case may be, may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer.

No transfer of a DECS will be valid unless and until entered on the Register. A DECS may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number) or a nominee.

The Registrar will, within seven (7) Business Days of any duly made application for the transfer of a DECS, deliver a new DECS to the transferee (and, in the case of a transfer of part only of a DECS, deliver a DECS for the untransferred balance to the transferor), at the specified office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the DECS by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) Formalities Free of Charge.

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Trustee.

(d) Closed Periods.

Neither the Issuer nor the Registrar will be required to register the transfer of any DECS (or part thereof) (i) during the period of seven (7) days immediately prior to any Fixed Interest Payment Date (as defined in Condition 5(b)), any Redemption Date or the Maturity Date or (ii) during the period of twenty (20) days immediately prior to the date of payment of any Additional Coupon Amount.

5. **INTEREST**

(a) General.

The DECS bear interest from (but not including) the Issue Date on a fixed rate basis (unless and until an Interest Prepayment Event has occurred as provided in paragraph (c) below) and an additional variable basis as provided below.

(b) Fixed Rate Interest.

- (i) Each DECS bears interest at the rate of 6.75% per annum (the “Fixed Interest Rate”) on its Principal Amount (the “Fixed Interest Amount”), payable in U.S. Dollars semi-annually in arrear calculated for (i) the period beginning on (but excluding) the Issue Date and to (and including) 17 May 2008 and (ii) each subsequent period thereafter (each, a “Fixed Interest Period”) from (but excluding) 17 May and to

(and including) 17 November of each year and for the period beginning on (but excluding) 17 November and to (and including) 17 May of the following year. Interest is payable on 17 May 2008 with respect to payment of the first Fixed Interest Amount pursuant to clause (i) in the preceding sentence and thereafter on the last day of each Fixed Interest Period (each, a “Fixed Interest Payment Date”).

- (ii) The amount of fixed interest payable in respect of any period which is not a Fixed Interest Period shall be calculated by the Calculation Agent applying the Fixed Interest Rate to the Principal Amount of each DECS and multiplying the product by a fraction, the numerator of which shall be the actual number of days in the relevant period (but excluding the first such day and including the last such day) and the denominator of which shall be 365 (or, in the case of such relevant period falling in a leap year, 366) and rounded, if applicable, to the nearest cent, with half a cent being rounded down. The amount of fixed interest payable in respect of a Fixed Interest Period shall be calculated by the Calculation Agent applying the Fixed Interest Rate to the Principal Amount of each DECS and *dividing by two* (2).
- (iii) Each DECS will cease to bear interest upon the earlier of (x) an Interest Prepayment Event or (y) its redemption on the Maturity Date or, if earlier, on a Redemption Date; provided that if, prior to an Interest Prepayment Event, delivery of the Relevant Proportion of the Exchange Property, the Deliverable Cash Amount or any Redemption Amount, as the case may be, and/or payment of any amount due is improperly withheld or refused, such DECS shall continue to bear interest (both before and after judgment). In such case, and assuming no prior Interest Prepayment Event has occurred, interest will accrue on such DECS in accordance with the provisions of this Condition until the day on which the Relevant Proportion of the Exchange Property, the Deliverable Cash Amount or any Redemption Amount, as the case may be, and all sums due in respect of such DECS up to that day are received by or on behalf of the relevant Holder.
- (iv) For the avoidance of doubt and assuming no Interest Prepayment Event has occurred, (x) if a Redemption Date falls on a Fixed Interest Payment Date, the Fixed Interest Amount payable on such date shall be payable on each such DECS, (y) if a Redemption Date falls after a Record Date for the payment of interest, the Fixed Interest Amount nonetheless shall be payable on each such DECS redeemed and (z) on redemption of a DECS on the Maturity Date, the Fixed Interest Amount payable on the Fixed Interest Payment Date, which is the Maturity Date, shall be payable on such DECS.
- (v) All calculations of any Fixed Interest Amount will be made by the Calculation Agent as regards each Holder on the basis of the total number of DECS held by such Holder at any relevant time.

(c) Interest Prepayment Event.

- (i) The Issuer will, if requested by the Holders pursuant to an Extraordinary Resolution (as defined in the Trust Deed), direct the Liquidation Agent to sell any Treasuries in the Issuer Collateral Account.
- (ii) The Issuer will direct the Liquidation Agent to deliver the proceeds of such sale, less the payment of any costs and expenses up to a limit of \$250,000 (including without limitation any legal and administrative expenses, any applicable VAT and/or other taxes thereon) incurred in connection with such sale (the “Treasuries Proceeds”), to the Paying, Transfer and Exchange Agent, and direct the Paying, Transfer and Exchange Agent to deliver the Treasuries Proceeds to the Holders within ten (10) Business Days after such sale.
- (iii) The amount payable to each Holder in respect of the Treasuries Proceeds shall be calculated by the Calculation Agent on the basis of such Holder’s Pro Rata Share of the Treasuries Proceeds.
- (iv) Following the occurrence of an Interest Prepayment Event, each Holder’s entitlement in respect of any Fixed Interest Amount, whether accrued but not yet paid or not yet accrued, shall cease.

(d) Additional Coupon.

- (i) Each Holder of DECS is entitled to receive a Pro Rata Share of the excess, if any, of the aggregate Cash Distributions, for which the record date falls during the period from 18 October to 17 October of the following year, over the Dividend Retention Value (the “Additional Coupon Amount”), subject to paragraph (iii) below. The “Dividend Retention Value” is an amount in cash equal to \$1.50 per annum *multiplied by* the Initial Number of ADRs as reduced by the Calculation Agent, in consultation with the Determination Agent, in the event of a partial early redemption pursuant to Condition 6(d) or a partial mandatory redemption pursuant to Condition 7(f) of the DECS and/or as reduced in the event of a cancellation of DECS pursuant to Condition 6(e), in each case to reflect the reduction in the Exchange Property resulting from such an event as at the relevant record date for the relevant Cash Distribution on the ADRs. The Calculation Agent shall calculate the amount of any Additional Coupon Amounts (rounded, if applicable, to the nearest cent, with half a cent being rounded down). Additional Coupon Amounts will be payable in U.S. Dollars (converted by the Calculation Agent at the Relevant Rate if any Cash Distributions are paid in a currency other than U.S. Dollars), and will be paid within five (5) Business Days after the date of deposit of the Cash Distribution in the Counterparty Collateral Account, which date of deposit shall be notified by the Issuer to the Trustee, the

Holders and the Agents in accordance with Condition 17 as soon as practicable following such date.

(ii) Subject as provided in the next sentence and paragraph (iii) below, Additional Coupon Amounts shall be payable in respect of (x) all Cash Distributions received by the Counterparty up to and including the Maturity Date or the relevant Redemption Date, whichever is earlier, and (y) all Cash Distributions the record date for which falls before, but is paid after, the Maturity Date or the relevant Redemption Date. If the right to a Cash Distribution shall accrue directly to the relevant Holder upon receipt of such Holder's Pro Rata Share of the Relevant Proportion of the Exchange Property due to such Holder following a redemption of the DECS pursuant to Condition 6 or Condition 7, as the case may be, the Issuer shall have no obligation to pay any Additional Coupon Amount in respect of such Cash Distribution.

(iii) Notwithstanding the foregoing or anything in the Transaction Documents (as defined in the Trust Deed) to the contrary, the calculation of Additional Coupon Amounts shall exclude all Cash Distributions made during the relevant period for such calculation relating to Cancellation Release Property in respect of which the Trustee and the Collateral Agent have received a CRP Notice from the Determination Agent under Condition 6(e), Section 4(aa) of the Collateral Agreement or clause 3.6(ii) of the Debenture. The Counterparty (or at the Counterparty's direction, its nominee) shall be entitled to receive and retain all such Cash Distributions, which shall not be subject to, and shall be released from, all security and other arrangements under the Collateral Agreement, the Prepaid Forward Purchase Agreement, the Debenture or otherwise related to the DECS. If any such amounts are received into the Cash Collateral Account (as defined in these Conditions), the Cash Collateral Account (as defined in the Collateral Agreement), the Purchaser Collateral Account (as defined in the Prepaid Forward Purchase Agreement) or any Bank Account (as defined in the Debenture), the Collateral Agent shall hold such amounts to the order of the Issuer and shall promptly pay such amounts to such account of the Counterparty as is notified to the Collateral Agent by the Issuer.

6. REDEMPTION

The DECS may not be redeemed otherwise than in accordance with this Condition 6 or Condition 7.

(a) Mandatory Exchange at Maturity.

(i) Unless otherwise previously redeemed or otherwise settled in cash in accordance with these Conditions, each outstanding DECS will be mandatorily converted on the Maturity Date into each Holder's Pro Rata Share of the Relevant Proportion of the Exchange Property, as

determined by the Calculation Agent in consultation with the Determination Agent.

- (ii) For purposes of determining the Relevant Proportion on the Maturity Date, the “Maturity Exchange Ratio” will equal the arithmetic average of the Daily Exchange Ratios (calculated to five decimal places) calculated on the basis of the CMV on each of the twenty (20) consecutive Trading Days (each, a “Calculation Trading Day”) ending on the eighth Trading Day prior to, but excluding, the Maturity Date (the “Calculation Period”). The “Daily Exchange Ratio” for a given Calculation Trading Day is determined as follows:
- (A) if the CMV is less than or equal to the Minimum Exchange Value, the Daily Exchange Ratio shall equal the Aggregate Outstanding Principal Amount *divided by* the Minimum Exchange Value, being 1;
- (B) if the CMV is greater than the Minimum Exchange Value but less than the Maximum Exchange Value, the Daily Exchange Ratio shall be equal to the Aggregate Outstanding Principal Amount *divided by* the CMV; or
- (C) if the CMV is greater than or equal to the Maximum Exchange Value, the Daily Exchange Ratio shall be determined according to the following formula:

$$\frac{P + (0.55 \times A)}{\text{CMV}}$$

P = Aggregate Outstanding Principal Amount

A = CMV – Maximum Exchange Value

(b) Optional Cash Settlement at Maturity.

- (i) If the Counterparty has elected cash settlement under the Prepaid Forward Purchase Agreement, on the day (the “Date of Deposit”) four (4) Business Days prior to the first Calculation Trading Day, the Counterparty will deposit in the Cash Collateral Account an amount in cash equal to the Cash Collateral Amount.
- (ii) Should the amount deposited by the Counterparty pursuant to paragraph (i) above to the credit of the Cash Collateral Account be less than the Cash Collateral Amount by 12.00 hours (London time) on the next Trading Day following the Date of Deposit, then the intended cash settlement shall be deemed cancelled and the Issuer shall exchange the DECS on the Maturity Date for the Relevant Proportion of the

Exchange Property in accordance with the provisions of paragraph (a) hereof.

- (iii) If the Counterparty elects to deliver cash to the Issuer under the Prepaid Forward Purchase Agreement and the Counterparty has deposited the Cash Collateral Amount pursuant to paragraph (i) above, the Issuer will pay the Holders cash instead of delivering the Relevant Proportion of the Exchange Property in exchange for the DECS at the Maturity Date. The Issuer shall notify the Holders if the DECS will be so settled in cash no later than three (3) Business Days in advance of the beginning of the Calculation Period. On the Maturity Date, the Issuer will pay an amount in cash to each Holder equal to such Holder's Pro Rata Share of the Deliverable Cash Amount as determined by the Calculation Agent in consultation with the Determination Agent.
 - (iv) The Counterparty may offset the Cash Collateral Amount (plus any accrued interest thereon) against its payment to the Issuer under the Prepaid Forward Purchase Agreement, in which case the Custodian, at the direction of the Issuer, shall deliver the Cash Collateral Amount (plus any accrued interest thereon) to the Issuer in an amount up to the Deliverable Cash Amount. To the extent the Cash Collateral Amount is not so offset, upon notice from the Issuer to this effect, the Trustee will release the Cash Collateral Amount (plus any accrued interest thereon) to the Counterparty in accordance with the procedures set forth in the Debenture, but only following payment by the Issuer after receipt from the Counterparty under the Prepaid Forward Purchase Agreement of all amounts due to the Holders.
 - (v) If the Deliverable Cash Amount is greater than the Cash Collateral Amount deposited in the Cash Collateral Account (plus any accrued interest thereon) and the Counterparty fails to deliver to the Issuer under the Prepaid Forward Purchase Agreement the excess amount required to be delivered to Holders under paragraph (iv) above, then the Liquidation Agent, at the direction of the Issuer, shall sell the requisite number of Exchange Securities to raise cash in the amount of the shortfall for payment by the Issuer to the Holders.
- (c) Occurrence of a Market Disruption Event during the Calculation Period.
- (i) The Determination Agent shall provide notice to the Issuer (who shall notify the Holders) and the Calculation Agent of any Market Disruption Event that occurs during the Calculation Period. If a Market Disruption Event occurs during the Calculation Period, the Maturity Date will be eight (8) Business Days following the last day of the Calculation Period, but shall be no later than 16 December 2010. If twenty (20) Trading Days have not occurred during the period beginning on the first Trading Day of the Calculation Period and ending on 3 December 2010:

- (A) all remaining Trading Days (being the number of Trading Days required such that there are twenty (20) Calculation Trading Days in total) will be deemed to occur on 6 December 2010; and
 - (B) the CMV for each of such remaining Trading Days will be the CMV on 6 December 2010 or, if there is a Market Disruption Event on that day, the CMV for the last Trading Day on which no Market Disruption Event occurred.
- (d) Early Redemption at the Option of the Issuer.
- (i) The Issuer may elect to redeem the DECS (in whole or in part) at any time until the date that is twenty-five (25) Trading Days prior to the first Calculation Trading Day upon notice to the Trustee, the Agents and the Holders (the “Early Redemption Notice Date”). In the event of a partial redemption, the Issuer may redeem up to 80%, but no less than 33.33% of the Aggregate Outstanding Principal Amount; provided that the Aggregate Outstanding Principal Amount following such partial redemption will be no less than 10% of the initial Aggregate Outstanding Principal Amount. The Issuer will not redeem any portion of the DECS pursuant to this provision unless the Counterparty has first delivered the Cash Collateral Amount pursuant to paragraph (ii) below. The Issuer will redeem the portion of the Principal Amount of each DECS that corresponds to the cash amount it receives from the Counterparty for payment to the Holders in connection with a partial early settlement under the Prepaid Forward Purchase Agreement. The Issuer may not effect a partial early redemption if it has not settled a prior partial early redemption or if the Aggregate Outstanding Principal Amount following such partial early redemption will be less than 10% of the initial Aggregate Outstanding Principal Amount.
 - (ii) At least one (1) Trading Day but no more than three (3) Trading Days prior to the Early Redemption Notice Date, the Counterparty shall, in the event of a redemption in whole of the total Aggregate Outstanding Principal Amount, deposit in the Cash Collateral Account an amount in cash equal to the Cash Collateral Amount or, in the event of a partial redemption, an amount in cash equal to the Partial Redemption Percentage *multiplied by* the Cash Collateral Amount.
 - (iii) If an Interest Prepayment Event has not occurred, on the first Trading Day of the Early Redemption Reference Period (as defined below), any remaining Treasuries held in the Issuer Collateral Account will be sold by the Liquidation Agent at the direction of the Issuer; provided that in the event of a partial redemption, the portion of any remaining Treasuries to be sold pursuant to this paragraph (iii) shall be limited to the Partial Redemption Percentage of such Treasuries.

- (iv) For each Trading Day during the period beginning on and including the tenth Trading Day following the Early Redemption Notice Date and ending on and including the fourteenth Trading Day following the Early Redemption Notice Date (the “Early Redemption Reference Period”), the Determination Agent will solicit quotations from at least four Independent Dealers that the Determination Agent shall employ reasonable efforts to obtain for this purpose. Each quotation shall represent the Independent Dealer’s expert opinion as to the fair market value of each DECS having regard to the market parameters applicable to the DECS, including the remaining maturity, interest rates, Market Implied Volatility, the CMV, exchange rates and over-the-counter prices made in respect of the DECS by reputable international investment banks (but for the avoidance of doubt, disregarding the fact that the DECS are to be redeemed pursuant to this Condition) (the “Fair Market Value”); provided, however, that if there has been an Interest Prepayment Event, the Fair Market Value of the DECS shall be the lower of: (x) the amount determined hereunder taking into account that an Interest Prepayment Event has occurred; and (y) the amount determined hereunder assuming that an Interest Prepayment Event has not occurred, less the market value of the Treasuries *divided by* 102% at the time of such determination.
- (v) If more than three quotations are provided, the Fair Market Value shall be the arithmetic mean of the quotations, without regard to the quotations having the highest and the lowest values. If exactly three quotations are provided, the amount shall be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations shall be disregarded and the amount shall be the arithmetic mean of the two remaining quotations. If two quotations are provided, the amount shall be the arithmetic mean of the quotations. If one quotation is provided, the amount shall equal the quotation. If no quotation is provided, the Fair Market Value shall be determined by the Determination Agent in good faith. Upon determination of the Fair Market Value, the Determination Agent shall notify the Issuer (who shall notify the Holders) and the Calculation Agent thereof.
- (vi) Eight (8) Business Days following the end of the Early Redemption Reference Period (the “Early Redemption Date”), the Issuer shall pay to the Holders each Holder’s Pro Rata Share of the amount in cash equal to the aggregate Fair Market Value of all of the DECS or, with respect to a partial redemption of the DECS, the relevant portion of the Principal Amount of each DECS, to be redeemed on the Early Redemption Date, in each case *multiplied by* 102% (the “Early Redemption Amount”).
- (vii) The Counterparty may offset the Cash Collateral Amount (plus any accrued interest thereon) *plus*, if an Interest Prepayment Event has not

occurred, the proceeds from the sale of the Treasuries pursuant to paragraph (iii) above against its payment to the Issuer under the Prepaid Forward Purchase Agreement, in which case the Custodian, at the direction of the Issuer, shall deliver the relevant portion of the Cash Collateral Amount (plus any accrued interest thereon) to the Issuer in an amount up to the Early Redemption Amount *less*, if an Interest Prepayment Event has not occurred, the amount of the proceeds from the sale of the Treasuries. To the extent the Cash Collateral Amount is not so offset, upon receipt of notice from the Issuer to this effect, the Trustee will release the Cash Collateral Amount (plus any accrued interest thereon) to the Counterparty in accordance with the procedures set forth in the Debenture, but only following payment by the Issuer after receipt from the Counterparty under the Prepaid Forward Purchase Agreement of all amounts due to the Holders.

- (viii) If the Early Redemption Amount is greater than the Cash Collateral Amount deposited in the Cash Collateral Account (plus any accrued interest thereon) *plus*, if an Interest Prepayment Event has not occurred, the proceeds from the sale of the Treasuries, and the Counterparty fails to deliver to the Issuer under the Prepaid Forward Purchase Agreement the excess amount required to be delivered to Holders under paragraph (vii) above, then the Liquidation Agent, at the direction of the Issuer, shall sell the requisite number of Exchange Securities to raise cash in the amount of the shortfall for payment by the Issuer to the Holders.
- (ix) With respect to any early partial redemption of the DECS, the portion of the Principal Amount of each DECS that is not so redeemed shall remain outstanding. A percentage of the Exchange Property equal to the Partial Redemption Percentage (where any fraction of an Exchange Security will be rounded down to zero) shall be released and the Exchange Property shall accordingly be reduced by a percentage equal to the Partial Redemption Percentage in accordance with the terms of the Collateral Agreement, as determined by the Calculation Agent in consultation with the Determination Agent. Following any early partial redemption of the DECS, the Minimum Exchange Value, the Maximum Exchange Value and the Dividend Retention Value shall be reduced by multiplying each by one *minus* the Partial Redemption Percentage.

(e) Transfer to the Issuer and Cancellation.

- (i) The Counterparty (or its nominee) may transfer to the Issuer for cancellation any number of DECS purchased and held by it (or its nominee) (the “Surrendered DECS”) in one or more transfers at any time before the first Calculation Trading Day provided that for each transfer by an entity purporting to be a nominee of the Counterparty, the Counterparty shall give a written certification (signed by a duly authorised officer of the Counterparty) to the Issuer and the Calculation Agent, with a copy to the Trustee, that such entity is its nominee. For

each transfer of Surrendered DECS, the Counterparty or its nominee, as the case may be, shall also give written notice (the “Cancellation Release Notice”) to the Issuer and the Determination Agent with a copy to the Trustee and the Paying, Transfer and Exchange Agent of its calculation of the following, in each case showing the workings in the calculations set out below:

- (A) the total Principal Amount of the DECS represented by the Surrendered DECS *divided by* the Aggregate Outstanding Principal Amount (immediately before the surrender of the DECS), expressed as a percentage (the “Cancellation Percentage”);
- (B) the Cancellation Percentage *multiplied by* the Exchange Property then existing, expressed as a whole number of ADRs (rounding down fractions of an Exchange Security) and/or units of other property (the “Cancellation Release Property”). If the Exchange Property consists of more than one type of property, the Cancellation Release Property shall be calculated by applying the Cancellation Percentage to each type of property and the Counterparty or its nominee, as the case may be, shall specify such calculation in the Cancellation Release Notice; and
- (C) the Exchange Property then existing *less* the Cancellation Release Property.

The Determination Agent shall review the calculations in each Cancellation Release Notice and in the absence of manifest error, shall notify the Collateral Agent, the Paying, Transfer and Exchange Agent, the other Agents and the Trustee of the Cancellation Release Property (the “CRP Notice”) no later than three Business Days after the receipt of each Cancellation Release Notice.

- (ii) As further set out in the Agency Agreement, the Issuer (acting through the Paying, Transfer and Exchange Agent or other applicable Agent) shall arrange for the prompt cancellation of the Surrendered DECS and for the Register to be updated accordingly.
- (iii) The Cancellation Release Property shall be released from all security interests and other arrangements relating to the DECS in accordance with the terms of the Collateral Agreement and the Debenture and the Exchange Property shall accordingly be reduced by the amount of that Cancellation Release Property. Following each cancellation of DECS, the Minimum Exchange Value, the Maximum Exchange Value and the Dividend Retention Value shall be reduced by multiplying each by one *minus* the applicable Cancellation Percentage.

7. MANDATORY EARLY REDEMPTION

- (a) Mandatory Redemption Events.
- (i) Each of the following are “Mandatory Redemption Events”, as determined by the Determination Agent:
- (A) all of the ADRs, Ordinary Shares or such other securities forming part of the Exchange Property or all of the assets or substantially all of the assets of the Company or such other issuer of the relevant Exchange Property are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
 - (B) by reason of the voluntary liquidation, bankruptcy or insolvency or any analogous proceeding affecting the Company or such other issuer of the relevant Exchange Property (x) all of the ADRs, Ordinary Shares or any other securities or assets forming part of the Exchange Property are required to be transferred to a trustee, liquidator or other similar official or (y) the holders of the ADRs, Ordinary Shares or such other securities or assets forming part of the Exchange Property become legally prohibited from transferring them;
 - (C) any Merger Event in respect of which the consideration for the ADRs, Ordinary Shares and other securities or assets forming part of the Exchange Property consists solely of assets other than Publicly Traded Equity;
 - (D) any Merger Event in respect of which the consideration for the ADRs, Ordinary Shares or such other securities or assets forming part of the Exchange Property consists of Publicly Traded Equity and assets other than Publicly Traded Equity, unless the Issuer in consultation with the Determination Agent elects to treat such event as a Partial Mandatory Redemption Event (as defined below);
 - (E) prior to the first Calculation Trading Day, the ADRs or Ordinary Shares are delisted, suspended or otherwise limited from trading by the London Stock Exchange, the Moscow Interbank Currency Exchange (“MICEX”) or the Russian Trading System Stock Exchange (“RTS”), or such other Publicly Traded Equity forming part of the Exchange Property is similarly delisted, suspended or otherwise limited from trading by the relevant Exchange, and such delisting, suspension or limitation continues for no fewer than five (5) consecutive Trading Days, whether by reason of movements in price exceeding the limits permitted by the Exchange, MICEX or RTS, or otherwise relating to the ADRs, Ordinary Shares or other Publicly Traded Equity forming part of the Exchange

Property; provided that a Mandatory Redemption Event pursuant to this paragraph shall not be deemed to occur if such delisting, suspension or limitation is solely due to a reorganisation, liquidation, winding-up or similar event in relation to the applicable exchange;

- (F) as a result of any law, regulation, judgment or decision or other similar governmental action of the Russian Federation, or by any action of the Company or such other issuer of the Exchange Property, (i) all or a substantial part of the holders of ADRs, Ordinary Shares or other securities or assets forming part of the Exchange Property are not permitted to own or sell such property, (ii) all or a substantial part of such holdings are invalidated or deemed to be invalid or (iii) all or a substantial part of the holders of ADRs, Ordinary Shares or other securities or assets forming part of the Exchange Property are otherwise disenfranchised as holders; in each case, as determined by the Determination Agent, acting in good faith, who may for this purpose rely on an opinion of counsel of recognized standing in Russia to this effect;
- (G) except for any taxes withheld or deducted on any Cash Distribution, withholding or deduction is required by a Relevant Jurisdiction with respect to any payment by or on behalf of the Issuer or the Counterparty (or any successor corporation) in respect of the DECS, the Prepaid Forward Purchase Agreement or otherwise under these Conditions; provided, however, that (i) if either the Issuer or the Counterparty becomes aware of circumstances that would or might, then or thereafter, give rise to such an obligation to withhold or deduct, then such party shall promptly notify the other party, the Determination Agent and the Trustee thereof, and thereupon the Issuer and the Counterparty shall consider and consult with each other in good faith with a view to finding, agreeing upon, and implementing a method by which any such obligation may be avoided, and (ii) so long as the Issuer and Counterparty have (at the Counterparty's cost and expense) reasonably satisfied the Trustee (whether by providing an opinion of counsel of recognized standing or otherwise) that (A) the Issuer and the Counterparty are able to take all reasonable steps (as agreed) to avoid the deduction or withholding obligation prior to the next date with respect to which such withholding or deduction would be required and without taking any action that is unlawful or that would result in adverse tax consequences to the Issuer, the Trustee or the Holders or that would, then or thereafter, cause any of the parties to the Trust Deed to be in breach of its obligations thereunder, and (B) the agreed-upon steps to avoid the deduction or withholding obligation will not adversely affect the security interests created pursuant to the Debenture and/or

the Collateral Agreement or the economic entitlements of the Holders, then no Mandatory Redemption Event shall occur, and the Issuer and the Counterparty shall take all reasonable steps (as agreed) to avoid the deduction or withholding obligation; and

- (H) any event of default under the Prepaid Forward Purchase Agreement (as defined therein).
 - (ii) To the extent that any of the foregoing Mandatory Redemption Events applies only to certain securities or assets forming part of the Exchange Property as determined by the Determination Agent, the DECS shall only be redeemed to the extent of such portion of the Exchange Property so affected (a “Partial Mandatory Redemption Event”).
 - (iii) For purposes of determining whether a Merger Event satisfies paragraphs (C) or (D) hereof, to the extent holders of the ADRs, Ordinary Shares or such other securities or assets forming part of the Exchange Property are entitled to elect Publicly Traded Equity as the form of consideration in a Merger Event, the consideration shall consist of Publicly Traded Equity to the maximum extent permitted. If an event described in paragraph (D) hereof occurs, the Issuer may elect to treat such event as a Partial Mandatory Redemption Event instead of treating such event as a Mandatory Redemption Event.
 - (iv) The Determination Agent will use its reasonable efforts to determine whether circumstances or conditions exist that could give rise to a potential Mandatory Redemption Event and will notify the Issuer of such circumstances as soon as practicable thereafter. The Issuer will notify the Holders of the circumstances giving rise to a (x) potential Mandatory Redemption Event or (y) a Potential Event of Default (as defined in the Trust Deed) within two (2) Business Days of, in the case of (x), receipt of notice from the Determination Agent or, in the case of (y), becoming aware of such event or circumstances. The Holders may adopt an Extraordinary Resolution (as defined in the Trust Deed) to waive such Mandatory Redemption Event or Event of Default, as the case may be, if such circumstances or conditions develop into a Mandatory Redemption Event or Event of Default, in accordance with Condition 15 and the Trust Deed.
- (b) Events of Default.

The following will be Events of Default (each an “Event of Default”) with respect to the DECS as notified by the Issuer to the Trustee, the Agents and the Holders:

- (i) Payment/Delivery Default.

The Issuer fails to pay when due any amount in respect of, and/or deliver when due, (i) the Relevant Proportion of the Exchange

Property, (ii) the applicable number of ADRs forming part of the Exchange Property that are, immediately upon exchange of the DECS (and assuming that the recipient thereof is not an affiliate of the Company), fungible with the class of ADRs traded on the Exchange, (iii) any Fixed Interest Amount, (iv) any Additional Coupon Amounts, (v) the Deliverable Cash Amount or (vi) any Redemption Amount and such failure continues for a period of five (5) Business Days or more;

(ii) Breach of Agreement.

The Issuer fails to comply with any of its other obligations contained in any agreement relating to the DECS, the Debenture, the Collateral Agreement, the DECS, the Trust Deed or the Agency Agreement and such failure continues for thirty (30) Business Days or more after the Issuer first becomes aware of such failure to comply or following receipt of a notice from the Trustee requiring the Issuer to remedy the same;

(iii) Bankruptcy.

Any order shall be made by any competent court or other authority or resolution passed by the Issuer for the dissolution or winding-up of the Issuer or for the appointment of a liquidator, receiver, administrator or manager of the Issuer or of all or (in the reasonable opinion of the Trustee), a substantial part of its assets, or anything analogous occurs, in any jurisdiction, to the Issuer, other than in connection with a solvent reorganization, reconstruction, amalgamation or merger; or

(iv) Insolvency.

The Issuer shall stop payment or shall be unable to, or shall admit to creditors generally its inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangements with its creditors generally.

If any Event of Default shall have occurred and is continuing (and assuming that such Event of Default has not been waived pursuant to the Trust Deed or as contemplated by paragraph (a)(iv) hereof), the Trustee may and, if so requested in writing by Holders of at least one-quarter in Aggregate Outstanding Principal Amount or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders shall, subject, in each case, to the Trustee having been indemnified or provided with security to its satisfaction, give written notice to the Issuer declaring the DECS to be due and redeemable whereupon they will become immediately due and redeemable in accordance with the provisions of this Condition 7.

(c) Mandatory Redemption upon Occurrence of a Mandatory Redemption Event or an Event of Default; Physical Settlement.

- (i) Upon the occurrence of a Mandatory Redemption Event or an Event of Default and provided that at least forty (40) days have passed since the Issue Date, the Issuer shall provide notice (the “Mandatory Redemption Notice”) within one Trading Day of the Announcement Date (as defined below) to the Trustee, the Paying, Transfer and Exchange Agent, the Calculation Agent, the Determination Agent and the Holders of its election to exchange the outstanding DECS into the Merger Payments or the Relevant Proportion of the Exchange Property, as the case may be, on the Mandatory Redemption Date (as defined below) if:
- (A) the Counterparty elects to settle its obligations under the Prepaid Forward Purchase Agreement by delivery of the Merger Payments or the Relevant Proportion of the Exchange Property to the Issuer; or
 - (B) if the Counterparty elected to settle the Prepaid Forward Purchase Agreement in cash but failed to satisfy its obligations pursuant to paragraph (d) below; or
 - (C) with respect to any Mandatory Redemption Event (other than a Mandatory Redemption Event pursuant to paragraph (a)(i)(H) hereof), there are less than two (2) Trading Days between the Announcement Date and the date the Mandatory Redemption Event will take effect (such date, the “Mandatory Redemption Effective Date”).

“Announcement Date” means (in each case, as determined by the Determination Agent, acting reasonably and in good faith):

- (A) in respect of paragraph (a)(i)(A) above, the date of the first official public announcement by or on behalf of the competent governmental authority of a firm intention to nationalize, expropriate or otherwise transfer to any governmental agency, authority or entity (whether or not amended or on the terms originally announced) that leads to that event;
- (B) in respect of paragraph (a)(i)(B) above, the date of the first official public announcement by the Company or a competent governmental or judicial authority of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to that event;
- (C) in respect of paragraphs (a)(i)(C) and (a)(i)(D) above, the date of the first public announcement by the Company or, as the case may be, the entity proposing the relevant merger or making the relevant offer, of a firm intention to merge or make an offer (whether or not amended or on the terms originally announced) that leads to such event;

- (D) in respect of paragraph (a)(i)(E) above, the date of the first official public announcement of such delisting, suspension or limitation in trading of the ADRs, Ordinary Shares or other Publicly Traded Equity forming part of the Exchange Property;
 - (E) in respect of paragraph (a)(i)(F) above, the date of the first official public announcement by the competent governmental authority of the Russian Federation, the Company or such other issuer of securities or assets forming part of the Exchange Property, as the case may be, of the firm intention to adopt or impose the measures (whether or not amended or on the terms originally announced) that lead to such event;
 - (F) in respect of paragraph (a)(i)(G) above, the Business Day immediately prior to the date that such withholding or deduction would be required, provided that the Issuer and the Counterparty have not been able to take reasonable steps to avoid such withholding or deduction as described in such paragraph;
 - (G) in respect of paragraph (a)(i)(H), the date the Counterparty provides notice to the Issuer that it is aware of the occurrence of an event of default under the Prepaid Forward Purchase Agreement; or
 - (H) in respect to an Event of Default, the date the Issuer provides notice to the Trustee that it is aware of the occurrence of an Event of Default.
- (ii) For purposes of determination of the Relevant Proportion on the Mandatory Redemption Date by the Calculation Agent in consultation with the Determination Agent, the “Mandatory Redemption Ratio” will equal the arithmetic average of the Daily Exchange Ratios (calculated to five decimal places) calculated on the basis of the CMV on each of the Trading Day(s) of the Mandatory Redemption Calculation Period. In the case of a Mandatory Redemption Event other than pursuant to paragraph (a)(i)(H) hereof, the “Mandatory Redemption Calculation Period” will begin on the second Trading Day following the Announcement Date and end on the earlier of the Mandatory Redemption Effective Date or the sixth Trading Day following delivery of the Mandatory Redemption Notice. In the case of an Event of Default or a Mandatory Redemption Event pursuant to paragraph (a)(i)(H) hereof, the “Mandatory Redemption Calculation Period” will begin on the second Trading Day following the Announcement Date and end on the sixth Trading Day following delivery of the Mandatory Redemption Notice.
 - (iii) In the case of an Event of Default or a Mandatory Redemption Event other than pursuant to paragraph (a)(i)(C) or (a)(i)(D) hereof:

- (A) if an Interest Prepayment Event has not occurred, any remaining Treasuries held in the Issuer Collateral Account will be sold by the Liquidation Agent on the first day of the Mandatory Redemption Calculation Period; and
 - (B) on the eighth Business Day after the end of the Mandatory Redemption Calculation Period, the Issuer will deliver to each Holder (i) such Holder's Pro Rata Share of the Relevant Proportion of the Exchange Property and (ii) if an Interest Prepayment Event has not occurred, such Holder's Pro Rata Share of the proceeds of sale of any remaining Treasuries.
- (iv) In the case of a Mandatory Redemption Event pursuant to paragraph (a)(i)(C) or (a)(i)(D) hereof:
- (A) For each Trading Day during the Mandatory Redemption Calculation Period, the Determination Agent will determine the fair market value of the Merger Affected Portion of each DECS. The "Merger Affected Portion" is the portion of each DECS that will be redeemed corresponding to the Merger Affected Exchange Property. The "Merger Affected Exchange Property" is the Exchange Property that will be exchanged into securities or assets other than Publicly Traded Equity on the Mandatory Redemption Effective Date. The fair market value of the Merger Affected Portion of each DECS will be determined by the Determination Agent, having regard to the market parameters applicable to the DECS, including the Market Implied Volatility of the Merger Affected Exchange Property based on the applicable Market Implied Volatility one month prior to the Announcement Date, and the remaining maturity, interest rates, the CMV of the Merger Affected Exchange Property and exchange rates on the relevant Trading Day (but, for the avoidance of doubt, disregarding the fact that the Merger Affected Portion of the DECS is to be redeemed pursuant to this Condition) (the average of such fair market values of the Merger Affected Portion over the Mandatory Redemption Calculation Period, the "Merger Fair Market Value").
 - (B) In the case of a Mandatory Redemption Event where the Aggregate Outstanding Principal Amount is to be redeemed, payments to the Holders in such an event shall consist of one, or if an Interest Prepayment Event has not occurred, two components, as determined by the Determination Agent (the "Merger Payments"):
 - (1) if an Interest Prepayment Event has not occurred, the cash proceeds from the sale of any remaining Treasuries, which shall be sold by the Liquidation Agent at the direction of the Issuer and on the Issuer's behalf on the

first Trading Day of the Mandatory Redemption Calculation Period (the “Merger Cash Payment”); and

- (2) a portion of the Merger Affected Exchange Property equal to (i) (x) the aggregate Merger Fair Market Value of the Merger Affected Portion of all DECS outstanding *minus* (y) the Merger Cash Payment (the “Merger Delivery Value Ex Cash”), *divided by* (ii) the average CMV of the Merger Affected Exchange Property over the Mandatory Redemption Calculation Period; provided that the portion of the Exchange Property to be delivered to the Holders pursuant to this paragraph shall not exceed 100% of the Merger Affected Exchange Property.
- (C) The Issuer shall deliver to each Holder such Holder’s Pro Rata Share of the aggregate Merger Payments on the later of (x) the eighth Business Day succeeding the Mandatory Redemption Calculation Period and (y) the eighth Business Day succeeding the Mandatory Redemption Effective Date.
- (v) Notwithstanding any of the foregoing provisions, the Issuer will not redeem the DECS by delivery of the Merger Payments or the Relevant Proportion of the Exchange Property at any time during the first forty (40) days following the Issue Date and any redemption of the DECS during this period must be settled by delivery of cash to the Holders pursuant to paragraph (d) hereof; provided that in such case, if the Counterparty fails to deposit the Cash Collateral Amount pursuant to paragraph (d)(ii) hereof, the Liquidation Agent, at the direction of the Issuer, shall sell the Exchange Property and the Issuer shall distribute to each Holder such Holder’s Pro Rata Share of the proceeds of such sale.
- (d) Mandatory Redemption upon Occurrence of a Mandatory Redemption Event or an Event of Default; Cash Settlement.
- (i) Upon the occurrence of a Mandatory Redemption Event or an Event of Default, if the Counterparty elects to settle its obligations under the Prepaid Forward Purchase Agreement by delivery of cash to the Issuer and has met its obligation to deliver the Cash Collateral Amount pursuant to paragraph (ii) below, or if forty (40) days have not passed since the Issue Date, the Issuer shall provide notice in the Mandatory Redemption Notice delivered to the Trustee, the Paying, Transfer and Exchange Agent, the Calculation Agent, the Determination Agent and the Holders of its intention to deliver an amount in cash to the Holders in lieu of Exchange Property.
- (ii) On the date of the Mandatory Redemption Notice, the Counterparty shall deposit an amount in cash in the Cash Collateral Account equal to the Cash Collateral Amount.

- (iii) Should the Counterparty fail to deposit the Cash Collateral Amount on such date, the Counterparty will be required to physically settle the Prepaid Forward Purchase Agreement by delivery of the Merger Payments or the Relevant Proportion of the Exchange Property to the Issuer and the Issuer shall deliver the Merger Payments or the Relevant Proportion of the Exchange Property to the Holders in accordance with paragraph (c) above.
- (iv) If an Interest Prepayment Event has not occurred, any remaining Treasuries held in the Issuer Collateral Account will be sold by the Liquidation Agent on the first day of the Mandatory Redemption Calculation Period.
- (v) The Issuer shall deliver to each Holder an amount in cash equal to such Holder's Pro Rata Share of the Mandatory Redemption Amount on the eighth Business Day succeeding the Mandatory Redemption Calculation Period. The "Mandatory Redemption Amount" is an amount equal to:
 - (A) in the case of an Event of Default or a Mandatory Redemption Event other than pursuant to paragraph (a)(i)(C) or (a)(i)(D) hereof, the Deliverable Cash Amount *plus*, if an Interest Prepayment Event has not occurred, the proceeds of sale of any remaining Treasuries on the first Trading Day of the Mandatory Redemption Calculation Period, as determined by the Calculation Agent in consultation with the Determination Agent; and
 - (B) in the case of a Mandatory Redemption Event pursuant to paragraph (a)(i)(C) or (a)(i)(D) hereof, the Merger Delivery Value Ex Cash *plus*, if an Interest Prepayment Event has not occurred, the proceeds of sale of any remaining Treasuries on the first Trading Day of the Mandatory Redemption Calculation Period, as determined by the Calculation Agent in consultation with the Determination Agent; provided that the Merger Delivery Value Ex Cash shall not in any event exceed the average CMV of the Merger Affected Exchange Property over the Mandatory Redemption Calculation Period.
- (vi) The Counterparty may offset the Cash Collateral Amount (plus any accrued interest thereon) against its payment to the Issuer under the Prepaid Forward Purchase Agreement, in which case the Custodian, at the direction of the Issuer, shall deliver the Cash Collateral Amount (plus any accrued interest thereon) to the Issuer in an amount up to the Cash Collateral Amount. To the extent the Cash Collateral Amount is not so offset, the Trustee will release the Cash Collateral Amount (plus any accrued interest thereon) to the Counterparty in accordance with the procedures set forth in the Debenture, but only following payment

by the Issuer after receipt from the Counterparty under the Prepaid Forward Purchase Agreement of all amounts due to the Holders.

- (vii) If the Mandatory Redemption Amount (excluding the proceeds from the sale of the Treasuries, if any) is greater than the Cash Collateral Amount deposited in the Cash Collateral Account (plus any accrued interest thereon), and the Counterparty fails to deliver to the Issuer under the Prepaid Forward Purchase Agreement the excess amount required to be delivered to Holders under paragraph (vi) above, then the Liquidation Agent, at the direction of the Issuer, shall sell the requisite number of Exchange Securities to account for the shortfall.
- (e) In the event that any component of the CMV is unavailable on any Trading Day during the Mandatory Redemption Calculation Period for purposes of determining the Mandatory Redemption Ratio or the Mandatory Redemption Amount, as the case may be, then the Calculation Agent, in consultation with the Determination Agent, each acting reasonably and in good faith, shall determine the Mandatory Redemption Ratio or the Mandatory Redemption Amount on the basis of the last available CMV for such component. For purposes of determining the Cash Collateral Amount with respect to paragraph (d), if the any component of the CMV is unavailable on the prior Trading Day, then the Calculation Agent, in consultation with the Determination Agent, shall determine the Cash Collateral Amount on the basis of the last available CMV for such component.
- (f) Partial Mandatory Redemption.

If a Partial Mandatory Redemption Event occurs, a portion of the Principal Amount of each DECS shall be treated as redeemed in part on the date of such event, as follows:

- (i) On the date of the Mandatory Redemption Notice pursuant to paragraph (d)(i) above, the Counterparty shall deposit an amount in cash with the Collateral Agent equal to Cash Collateral Amount *multiplied by* the Partial Redemption Percentage. Should the Counterparty fail to deposit such amount on such date, the provisions of paragraph (c) hereof shall apply *mutatis mutandis* to the extent of Merger Affected Exchange Property or the Partial Redemption Percentage of the Exchange Property, as the case may be; provided that the Merger Affected Exchange Property or the Partial Redemption Percentage of the Exchange Property, as the case may be, to be delivered to the Holders shall solely consist of the portion of the Exchange Property affected by such Partial Mandatory Redemption Event.
- (ii) The Calculation Agent, in consultation with the Determination Agent, shall determine the Deliverable Cash Amount or the Merger Delivery Value Ex Cash, as the case may be, assuming the event were treated as a Mandatory Redemption Event pursuant to paragraph (d) hereof,

including, for the avoidance of doubt, the limitations of paragraph (d)(v)(B) hereof providing that the Merger Delivery Value Ex Cash shall not in any event exceed the average CMV of the Merger Affected Exchange Property over the Mandatory Redemption Calculation Period (the “Component Termination Amount”).

- (iii) The Calculation Agent, in consultation with the Determination Agent, shall determine within three (3) Business Days following the relevant Mandatory Redemption Calculation Period an amount equal to the Component Termination Amount *multiplied by* the Partial Redemption Percentage (together with, if an Interest Prepayment Event has not occurred, the proceeds of the sale of a portion of any remaining Treasuries per the paragraph below, the “Partial Mandatory Redemption Amount”).
- (iv) If an Interest Prepayment Event has not occurred, on the first Trading Day of the Mandatory Redemption Calculation Period, the Liquidation Agent shall sell an amount of any remaining Treasuries held in the Issuer Collateral Account (such amount in the case of a Mandatory Redemption Event pursuant to paragraph (a)(i)(C) or (a)(i)(D) hereof, the Merger Cash Payment) *multiplied by* the Partial Redemption Percentage. The Issuer shall distribute to each Holder on the eighth Business Day succeeding the relevant Mandatory Redemption Calculation Period such Holder’s Pro Rata Share of the Partial Mandatory Redemption Amount.
- (v) The portion of the Principal Amount of each DECS that is not redeemed shall remain outstanding with respect to the remaining Exchange Property not affected by the applicable Partial Mandatory Redemption Event, or, in the case of a Partial Mandatory Redemption Event pursuant to paragraph (a)(i)(D) hereof, the consideration consisting of Publicly Traded Equity and the provisions of Condition 8 shall apply to that portion of the consideration that consists of Publicly Traded Equity, and in addition, the Minimum Exchange Value, the Maximum Exchange Value and the Dividend Retention Value shall be reduced by multiplying each by one *minus* the Partial Redemption Percentage.

8. **ADJUSTMENT EVENTS**

- (a) “Adjustment Event” means any of the following events, as determined by the Determination Agent:
 - (i) the Company or such other issuer of Publicly Traded Equity forming part of the Exchange Property subdivides, consolidates or reclassifies Ordinary Shares or such other Exchange Securities (unless such subdivision, consolidation or reclassification constitutes a Merger Event), or changes the number of Ordinary Shares represented by one ADR, or makes a free distribution or dividend of any ADRs, Ordinary

Shares or such other Exchange Securities to existing holders thereof by way of a bonus, capitalization or any other similar means;

- (ii) the Company or such other issuer of Publicly Traded Equity forming part of the Exchange Property makes a non-cash distribution or dividend to existing holders of ADRs or Ordinary Shares or such Exchange Securities of ADRs or Ordinary Shares or Exchange Securities, as the case may be;
- (iii) the Company or such other issuer of Publicly Traded Equity forming part of the Exchange Property makes a distribution or dividend to existing holders of the ADRs or such Exchange Securities of (x) other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the Company or such other issuer equally or proportionately with such payments to holders of the ADRs or such Exchange Securities, as the case may be, or (y) any other type of securities, rights or warrants or other assets (other than cash), in any case for cash or other payment (or no payment) at less than the market price (as determined by an Independent Dealer that the Determination Agent retains for this determination);
- (iv) the Company or such other issuer of Publicly Traded Equity forming part of the Exchange Property engages in any similar event or action, which, in the reasonable judgment of the Determination Agent, may dilute or concentrate the theoretical value of the ADRs or such other Exchange Securities; and
- (v) any Merger Event in respect of which the consideration for the ADRs or Publicly Traded Equity forming part of the Exchange Property consists (or at the option of the holders of such ADRs or Exchange Securities, may consist) of Publicly Traded Equity, either in whole or in part.

For the avoidance of doubt, the issuance of additional Ordinary Shares, ADRs or Publicly Traded Equity by the Company or such other issuer of Publicly Traded Equity forming part of the Exchange Property at a price equal to the then-current market price of the Ordinary Shares, ADRs or Exchange Securities will not constitute an Adjustment Event.

Upon the occurrence of any of the above Adjustment Events, the securities, cash or other assets resulting from such Adjustment Event, so far as attributable to the Exchange Securities or other Exchange Property, shall be included in the Exchange Property.

(b) Rights Issues.

- (i) In the event of an Adjustment Event described in paragraph (a)(iii)(y) above (a "Rights Issue"), provided it is possible to sell such rights under applicable law and/or the terms of the Rights Issue, the Exchange Property shall include such number of Exchange Securities as the

Determination Agent determines in its absolute discretion could be subscribed or purchased if sufficient rights were to be sold on an arm's length basis in good faith to enable the whole of the balance of such rights to be taken up (after the deduction of costs and expenses in connection therewith). The Determination Agent shall notify the Issuer, the Trustee and the Agents of such determination and the Liquidation Agent at the direction of the Issuer shall sell the amount of rights so determined.

- (ii) If the Counterparty elects not to deliver such additional securities referred to in paragraph (i) above to the Issuer under the Prepaid Forward Purchase Agreement, but instead to deliver an amount in cash, or the Counterparty is unable to deliver such additional securities, then there shall be included in the Exchange Property an amount in cash as calculated by the Calculation Agent, in consultation with the Determination Agent, on the basis of quotations solicited from at least four Independent Dealers that the Determination Agent shall employ reasonable efforts to obtain for this purpose. Each quotation shall represent the Independent Dealer's expert opinion as to the amount which represents the fair value of the rights or such other additional securities having regard to the market parameters applicable to such securities. If more than three quotations are provided, the amount payable to Holders shall be the arithmetic mean of the quotations, without regard to the quotations having the highest and the lowest values. If exactly three quotations are provided, the amount shall be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations shall be disregarded and the amount shall be the arithmetic mean of the two remaining quotations. If two quotations are provided, the amount shall be the arithmetic mean of the quotations. If one quotation is provided, the amount shall equal the quotation. If no quotation is provided, the amount to be included in the Exchange Property shall be determined by the Determination Agent acting in good faith.

(c) Non-Deliverable Securities as a result of an Adjustment Event.

- (i) The value of any Exchange Property constituting Non-Deliverable Securities received as a result of the application of any of the foregoing Adjustment Events shall be calculated as soon as practicable following such Adjustment Event by the Calculation Agent, in consultation with the Determination Agent, on the basis of quotations solicited from at least four Independent Dealers that the Determination Agent shall employ reasonable efforts to obtain for this purpose.
- (ii) Each quotation shall represent the Independent Dealer's expert opinion as to the fair value of the Non-Deliverable Securities having regard to the market parameters applicable to such securities (but for the

avoidance of doubt, disregarding the fact that such securities cannot be delivered to the Holders or secured as collateral).

- (iii) If more than three quotations are provided, the amount payable to Holders shall be the arithmetic mean of the quotations, without regard to the quotations having the highest and the lowest values. If exactly three quotations are provided, the amount shall be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations shall be disregarded and the amount shall be the arithmetic mean of the two remaining quotations. If two quotations are provided, the amount shall be the arithmetic mean of the quotations. If one quotation is provided, the amount shall equal the quotation. If no quotation is provided, the amount payable to the Holders shall be determined by the Determination Agent acting in good faith.
- (iv) The Calculation Agent shall notify the Issuer (who shall notify the Holders) of the amount determined in accordance with the preceding paragraph. Pursuant to the terms of the Prepaid Forward Purchase Agreement, the Counterparty shall deliver to the Issuer such amount calculated by the Calculation Agent within ten (10) Business Days of the date of such determination, which the Issuer shall then include in the Exchange Property. Should the Counterparty fail to pay such amount under the Prepaid Forward Purchase Agreement, the Issuer shall direct the Liquidation Agent to sell such Non-Deliverable Securities and the Issuer shall include the proceeds of such sale in the Exchange Property.
- (d) If the Determination Agent determines that an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in paragraph (a) above (even if the relevant event is, or circumstances are, specifically excluded from the operation of paragraph (a) above) and such events or circumstances could have a similar effect on the Exchange Property as any of the Adjustment Events enumerated above, the Determination Agent shall reasonably determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account of such event(s) or circumstance(s) and the date on which such adjustment should take effect in accordance with such determination.
- (e) The Issuer shall give notice to the Holders of any change in the composition of the Exchange Property as soon as reasonably practicable following such change.

9. SETTLEMENT

(a) Procedure for Settlement.

As a precondition to any delivery of Exchange Property and any payment of the Deliverable Cash Amount or any Redemption Amount, as the case may be, a Holder shall be required to deliver the relevant DECS together with a duly executed exchange

notice in, or substantially in, the form set forth in the Agency Agreement and which may be obtained from the Paying, Transfer and Exchange Agent (an “Exchange Notice”) to the specified office of the Calculation Agent with a copy to the specified office of the Paying, Transfer and Exchange Agent or to the specified office of the Paying, Transfer and Exchange Agent with a copy to the specified office of the Calculation Agent (as the case may be) by not later than eight (8) Business Days prior to the Maturity Date or Redemption Date, as the case may be. Delivery of any Exchange Property is also subject to receipt of any necessary regulatory consents or approvals. Promptly upon becoming aware that such consents are required, the Issuer shall give notice to the Holders.

The Exchange Notice will be considered given on the Business Day immediately following the date on which the relevant DECS and the Exchange Notice (or a copy thereof) are deposited at the specified offices of both the Calculation Agent and Paying, Transfer and Exchange Agent, before 14.00 hours (London time). The date on which such Exchange Notice shall have been so given shall be the “Notification Date”. The following information shall be included in the Exchange Notice:

- (i) the name, date of birth and address (in the case of natural persons) or name, domicile and address (in the case of legal persons) of the Holder;
- (ii) the number and aggregate principal amount of DECS being exchanged;
- (iii) the Holder’s account at Euroclear or Clearstream, Luxembourg to be debited with such DECS and an irrevocable authorisation to Euroclear or Clearstream, Luxembourg to effect such debit;
- (iv) that the Holder represents and warrants that the DECS to be exchanged are owned by it (or a person for whose account it holds the DECS) free from all liens, charges, encumbrances and other third party rights;
- (v) the number and account name of the security account(s) at Euroclear, Clearstream, Luxembourg or such other clearing system where the Holder may have an account through which Exchange Property comprising securities cleared through a clearing system may be cleared and which is to be credited with any such Exchange Property, or, in the case that the relevant Holder does not have an account at Euroclear, Clearstream, Luxembourg or such other clearing system, the account name of the security account(s) of the Holder which is to be credited with any such Exchange Property, and the address to which any certificates relating to Exchange Property comprising securities not cleared through a clearing system are to be sent, uninsured and at the risk of the relevant Holder, or, in the case that the relevant Holder does not have an account at Euroclear, Clearstream, Luxembourg or such other clearing system, the account name of the security account(s) of the Holder which is to be credited with any such Exchange Property;

- (vi) the number and account name of a U.S. Dollar account to which any Deliverable Cash Amount, Redemption Amount and/or any Exchange Property comprising cash is to be paid by or on behalf of the Issuer; and
- (vii) that such Holder authorises the production of such Exchange Notice in any applicable administrative or legal proceedings.

The Issuer shall give notice to the Trustee and the Holders of any mandatory exchange upon the Maturity Date or any Redemption Date not less than one (1) Business Day prior to the date of commencement of the relevant Calculation Period. If, in the case of a mandatory exchange upon the Maturity Date or any Redemption Date, the Exchange Notice and the relevant DECS are not delivered to the specified office of the Calculation Agent and the Paying, Transfer and Exchange Agent in accordance with this paragraph (a) by not later than three (3) calendar months following the relevant Maturity Date or any Redemption Date upon which the DECS have been redeemed in full, then the relevant Exchange Property, Deliverable Cash Amount, Redemption Amount or any other cash amount due to the relevant Holders on the Maturity Date or relevant Redemption Date, as the case may be, will be paid or delivered to the Trustee or as the Trustee may direct. All of such Exchange Property, shall be sold by or on behalf of the Trustee (without the Trustee having any responsibility for any loss occasioned thereby) as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale (converted where applicable into U.S. Dollars at the Relevant Rate), or any Deliverable Cash Amount, Redemption Amount and any other such cash amount paid to the Trustee, shall be held by or on behalf of the Trustee and distributed rateably to the Holders in accordance with Condition 11(a) or in such other manner as the Trustee shall determine and notify to the Holders in accordance with Condition 17. The amount of such net proceeds of sale and any such cash amount paid as aforesaid payable to a Holder pursuant to this paragraph shall be treated for all purposes as discharging the Issuer's obligations in respect of the relevant DECS.

The Trustee shall have no obligation or liability in respect of any sale of Exchange Property whether for the timing of any such sale or the price at which any such Exchange Property is sold or the inability to sell any such Exchange Property, or the rate at which the net proceeds of any such sale are converted into U.S. Dollars.

Once delivered to the Calculation Agent and Paying, Transfer and Exchange Agent in accordance with this paragraph (a), an Exchange Notice will be irrevocable. Any determination as to whether any purported Exchange Notice has been duly completed and properly delivered shall be made by the Calculation Agent and shall, save in the case of a manifest error, be conclusive and binding on the Issuer, the Trustee, the Calculation Agent and the Paying, Transfer and Exchange Agent and the relevant Holder.

Notwithstanding this Condition 9(a), so long as this Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an "Alternative

Clearing System”), the foregoing paragraphs shall not apply to the settlement of the DECS and settlement of the DECS will be made in accordance with the procedures set forth by Euroclear, Clearstream, Luxembourg or such Alternative Clearing System.

(b) Settlement.

The Calculation Agent shall notify the Issuer, the Trustee, the Collateral Agent and the Paying, Transfer and Exchange Agent, no later than 17.00 hours (London time) on the sixth Trading Day immediately preceding the Maturity Date or the Redemption Date of the Relevant Proportion of the Exchange Property, the Deliverable Cash Amount or the Redemption Amount, as the case may be, per DECS to be transferred by or on behalf of the Issuer to each Holder pursuant to Condition 6 or Condition 7, as the case may be.

The Issuer shall cause the Paying, Transfer and Exchange Agent, on or before the relevant Maturity Date or Redemption Date, to deliver to the Holders the Relevant Proportion of the Exchange Property, the Deliverable Cash Amount or the Redemption Amount, as the case may be, of all DECS being redeemed. Such transfer shall be made as specified in the relevant Exchange Notices other than any Fixed Interest Amount payable on such date, which shall be paid as provided in Condition 11(a)(i).

(c) Fractional Shares.

The Issuer will not deliver fractional Exchange Securities, or a fraction of any other property comprised in the Exchange Property which is not divisible, in exchange for the DECS and the Issuer shall not be under any obligation to make any payment to the Holders in respect of any such fractions, and any such fraction will be rounded down to the nearest whole multiple of an Exchange Security or unit of any such other Exchange Property. If more than one DECS is to be exchanged by a Holder, the Exchange Property to be delivered or Deliverable Cash Amount or Redemption Amount payable to that Holder shall be calculated on the basis of the aggregate Principal Amount of the DECS held by such Holder.

(d) Inability to Deliver Exchange Property to a Holder.

If upon the Maturity Date or any Redemption Date, as the case may be, the transfer or delivery of any portion of the Exchange Property to any Holder required pursuant to Condition 6(a) or Condition 7(c) would be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction or such transfer or delivery is subject to receipt of any regulatory consents or approvals, the Issuer will instead pay an amount in cash to the relevant Holder equal to the Realised Value of such portion of the Holder’s Pro Rata Share of the Merger Payments or the Relevant Proportion of the Exchange Property. The Issuer shall pay such amount in cash to the relevant Holder not later than five (5) Business Days following the determination of the Realised Value by the Determination Agent and otherwise in accordance with directions given by the relevant Holder as provided in the relevant Exchange Notice; provided that the Issuer has received such cash amount either from (x) the Counterparty under the Prepaid Forward Purchase Agreement or (y) failing which, the Liquidation Agent, who shall sell such Holder’s

Pro Rata Share of the Merger Payments or the Relevant Proportion of the Exchange Property as provided in paragraph (a) of the definition of “Realised Value”, in each case no later than two (2) Business Days following the date of determination of the Realised Value by the Determination Agent. Such payment shall satisfy in full the Issuer’s obligations to deliver such Holder’s Pro Rata Share of the Merger Payments or the Relevant Proportion of the Exchange Property to such Holder as contemplated by these Conditions.

10. VOTING RIGHTS

The Holders shall have no voting rights or other rights attaching to the Exchange Securities or any other securities or assets relating thereto prior to the Maturity Date or any Redemption Date, as the case may be.

11. PAYMENTS

(a) Payment.

- (i) Unless an Interest Prepayment Event has occurred, payment of any Fixed Interest Amount due on any Fixed Interest Payment Date will be made only to persons shown in the Register at the close of business on the Record Date. All such payments will be made at the specified office of the Paying, Transfer and Exchange Agent. All such payments will be made by transfer to an account maintained by the relevant Holder.
- (ii) Payment of any Treasuries Proceeds, Additional Coupon Amounts, the Deliverable Cash Amount and the Redemption Amount shall be made only to persons shown in the Register at the close of business on the Record Date. All such payments will be made at the specified office of the Paying, Transfer and Exchange Agent. All such payments will be made by transfer to an account maintained by the relevant Holder.
- (iii) Payment of all other amounts will be made as provided in these Conditions.
- (iv) For purposes of these Conditions, “Record Date” means, in respect of any payment (other than payment of any Treasuries Proceeds), the seventh day before the due date of such payment; provided that “Record Date” means, in respect of payment of any Treasuries Proceeds, the date of the adoption and execution of an Extraordinary Resolution (as defined in the Trust Deed) with respect to an Interest Prepayment Event.

(b) Payments Subject to Fiscal Laws.

All payments in respect of the DECS are subject in all cases to any applicable fiscal or other laws and regulations in the applicable jurisdiction of payment.

(c) Prescription.

Claims in respect of payment in respect of the DECS will become void ten (10) years (in the case of principal and premium) and five (5) years (in the case of interest) after the date on which such payment was due.

12. **WITHHOLDING TAXES**

All payments in respect of the DECS shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature, unless such withholding or deduction is otherwise required by law. If such withholding or deduction is required by law, the relevant payment shall be made subject to and after any such withholding or deduction and no additional amounts shall be payable by the Issuer in respect of such withholding or deduction.

13. **CONSOLIDATION**

The Issuer will not consolidate with or merge into any other corporation or corporations, unless the corporation formed by such consolidation, or into which the Issuer shall have been merged, (i) shall have expressly assumed in writing by deed supplemental to the Trust Deed the due and punctual payment of all amounts on all the DECS and the due and punctual performance and observance of all of the covenants and conditions of the DECS and the provisions of the Trust Deed and the Agency Agreement to be performed or observed by the Issuer, and (ii) is not subject to withholding taxes with respect to payments in respect of the DECS. In case of any such consolidation or merger, and following such an assumption by the successor corporation, such successor corporation will succeed to and be substituted for the Issuer with the same effect as if it had been named herein. In the event of any such consolidation or merger, the Issuer or any successor corporation which will theretofore have become such in the manner described in this Condition 13 will be discharged from all obligations and covenants under the DECS and the Agency Agreement and may be liquidated and dissolved.

14. **AGENTS**

(a) Agents of the Issuer.

The Agents, when acting in that capacity, are acting solely as agents of the Issuer pursuant to the Agency Agreement and (to the extent provided therein and in the Trust Deed) the Trustee and do not assume any obligation towards or relationship of agency or trust for or with any Holder. Except as otherwise provided in these Conditions, the Trust Deed, the Prepaid Forward Purchase Agreement or the Agency Agreement, all calculations and determinations pursuant to these Conditions by the Calculation Agent and the Determination Agent shall be at the sole discretion of the Calculation Agent and the Determination Agent and shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Holders and the other Agents.

(b) Agents.

The names of the Agents and their specified offices are set out below. The Issuer reserves the right under the Agency Agreement at any time with the prior written

approval of the Trustee to remove the Registrar, the Paying, Transfer and Exchange Agent, the Calculation Agent, the Collateral Agent, the Determination Agent and the Liquidation Agent and to appoint other or further Registrars, Paying, Transfer and Exchange Agents, Calculation Agents, Collateral Agents, Determination Agents or Liquidation Agents, provided that it will at all times maintain (i) a Paying, Transfer and Exchange Agent having specified offices in London and (ii) a Registrar with a specified office outside the United Kingdom. Notice of any such removal or appointment and of any change in the specified office of the Registrar, any Paying, Transfer and Exchange Agent, any Calculation Agent, any Collateral Agent, any Determination Agent or an Liquidation Agent will be given as soon as practicable to the Holders in accordance with Condition 17.

15. **MEETINGS OF HOLDERS, MODIFICATION AND WAIVER, ENTITLEMENT OF TRUSTEE, SUBSTITUTION, CHANGE AND INDEMNIFICATION OF TRUSTEE**

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the terms and conditions of the DECS or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Trustee or at the request of Holders holding not less than 10 per cent. in Aggregate Outstanding Principal Amount for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than one-half in Aggregate Outstanding Principal Amount for the time being outstanding, or at any adjourned meeting one or more persons being or representing the Holders whatever the Aggregate Outstanding Principal Amount so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Trust Deed, the Agency Agreement or the DECS (including modifying the maturity of the DECS or the dates on which interest is payable on them, reducing or cancelling the Principal Amount of, or Fixed Interest Amount or Additional Coupon Amount or the Deliverable Cash Amount payable on, or varying the method of calculating the rate of such interest on, the DECS, or changing or varying the method of calculating the Relevant Proportion, the Maturity Exchange Ratio or any Redemption Amount, or changing the currency of payment in respect of the DECS or modifying or cancelling any rights relating to the redemption or exchange of the DECS), the quorum shall be one or more persons holding or representing not less than three-quarters in Aggregate Outstanding Principal Amount for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in Aggregate Outstanding Principal Amount for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting. The Trust Deed provides that an Extraordinary Resolution shall be a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by the approval of at least 75 per cent. of the votes cast and that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in Aggregate Outstanding Principal Amount shall be as valid and effective as a duly passed Extraordinary Resolution.

The Trust Deed provides that the Trustee may agree, without the consent of the Holders, to any modification (subject to certain exceptions as provided in the Trust Deed) of, or to any waiver or authorization of any breach or proposed breach of, any of these Conditions or any of the provisions of the DECS or the Transaction Documents (as defined in the Trust Deed) to which it is a party or in respect of which it holds security, or may determine that any condition, event or act which, but for such determination, would constitute an Event of Default or a Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which in any such case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Holders or to any modification of any of these Conditions or any of the provisions of the DECS or the Transaction Documents to which it is a party or in respect of which it holds security which is (in the opinion of the Trustee) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver, authorization or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 17.

For the avoidance of doubt, the Issuer may not agree without the consent of the Counterparty to any change to the Conditions that would have the effect of increasing or otherwise imposing new and more onerous obligations on the Counterparty under the Prepaid Forward Purchase Agreement (as amended from time to time), provided that this limitation shall not apply (i) in cases where an event of default under the Prepaid Forward Purchase Agreement has occurred and is continuing or (ii) in cases where the change is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with any mandatory provisions of law.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorization or substitution), the Trustee shall have regard to the interests of the Holders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

Notice of the retirement and removal of the Trustee will be given by the Issuer to the Holders in accordance with Condition 17. The Trust Deed contains general provisions for the retirement and removal of the Trustee.

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee has no responsibility for delivery of the Exchange Property, any Deliverable Cash Amount or any Redemption Amount to the Holders nor for the validity or value of the Relevant Proportion of the Exchange Property, the Deliverable Cash Amount or any Redemption Amount nor for any insufficiency of the Relevant Proportion of the Exchange Property, the Deliverable

Cash Amount or any Redemption Amount resulting from the Trustee or the Issuer being liable for tax in respect of the same.

Subject to any terms of the Trust Deed to the contrary, the Trustee shall not be responsible for any loss, cost, expense or liability which may be suffered as a result of any asset which is subject to the security granted in favour of the Issuer or the Trustee or any document of title thereto being uninsured or inadequately insured. The Trustee shall not be responsible for monitoring compliance by any other party with their obligations under any document pertaining to the DECS or otherwise referred to in these Conditions.

Any certificate, opinion or report or determination of the Calculation Agent or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein, whether or not such certificate, opinion, report or determination contains or is subject to any limitation on liability, monetary or otherwise (and shall, in absence of manifest error, be conclusive and binding on all parties).

16. REPLACEMENT OF DECS

If any DECS is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or the Paying, Transfer and Exchange Agent upon payment by the claimant of such costs as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity or otherwise as the Issuer may reasonably require. Mutilated or defaced DECS must be surrendered before replacements will be issued.

17. NOTICES

All notices to the Holders regarding the DECS will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

So long as the DECS are represented by the Global Note representing the DECS and such Global Note is held on behalf of a clearing system, notices to the Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders.

18. ENFORCEMENT

- (a) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Transaction Documents in respect of which it holds security and the DECS, but it shall not be bound to take any proceedings or any other action in relation to the Trust Deed, the Prepaid Forward Purchase Agreement, the Debenture or the DECS unless (i) it shall have been so directed by an Extraordinary Resolution of the Holders or so requested in writing by the Holders of at least

one-quarter in Aggregate Outstanding Principal Amount, and (ii) it shall have been indemnified and/or secured to its satisfaction.

(b) No action by Holders or any other Secured Creditor.

Only the Trustee may pursue the remedies available under the general law or under the Transaction Documents or the DECS to enforce the security granted in relation to the DECS and no Holder or the Trustee or Collateral Agent shall be entitled to proceed directly against the Issuer to enforce the security granted in relation to the DECS. In particular, and subject to Condition 20, none of the Holders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:

- (i) otherwise than as permitted by these Conditions, to direct the Trustee to enforce the security granted in relation to the DECS or take any proceedings against the Issuer to enforce such security; or
- (ii) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to such Holders or such Secured Creditor.

- (c) No person shall have any right to enforce any term or condition of the Conditions or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 and the consent of such person shall not be required to amend, vary or rescind the terms of these Conditions.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- (a) The Trust Deed and the DECS are governed by, and shall be construed in accordance with, English law.
- (b) The Issuer has agreed in the Trust Deed, for the benefit of the Trustee and the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the DECS and that accordingly any suit, action or proceedings (together referred to as “Proceedings”) arising out of or in connection with the Trust Deed or the Holders may be brought in such courts.
- (c) The Issuer has irrevocably waived in the Trust Deed any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum.
- (d) Nothing contained in this Condition 19 shall limit any right of the Trustee or subject to this Condition 19 any Holder to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

- (e) Nothing herein shall affect the right to serve process in any other manner permitted by law.

20. **LIMITED RECOURSE; NON-PETITION**

The obligations of the Issuer under these Conditions are limited in recourse to the assets of the Issuer (other than Excepted Property). To the extent the assets of the Issuer are not sufficient to meet the obligations of the Issuer in full, after application of such assets in accordance with the provisions of these Conditions, the Issuer shall have no further obligations hereunder and any outstanding obligations shall be extinguished. The Trustee and the Holders further agree (i) not to take any action in respect of any claims hereunder against any officer, director, employee or administrator of the Issuer and (ii) not to institute against the Issuer any insolvency, bankruptcy, reorganization, liquidation or similar proceedings in any jurisdiction until one year and one day or, if longer, the applicable preference period then in effect, shall have elapsed since the final payments to the Holders.