

APPROVED
by the Supervisory Board
of Vnesheconombank
(Protocol No. 11 dd. 13.10.2008)

PROCEDURE

for Implementing by State Corporation 'Bank for Development and Foreign Economic Affairs (Vnesheconombank)' Measures Provided for by Articles 1 and 2 of Federal Law No. 173-FZ 'On Additional Measures for Supporting the Financial System of the Russian Federation' dated 13 October 2008

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Terms and Definitions

1.1 **Bank** means State Corporation ‘Bank for Development and Foreign Economic Affairs (Vnesheconombank)’.

1.2 **Law** means Federal Law No. 173-FZ ‘On Additional Measures for Supporting the Financial System of the Russian Federation’ dated 13 October 2008.

1.3 **Application** means a document containing information on the Refinanced Obligations, the Borrower and other Participants of the Transaction, its form specified in Annex 1 hereto.

1.4 **Foreign Financial Institution** means a legal entity registered in accordance with the legislation of foreign states, specialized in raising and extending financing and/or international financial organization.

1.5 **Credit Transaction** means an operation on granting borrowed funds of the Bank for refinancing the Borrower’s obligations towards foreign financial institutions, as well as on purchasing from foreign credit institutions claims against the Borrowers under obligations taken prior to 25 September 2008.

1.6 **Committee** means a committee for processing applications on refinancing of external obligations of borrowers, set up at the Supervisory Board of the Bank as per the decision of the Supervisory Board of the Bank.

1.7 **Set of documents** means documents specified in Annex 2 hereto to be submitted by the Borrower to the Bank together with the Application.

1.8 **Borrower** means a legal entity registered in accordance with the legislation of the Russian Federation or a special purpose company registered (abroad as well) for attracting Refinanced Obligations, both claiming state support in the form of borrowed funds of Vnesheconombank.

1.9 **Refinanced Obligations** mean financial obligations of the Borrower to a Foreign Financial Institution drawn up de jure in accordance with applicable legislation (including but not limited to obligations under credit agreements, loan agreements, securities issued, etc.) to be fulfilled within the framework of the Credit Transaction.

1.10 **Authorized Body of the Bank** means a governing body of the Bank (Chairman, Board, Supervisory Board).

1.11 **Participants of the Transaction** mean companies/institutions whose participation in the transaction is necessary for its successful implementation. They include: the Borrower, entities that extend co-financing and/or security under the transaction (financial organizations, investors, guarantors, pledgers, shareholders, etc)

1.12 **The Central Bank** means the Central Bank of the Russian Federation.

Article I. Key criteria and requirements to the Borrower

1. Key criteria

1.1 If a credit transaction is repudiated economic security of the Russian Federation may be jeopardized and material assets of the Borrower may be lost which will entail a notable reduction of its transactions' scope on the territory of the Russian Federation and/or will lead to the Borrower's bankruptcy and, thus, to a complete termination of operations and reduction of workplaces.

1.2 Originally, the Borrower's obligations to be refinanced were formed by raising funds for realization of major investment project on the territory of the Russian Federation or for obtaining assets leading to a major expansion of the Borrower's activities on the territory of the Russian Federation.

1.3 The Borrower is carrying out its activities in the real sector of economy on the territory of the Russian Federation. Its activities are important for the economy and social stability of the Russian Federation, for the social and economic development of a region or a constituent entity of the Russian Federation.

2. Mandatory requirements to the Borrower

2.1 The current and prospective situation in the financial and economic activities of the Borrower makes it possible to estimate its ability to a full-scale and timely fulfillment of its obligations under a Credit Transaction to the Bank.

2.2 A Credit Transaction is to be carried out (unless otherwise decided by the Supervisory Board of the Bank) if the Borrower contributes at least 25% of the Refinanced Obligations to a Foreign Financial Institution, inclusive of funds of the Borrower's shareholders and/or other creditors.

2.3 The Refinanced Obligations are to be repaid not later than 90 days from the date of the Application.

2.4 A full Set of Documents is to be presented.

2.5 The Borrower's obligations to a Foreign Financial Institution should date back prior to 25 September 2008.

2.6 There should be no overdue national and local taxes on the part of the Borrower.

Article II. Requirements to the terms of a Credit Transaction

1. The security originally granted to Foreign Financial Institutions within the framework of Refinanced Obligations is to be granted to the Bank.
2. If the Bank is unable to take the credit risk of the Borrower in the volume necessary for the implementation of a Credit Transaction and if the security specified in item 1 is insufficient, additional security acceptable to the Bank should be extended.
3. Warranties (guarantees) of the Borrower's shareholders as well as those of third parties, including warranties of individuals are to be presented to the Bank.
4. The volume of Refinanced Obligations should exceed USD 100 million (or its equivalent in another currency at the rate of the Central Bank of the RF as on the date the Bank receives the Application). The total volume of Credit Transactions with the Borrower (interrelated Borrowers) should not exceed USD 2500 million.
5. The Bank should be granted the right of direct debiting funds in execution of obligations within the framework of the Credit Transaction to any accounts of the Borrower as per the decision of the Bank.
6. The pledge of the Borrower's (Participants' of the Transaction) export contract proceeds is to be granted to the Bank as security.
7. Within the period of validity of the Credit Transaction the possibility of raising new credits and loans including those in the form of securities, as well as amending the prior credits and loans' terms and conditions should be agreed upon with the Bank.
8. Transactions connected with possible alienation of property assets of the Borrower and Participants of the Transaction in the volume exceeding 10% of the assets book value of the Borrower as per the latest accounting reports should be agreed upon with the Bank.
9. Representatives of the Bank as well as nominees of the Committee should be included in the management body of the Borrower.

10. The interest rate on Credit Transactions cannot be lower than the highest of the two: minimum interest rate for granting refinancing credits by the Bank established by the Law or interest rate determined by a Foreign Financial Institution within the framework of Refinanced Obligations.

11. The term of the Credit Transaction cannot exceed (with a prolongation option as per the Law) the term of the respective deposit placed by the Central Bank with the Bank as per the Law.

12. The currency of the Credit Transaction should correspond to the currency of the deposit placed by the Central Bank with the Bank as per the Law.

13. If within the framework of Refinanced Obligations the Borrower raised funds from a Foreign Financial Institution in a currency other than the currency of the Credit Transaction, conversion expenses shall be borne by the Borrower.

The above-mentioned requirements to the Credit Transaction are priority requirements. Unconditional possibility of their application should be analyzed by the Board of the Bank and the Committee and later reported to the Supervisory Board. The Supervisory Board will take final decision as to the terms of the Credit Transaction.

Article III. Order of expert evaluation of applications for refinancing of obligations of the Borrower towards Foreign Financial Institutions

1. Procedure for taking a decision on the Bank's participation in a Credit Transaction

The decision taking procedure includes the following stages:

1.1 Application registration.

1.2 Application evaluation at the Investment Operations Development Committee of the Bank and taking a decision in respect of advisability of complex expert evaluation.

1.3 As per the outcome of the complex expert evaluation by the Bank's Credit Committee of the advisability and terms of the Bank's participation in the Credit Transaction.

1.4 In case of a favorable decision of the Credit Committee consideration by the Board of the Bank of the advisability and terms of the Bank's participation in the Credit Transaction.

1.5 As per the outcome of the Bank's Board consideration the question is submitted to the Committee and later to the Supervisory Board.

2. Stages of expert evaluation

2.1 The Chairman of the Bank (or other authorized person) after reviewing the Application determines the department of the Bank responsible for the expert evaluation. The responsible department is chosen among departments dealing with credit operations (Department for Infrastructure, Department for Industry, Department for Regions Development).

2.2 Expert evaluation of Applications represents their analysis as to the compliance with requirements of the Law and the present Procedure, so that subsequently a

decision on the Bank's participation in the Credit Transaction could be taken. If necessary, the Bank can invite independent advisors.

2.3 There are two stages in the expert evaluation of the Application:

Stage 1 Preliminary expert evaluation

Stage 2 Comprehensive expert evaluation

2.4 Preliminary expert evaluation stage is intended for preliminary analysis of the Application as to its compliance with the criteria specified in Article 1 herein.

2.5 The purpose of the preliminary expert evaluation is to determine whether it is advisable to carry out a further consideration of the Application at stage 2 – comprehensive expert evaluation. A respective report is issued after preliminary expert evaluation. On the basis of this report the Investment Operations Development Committee of the Bank takes a decision on the advisability of considering this Application at stage 2 – complex expert evaluation.

2.6 The preliminary expert evaluation should be carried out within 3 business days from the date of receipt by the Bank of a Set of Documents.

2.7 Complex expert evaluation of the Application is carried out if the Investment Operations Development Committee of the Bank takes a favorable decision on the advisability of considering this Application at stage 2 – complex expert evaluation.

2.8 If a negative decision is taken, the Bank shall inform the Committee within one business day. The Committee may recommend the Bank to carry out complex expert evaluation in accordance with the present Procedure for subsequent taking a final decision.

2.9 At the stage of complex expert evaluation the Bank carries out the following actions:

2.9.1 Analysis of the financial standing of the Borrower

2.9.2 Organization of the necessary legal check-up of title documents of the Borrower and Participants of the Transaction, as well as documents on the Refinanced Obligations and Credit Transaction.

2.9.3 Check-up of business record of the Borrower and participants of Refinanced Obligations.

2.9.4 Determination of the necessity to grant and sufficiency of security under payment obligations of the Borrower granted to the Bank.

2.9.5 Analysis of the possibility of Bank control over the target-oriented use of funds extended under the Credit Transaction.

2.9.6 Determination of the possibility of additional control over the activities of the Borrower by introducing representatives of the Bank and/or authorized state bodies into management bodies of the Borrower.

2.9.7 Analysis of credit risks under the Credit Transaction, assignment of risk rating as per the Bank's effective procedure.

2.9.8 Estimation of possible adverse consequences for the economy of the Russian Federation if the Borrower fails to fulfill its obligations towards a Foreign Financial Institution.

2.10 Here follow the purposes of the complex expert evaluation:

2.10.1 Issuing a report on the results of the complex expert evaluation containing findings as to the expediency of the Bank's entering into the Credit Transaction

2.10.2 Preparing suggestions on possible terms and conditions of the Credit Transaction.

2.10.3 Preparing a presentation for the Credit Committee of the Bank

2.11 Complex expert evaluation should be carried out within 10 business days from the date of taking decision to hold this evaluation by Investment Operations Development Committee of the Bank or the Committee (as per item 2.8). To carry out complex expert evaluation the Bank is entitled to invite independent advisors (not Bank employees) and other institutions.

2.12 After the Credit Committee has issued a favorable or negative recommendation and the Board of the Bank has taken decision whether to meet the application or not, the question of the Bank's participation in the Credit Transaction is submitted to the Committee.

2.13 After the Committee has given its favorable or negative recommendation, the chairman of the Committee submits the question of the Bank's participation in the Credit Transaction to the Supervisory Board of the Bank.

2.14 If the Supervisory Board of the Bank takes a decision that the Bank should take part in the Credit Transaction a credit agreement is be signed between the Bank and the Borrower within 5 business days from the date of the respective protocol of the Supervisory Board of the Bank (provided legislative standards are complied with, i. e. the governing bodies of the Borrower duly approve of the transaction).

2.15 The procedure of concluding other agreements between the Bank, the Borrower and Participants of the Transaction is stipulated by the terms and conditions of the Credit Transaction with an allowance for the term of proper legal procedures (for example, compliance with legislative standards, i. e. due approval of the transaction by the governing bodies of the Borrower).