

FINAL TERMS

Final Terms dated 1 June 2011

OJSC RUSSIAN AGRICULTURAL BANK

Issue of U.S.\$800,000,000 6.000% Loan Participation Notes due 2021 by RSHB Capital S.A. (the **Issuer**) for the purpose of financing a Subordinated Loan to OJSC Russian Agricultural Bank (**RAB**) under a U.S.\$10,000,000,000 Programme for the Issuance of Loan Participation Notes (the **Programme**). Application has been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) for Notes issued under the Programme within 12 months of the Base Prospectus to be admitted to the Official List and to trading on its regulated market.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the base prospectus dated 17 May 2011 (the **Base Prospectus**) and the supplemental Base Prospectus dated 17 May 2011 (the **Supplemental Base Prospectus**) which together constitute a base prospectus for the purposes of the Prospectus Directive 2003/71/EC (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and RAB and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Supplemental Base Prospectus are available for viewing at the specified offices of the Trustee and the Paying Agent in Dublin and the website of the Central Bank of Ireland and copies may be obtained from the specified offices of the Trustee and the Paying Agent in Dublin.

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|----|--|--|
| 1. | (i) Issuer: | RSHB Capital S.A. |
| | (ii) Borrower: | OJSC Russian Agricultural Bank |
| 2. | Series Number: | 7 |
| 3. | Specified Currency: | United States Dollars (US\$) |
| 4. | (i) Aggregate Nominal Amount of Notes: | U.S.\$800,000,000 |
| | (ii) Principal Amount of Loan: | U.S.\$800,000,000 |
| 5. | Issue Price: | 100% of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | Rule 144A and Reg S: U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof |
| 7. | (i) Issue Date: | 3 June 2011 |
| | (ii) Interest Commencement Date: | Issue Date |

8. Maturity Date: 3 June 2021
9. Interest Basis: 6.000 per cent. Fixed Rate subject to interest rate step-up (further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: See paragraph 16 below
12. Put/Call Options: Investor Put – not applicable
Issuer Call – not applicable
- (If the Borrower elects to exercise its prepayment option pursuant to Clause 5.2 of the Subordinated Loan Agreement, the Issuer will redeem the Notes pursuant to Condition 6(b) of the Notes)*
13. (i) Status of the Notes: Senior
- (ii) Status of the Loan: Subordinated (Tier 2).

Upon the occurrence of a Bankruptcy Event and so long as such Bankruptcy Event is continuing, the claims of the Issuer or Lender under the Loan in respect of the principal of, and interest on, the Loan, shall be subordinated in right of payment to the claims of all Senior Creditors (including interest and other amounts in respect of such claims accruing after the date of commencement of such Bankruptcy Event). Thereafter, such amounts will be paid equally and ratably, together with all obligations of the Borrower ranking equally in right of payment with the liabilities of the Borrower under the Loan.

Bankruptcy Event means any of the following events:

- (a) adjudication by an arbitrazh court of inability of the Borrower to satisfy claims of its creditors under the monetary obligations and (or) to fulfill its obligations to pay certain payments;
- (b) introduction of the liquidation proceedings (konkursnoye proizvodstvo) with respect to the Borrower and appointment of the liquidator (konkursniy upravlyayushiy); and
- (c) other proceedings provided for by applicable legislation that evidence the occurrence of

bankruptcy of the Borrower.

Senior Creditors means all creditors of the Borrower other than creditors whose claims are in respect of (a) the share capital of the Borrower (including preference shares) or (b) other obligations expressed pursuant to Russian law or applicable regulation to rank equally with or junior to the claims of the Lender under the Loan.

(iii) Dates of Board approval for issuance of Notes and borrowing of the Loan obtained: The issuance of the Notes was authorised by a resolution of the board of directors of the Issuer dated 1 June 2011. The borrowing of the Loan was authorised by a resolution of the management board of the Borrower dated 21 April 2011.

14. Method of distribution: Syndicated

15. Financial Centres: London, New York City and Moscow

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: Applicable

(i) Rate of Interest: From, and including, the Issue Date to, but excluding, the Conditional Prepayment Date (as defined herein), 6.000 per cent. per annum payable semi-annually in arrear.

Subject to early redemption on the Conditional Prepayment Date, from, and including, the Conditional Prepayment Date to, but excluding, the Maturity Date, the sum of (i) the U.S. Treasury rate (as defined herein); and (ii) 5.817 per cent. per annum payable semi-annually in arrear.

Business Day means a day on which (a) the London interbank market is open for dealings between banks generally, and (b) if on that day a payment is to be made hereunder, commercial banks generally are open for business in New York City, Moscow and in the city where the specified office of the Principal Paying Agent is located;

Conditional Prepayment Date means the Business Day immediately following the fifth anniversary of the date when the Subordinated Loan was included into the Supplementary Capital;

Reset Interest Rate Determination Date means the second Business Day immediately preceding the Conditional Prepayment Date;

Supplementary Capital means Supplementary (Tier

2) Capital of RAB according to Regulation No. 215-P "On the Methodology of Calculation of Net Worth (Capital) of Credit Organisations" dated 10 February 2003, as amended, issued by the Central Bank of Russia; and

US Treasury Rate means:

- (a) in respect of the period from and including the Issue Date to but excluding the Conditional Prepayment Date, 1.683%;
- (b) in respect of the period from and including the Conditional Prepayment Date to but excluding the Maturity Date
 - (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" (which at the date of these Final Terms can be found at the following website of the Board of Governors of the Federal Reserve System: <http://www.federalreserve.gov/releases/h15/current/>), or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which established a yield for actively traded United States treasury notes adjusted to constant maturity under the caption "Treasury Constant Maturities," with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Maturity Date (if no maturity falls within three months before or after such time period, yields for the two published maturities most closely corresponding to such time period shall be determined and the US Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
 - (ii) in the event that such yield referred to in (a) above does not appear in such statistical release or any such successor publication during the week preceding the Reset Interest Rate Determination Date the yield determined by the Calculation Agent as follows:
 - (A) the Calculation Agent shall request the principal New York office of each

of four primary United States government securities dealers to provide a quotation of the yield it offers for United States treasury notes with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Maturity Date and determine the average of such quotations (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005% being rounded upwards); and

(B) if the Calculation Agent is unable to obtain quotations and determine the yield pursuant to subparagraph (ii) above, the Calculation Agent shall determine, in the manner set forth in subparagraph (ii)(A) above, the latest calculable yield for United States treasury notes with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Maturity Date on the latest Business Day prior to the Reset Interest Rate Determination Date.

- (ii) Interest Payment Date(s): 3 December and 3 June in each year, provided that if any Interest Payment Date is not a Business Day, payment shall not be made until the next following Business Day and no further interest or other payment shall be made in respect of any such delay.
- (iii) Fixed Coupon Amount: U.S.\$6,000 per U.S.\$200,000 in Principal Amount in respect of each Interest Payment Date up to but excluding the Conditional Prepayment Date.
- (iv) Broken Amount: Not applicable
- (v) Day Count Fraction: 30/360
- (vi) Determination Dates: Not applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

17. Floating Rate Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

18. Final Redemption Amount of each Note: U.S.\$200,000 per U.S.\$200,000 in Principal Amount

19. Early Redemption Amount(s) per U.S.\$200,000 in Principal Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of the Notes: Registered Notes
21. Other final terms: Condition 6(e) is applicable

DISTRIBUTION

22. (i) If syndicated, names of Managers: Barclays Bank PLC
J.P. Morgan Securities Ltd.
VTB Capital plc
- (ii) Stabilising (if any): Barclays Bank PLC
23. If non-syndicated, name of Dealer: Not Applicable
24. U.S. Selling Restrictions: Reg. S Category 2 / Rule 144A / 3(c)(7)
25. Additional selling restrictions: Not Applicable

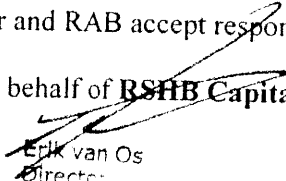
PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the U.S.\$10,000,000,000 Programme for the Issuance of Loan Participation Notes of RSHB Capital S.A. for the purpose of financing loans to RAB.

RESPONSIBILITY

The Issuer and RAB accept responsibility for the information contained in these Final Terms.

Signed on behalf of **RSHB Capital S.A.:**

By:  Erik van Os
Director

Duly authorised

By: 

Duly authorised

Signed on behalf of **OJSC Russian Agricultural Bank:**

By:

By:

on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of the Notes: Registered Notes
21. Other final terms: Condition 6(e) is applicable

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25. Additional selling restrictions: Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the U.S.\$10,000,000,000 Programme for the Issuance of Loan Participation Notes of RSHB Capital S.A. for the purpose of financing loans to RAB.

RESPONSIBILITY

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Signed on behalf of **RSHB Capital S.A.:**

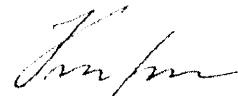
By:

Duly authorised

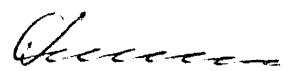
By:

Duly authorised

Signed on behalf of **OJSC Russian Agricultural Bank:**


By: Victoria V. Kirina

Deputy Chairman of the Management Board


By: Ekaterina A. Romankova

Chief Accountant

PART A – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and trading on the regulated market of the Irish Stock Exchange with effect from 3 June 2011.
- (ii) Estimate of total expenses related to admission to trading: EUR 500

2. RATINGS

Ratings: The Notes to be issued have been rated:

Fitch: BBB-
Moody's: Baa2

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Fitch is a credit rating agency established and operating in the European Community prior to 7 June 2010 and has submitted an application for registration in accordance with the CRA Regulation and, as at the date of the Base Prospectus, such application for registration has not been refused. Moody's is a credit rating agency established outside the European Community and has submitted an application for registration in accordance with the CRA Regulation and, as at the date of the Base Prospectus, such application for registration has not been refused.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- | | | |
|-------|---|--|
| (i) | Reasons for the offer: | See "Use of Proceeds" wording in the Supplemental Base Prospectus. |
| (ii) | Estimated net proceeds of the Issue: | U.S.\$800,000,000 |
| (iii) | Estimated total expenses: | U.S.\$3,100,000 |
| (iv) | Estimated proceeds of the Loan from the Issuer to the Borrower, less the estimated fees and expenses payable by the Borrower in connection with the Loan: | U.S.\$796,900,000 |

5. **FIXED RATE NOTES ONLY – YIELD**

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| Indication of yield: | 6.000 per cent. per annum The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield |
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6. **OPERATIONAL INFORMATION**

- | | |
|---------------------------|--------------|
| Regulation S ISIN Code: | XS0632887997 |
| Regulation S Common Code: | 063288799 |
| Rule 144A ISIN Code: | US74990CAA80 |
| Rule 144A Common Code: | 063374806 |
| Rule 144A CUSIP: | 74990CAA8 |

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): DTC

- | | |
|-----------|---|
| Delivery: | Regulation S Notes: Delivery against payment. |
| | Rule 144A Notes: Delivery against payment. |

Names and addresses of initial Paying Agent(s): As stated in Base Prospectus

Names and addresses of additional Paying Agent(s) (if any): Not applicable

EXECUTION VERSION

SUBORDINATED LOAN AGREEMENT

1 JUNE 2011

OJSC RUSSIAN AGRICULTURAL BANK

and

RSHB CAPITAL S.A.

relating to

**U.S.\$800,000,000 6.00% Loan Participation Notes due 2021
to be issued by, but with limited recourse to, RSHB Capital S.A.
for the sole purpose of financing a subordinated loan to
OJSC RUSSIAN AGRICULTURAL BANK**

ALLEN & OVERY

Allen & Overy Legal Services

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THIS AGREEMENT is made on 1 June 2011

BETWEEN:

- (1) **OJSC RUSSIAN AGRICULTURAL BANK**, an open joint stock company incorporated under the laws of the Russian Federation whose registered office is at 3 Gagarinsky Pereulok, Moscow 119034, Russian Federation (**Borrower**); and
- (2) **RSHB CAPITAL S.A.** a public limited liability company (*société anonyme*) whose registered office is at 1, allée Scheffer, L-2520 Luxembourg and registered with the Register of Commerce and Companies of Luxembourg under number B.111.968 (**Lender**).

WHEREAS:

- (A) the Lender has at the request of the Borrower agreed to make available to the Borrower a subordinated loan in the amount of U.S.\$800,000,000 on the terms and subject to the conditions of this Agreement;
- (B) it is intended that the Lender will issue certain loan participation notes for the purpose of financing the subordinated loan; and
- (C) it is intended that the subordinated loan made available under this Agreement shall qualify as supplementary capital of the Borrower according to Regulation No. 215-P "On the Methodology of Calculation of Net Worth (Capital) of Credit Organisations" dated 10 February 2003, as amended, issued by the Central Bank of Russia (**CBR**).

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals), the following terms shall have the meanings indicated.

Account means account number 5181228407 in the name of the Lender with The Bank of New York Mellon, London Branch.

Advance means the advance to be made under Clause 3 (Drawdown) of the sum equal to the amount of the Facility.

Affiliate of any specified person means any other person, directly or indirectly, controlling or controlled by or under direct or indirect control by such specified person. For the purposes of this definition, **control** when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **controlling** and **controlled** have meanings correlative to the foregoing.

Agency means any agency, authority, central department, government, legislature, minister, official or public statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body.

Agency Agreement means, the amended and restated agency agreement relating to the Programme, dated 17 May 2011 between the Lender, the Borrower, the Trustee and the agents named therein, as

may be further amended, varied or supplemented from time to time and references to **Paying Agent** and **Principal Paying Agent** are to agents appointed thereunder.

Agreement means this Agreement as originally executed or as it may be amended from time to time.

Bankruptcy Event means any of the following events:

- (a) adjudication by an arbitrazh court of inability of the Borrower to satisfy claims of its creditors under the monetary obligations and (or) to fulfill its obligations to pay certain payments;
- (b) introduction of the liquidation proceedings (*konkursnoye proizvodstvo*) with respect to the Borrower and appointment of the liquidator (*konkursniy upravlyayushiy*); and
- (c) other proceedings provided for by applicable legislation that evidence the occurrence of bankruptcy of the Borrower.

Business Day means a day on which (a) the London interbank market is open for dealings between banks generally, and (b) if on that day a payment is to be made hereunder, commercial banks generally are open for business in New York City, Moscow and in the city where the specified office of the Principal Paying Agent is located.

Calculation Agent means, in relation to the Subordinated Loan, The Bank of New York Mellon, London Branch, or such other entity as may be appointed by the Lender pursuant to the Agency Agreement.

Closing Date means 3 June 2011.

Conditional Prepayment Date has the meaning given to it in Clause 5.2 (Prepayment by the Borrower).

Conditions has the meaning assigned to such term in the Trust Deed.

Dollars, \$ and U.S.\$ mean the lawful currency of the United States of America.

Encumbrance means any mortgage, charge, pledge, lien (other than a lien arising solely by operation of law which is discharged within 90 days of arising) or other security interest having a similar effect.

Facility means the facility specified in Clause 2 (Facility).

Financial Indebtedness means any obligation for the payment of money in any currency, whether sole, joint or several, and whether actual or contingent, in respect of:

- (a) moneys borrowed or raised (including the capitalised value of obligations under financial leases and hire purchase agreements which would, in accordance with IFRS, be treated as finance or capital leases, but excluding moneys raised by way of the issue of share capital (whether or not for a cash consideration) and any premium on such share capital) and interest and other charges thereon or in respect thereof;
- (b) any liability under any debenture, bond, note, loan stock or other security or under any acceptance or documentary credit, bill discounting or note purchase facility or any similar instrument;

- (c) any liability in respect of the deferred acquisition cost of property, assets or services to the extent payable after the time of acquisition or possession thereof by the party liable, but not including any such liability in respect of normal trade credit for a period not exceeding six months for goods or services supplied;
- (d) any liability under any interest rate or currency hedging agreement (and the amount for such Financial Indebtedness in relation to any such transaction shall be calculated by reference to the mark-to-market valuation of such transaction (if it shows a sum owed to the counterparty of the Borrower or any Subsidiary), at the relevant time);
- (e) any liability under or in respect of any bonding facility, guarantee facility or similar facility; and
- (f) (without double counting) any guarantee or other assurance against financial loss in respect of such moneys borrowed or raised, interest, charges or other liability (whether the person liable in respect of such moneys borrowed or raised, interest, charges or other liability is or is not a member of the RAB Group).

Group means the Borrower and its consolidated Subsidiaries from time to time taken as a whole and a member of the Group means any of the Borrower or any of its consolidated Subsidiaries from time to time.

IFRS means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("*IASB*") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time):

IFRS Fiscal Period means any fiscal period for which the Group has produced financial statements in accordance with IFRS which have either been audited or reviewed by independent accountants of recognised international standing.

Indemnified Party has the meaning given to it in Clause 13.1 (Indemnification).

Independent Appraiser means any third party appraiser of international standing selected by RAB and approved by the Lender, provided however that such Independent Appraiser is not an Affiliate of any member of the RAB Group.

Interest Payment Date means 3 December and 3 June in each year.

Interest Period means each period beginning on (and including) an Interest Payment Date or, in the case of the first Interest Period, the Closing Date, and ending on (but excluding) the next Interest Payment Date.

Material Adverse Effect means a material adverse effect on (a) the financial condition or operations of the Borrower or of the Borrower and any of its Material Subsidiaries taken as a whole, (b) the Borrower's ability to perform its obligations under this Agreement or (c) the validity, legality or enforceability of this Agreement or the rights or remedies of the Lender under this Agreement.

Material Subsidiary means at any relevant time a Subsidiary of the Borrower:

- (a) which, for the most recent IFRS Fiscal Period, accounted for more than 5% of the consolidated revenues of the Group; or which, as of the end of the most recent IFRS Fiscal Period, was the owner of more than 5% of the consolidated assets of the Group, each as set

forth in the most recent available consolidated financial statements of the Group for such IFRS Fiscal Period (with effect from the date of issuance of such statements); or

- (b) to which are transferred substantially all of the assets and undertakings of a Subsidiary of the Borrower which immediately prior to such transfer was a Material Subsidiary (with effect from the date of such transaction).

Notes means the U.S.\$800,000,000 6.000% loan participation notes due 2021 proposed to be issued by the Lender pursuant to the Trust Deed for the purpose of financing the Subordinated Loan.

Noteholder means the person in whose name the Note is registered in the register of the noteholders (or in the case of joint holders, the first named holder thereof).

Officer's Certificate means a certificate signed by an officer of the Borrower who shall be the principal executive officer, principal accounting officer or principal financial officer of the Borrower.

Opinion of Counsel means a written opinion from international legal counsel as reasonably selected by the Borrower with the written consent of the Lender, such consent not to be unreasonably withheld or delayed.

person means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, organisation, government, or any agency or political subdivision thereof or any other entity.

Principal Trust-Deed means the amended and restated principal trust deed dated 17 May 2011 between the Lender and the Trustee in relation to the Programme, as may be amended or supplemented from time to time.

Programme means the programme for the issuance of loan participation notes of the Lender.

Prospectus means the base prospectus prepared in connection with the Programme dated 17 May 2011, as supplemented by the base prospectus supplement dated 17 May 2011 in respect of the issue of the Notes.

Qualifying Jurisdiction means any jurisdiction which has a double taxation treaty with Russia under which the payment of interest by Russian borrowers to lenders in the jurisdiction in which the Lender is incorporated is generally able to be made without deduction or withholding of Russian income tax upon completion of any necessary formalities required in relation thereto.

RAB Group means the Borrower and its Subsidiaries from time to time taken as a whole and a member of the RAB Group means any of the Borrower or any of its Subsidiaries from time to time.

Repayment Date means 3 June 2021.

Reset Interest Rate Determination Date means the second Business Day immediately preceding the Conditional Prepayment Date.

Same-Day Funds means Dollar funds settled through the New York Clearing House Interbank Payments System or such other funds for payment in freely transferable Dollars as the Lender may at any time determine to be customary for the settlement of international transactions in New York City of the type contemplated hereby.

Subordinated Loan at any time, means an amount equal to the aggregate principal amount of the Facility granted by the Lender pursuant to this Agreement or, as the context may require, the aggregate principal amount of the Facility outstanding from time to time.

Subscription Agreement means the agreement dated the date hereof between the Lender, the Borrower, Barclays Bank PLC, J.P. Morgan Securities Ltd. and VTB Capital plc relating to the Notes.

Subsidiary means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first Person,

save that no second person shall be deemed to be a Subsidiary if such second person has become a Subsidiary of the Borrower solely as a result of any action, enforcement of security, collateral, compromise or settlement, or any similar circumstances following a default by a debtor of the Borrower in respect of any amount owed by such debtor to the Borrower.

Supplemental Trust Deed means the supplemental trust deed in respect of the Notes which constitutes and secures, *inter alia*, such Notes dated the Closing Date and made between the Lender and the Trustee (substantially in the form set out in Schedule 9 of the Trust Deed).

Supplementary Capital means Supplementary (Tier 2) Capital of the Borrower according to Regulation No. 215-P "On the Methodology of Calculation of Net Worth (Capital) of Credit Organisations" dated 10 February 2003, as amended, issued by the CBR.

Supplementary Capital Regulation means Regulation No. 215-P "On the Methodology of Calculation of Net Worth (Capital) of Credit Organisations" dated 10 February 2003 issued by the CBR, as the same may be amended or replaced from time to time.

Taxes means any taxes (including interest or penalties thereon) which are now or at any time hereafter imposed, assessed, charged, levied, collected, demanded, withheld or claimed by the Russian Federation, Luxembourg or any taxing authority thereof or therein provided, however, that for the purposes of this definition the references to Luxembourg shall, upon the occurrence of the Relevant Event (as this term is defined in the Trust Deed), be deemed to be references to the jurisdiction in which the Trustee is domiciled for tax purposes; and the term Taxation shall be construed accordingly.

Trust Deed means the Principal Trust Deed as supplemented by the Supplemental Trust Deed which together constitute the Notes for the equal and ratable benefit of the Noteholders between the Lender (in its capacity as the Issuer) and the Trustee, as amended, varied or supplemented from time to time.

Trustee means BNY Mellon Corporate Trustee Services Limited, as trustee under the Trust Deed and any successor thereto as provided thereunder.

US Treasury Rate means:

- (a) in respect of the period from and including the Closing Date to but excluding the Conditional Prepayment Date, 1.683%;

- (b) in respect of the period from and including the Conditional Prepayment Date to but excluding the Repayment Date
- (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" (which at the date of this Agreement can be found at the following website of the Board of Governors of the Federal Reserve System: <http://www.federalreserve.gov/releases/h15/current/>), or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which established a yield for actively traded United States treasury notes adjusted to constant maturity under the caption "Treasury Constant Maturities," with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Repayment Date (if no maturity falls within three months before or after such time period, yields for the two published maturities most closely corresponding to such time period shall be determined and the US Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or
- (ii) in the event that such yield referred to in (a) above does not appear in such statistical release or any such successor publication during the week preceding the Reset Interest Rate Determination Date the yield determined by the Calculation Agent as follows:
- (A) the Calculation Agent shall request the principal New York office of each of four primary United States government securities dealers to provide a quotation of the yield it offers for United States treasury notes with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Repayment Date and determine the average of such quotations (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005% being rounded upwards); and
- (B) if the Calculation Agent is unable to obtain quotations and determine the yield pursuant to subparagraph (ii)(A) above, the Calculation Agent shall determine, in the manner set forth in subparagraph (ii)(A) above, the latest calculable yield for United States treasury notes with a maturity (or remaining maturity) closest to the time period from the Conditional Prepayment Date to the Repayment Date on the latest Business Day prior to the Reset Interest Rate Determination Date.

1.2 Other Definitions

Unless the context otherwise requires, terms used in this Agreement which are not defined in this Agreement but which are defined in the Trust Deed, the Notes, the Agency Agreement or the Subscription Agreement shall have the meanings assigned to such terms therein.

1.3 Interpretation

Unless the context or the express provisions of this Agreement otherwise require, the following shall govern the interpretation of this Agreement.

- (a) All references to **Clause** or **Subclause** are references to a Clause or Subclause of this Agreement.

- (b) The terms **hereof**, **herein** and **hereunder** and other words of similar import shall mean this Agreement as a whole and not any particular part hereof.
- (c) Words importing the singular number include the plural and vice versa.
- (d) All references to **taxes** include all present or future taxes, levies, imposts and duties of any nature and the terms **tax** and **taxation** shall be construed accordingly.
- (e) The table of contents and the headings are for convenience only and shall not affect the construction hereof.

2. FACILITY

2.1 Facility

On the terms and subject to the conditions set forth herein, the Lender hereby agrees to lend to the Borrower, and the Borrower hereby agrees to borrow from the Lender, U.S.\$800,000,000.

2.2 Purpose

The proceeds of the Advance will be used by the Borrower for general banking purposes, provided, however, that the Lender shall not be concerned with the application thereof.

2.3 Facility Fee

In connection with the Facility, the Borrower shall no later than 2.00 p.m. (London time) one Business Day prior to the Closing Date, or as otherwise agreed by the Borrower and the Lender, pay to the Lender (a) a fee in connection with the arrangement of the Facility and (b) reimbursement of certain costs and expenses relating to the arrangement of the Facility (together, the **Facility Fee**) as set out in a side letter (the **Fees and Expenses Side Letter**) between the Lender, the Borrower and the other parties thereto dated 1 June 2011.

2.4 Ongoing Fees and Expenses

In consideration of the Lender making available the Facility hereunder, the Borrower shall pay on demand to the Lender on an annual basis all ongoing documented fees and expenses set forth to the Borrower in an invoice or invoices from the Lender.

3. DRAWDOWN

3.1 Drawdown

On the terms and subject to the conditions set forth herein, on the Closing Date the Lender shall make the Advance to the Borrower and the Borrower shall make a single drawing in the full amount of the Facility.

3.2 Disbursement

Subject to the conditions set forth herein, on the Closing Date the Lender shall transfer the full amount of the Advance to the Borrower's account number 400-807408, at JPMorgan Chase Bank, NY (SWIFT: CHASUS33), in Same-Day Funds.

4. INTEREST

4.1 Rate of Interest

The Borrower will pay interest in Dollars to the Lender on the outstanding principal amount of the Subordinated Loan (i) at a rate per annum of 6.000% (the **Initial Interest Rate**) representing the aggregate of (a) the US Treasury Rate and (b) a margin of 4.317 % (the **Margin**) from and including the Closing Date to, but excluding, the Conditional Prepayment Date (as defined in Subclause 5.2) and, thereafter, (ii) at a rate per annum representing the aggregate of (a) the US Treasury Rate, (b) the Margin and (c) 150 basis points (the **Reset Interest Rate**) from and including the Conditional Prepayment Date to, but excluding, the Repayment Date. Interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed. Interest will continue to accrue on overdue interest at the same rate per annum. The US Treasury Rate shall be determined by the Calculation Agent on the second Business Day immediately preceding the Conditional Prepayment Date (**Reset Interest Rate Determination Date**) (such determination by the Calculation Agent being final and binding on the Lender and the Borrower, in the absence of manifest error).

4.2 Payment

Interest at the Initial Interest Rate or the Reset Interest Rate, as the case may be, shall accrue from day to day, starting from (and including) the Closing Date or the Conditional Prepayment Date, as the case may be, and shall be paid in arrear not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date in an amount accrued with respect to the preceding Interest Period. Interest on the Subordinated Loan will cease to accrue from the Repayment Date unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the relevant rate of interest (before or after any judgment) to, but excluding the date on which payment in full of the principal thereof is made.

5. REPAYMENT AND PREPAYMENT

5.1 Repayment

Except otherwise provided herein:

- (a) the Borrower shall repay the Subordinated Loan and, to the extent not already paid in accordance with Subclause 4.2 (Payment), all accrued and unpaid interest, calculated to the last day of the relevant Interest Period, not later than 10.00 a.m. (New York City time) one Business Day prior to the Repayment Date;
- (b) the Borrower shall not prepay all or any part of the Subordinated Loan and/or interest accrued thereon, subject to the provisions of Subclauses 5.2 to 5.5; and
- (c) the parties to this Agreement shall not vary or terminate this Agreement without the prior written consent of the CBR.

5.2 Prepayment by the Borrower

The Borrower shall be entitled, at its option and with the prior written consent of the CBR, to prepay the Subordinated Loan in whole, but not in part, on the Business Day immediately following the fifth anniversary of the date when the Subordinated Loan was included into the Supplementary Capital (the **Conditional Prepayment Date**) in an amount equal to the outstanding principal amount of the Subordinated Loan plus accrued and unpaid interest to the Conditional Prepayment Date and all other amounts payable by the Borrower pursuant to this Agreement to the Conditional Prepayment

Date on giving not less than 30 nor more than 60 days' prior notice to the Lender (which notice shall be irrevocable).

5.3 Prepayment by Reason of Amendment to Regulations

The Borrower shall be entitled, with the prior written consent of the CBR, to prepay the Subordinated Loan, in whole, but not in part, at any time following the date when the Subordinated Loan was included into the Supplementary Capital, if, as a result of any amendment to, clarification of or change in (including a change in interpretation or application of), the Supplementary Capital Regulation or other applicable requirements of the CBR, the Subordinated Loan would cease to qualify as the source of Supplementary Capital. The Borrower shall give not less than 30 days' prior notice together with an Officer's Certificate confirming the existence of the relevant circumstances permitting such a prepayment to the Lender (which notice shall be irrevocable). Upon the delivery of such notice and such Officer's Certificate, the Borrower shall be required on such prepayment date to repay the Subordinated Loan (in whole but not in part) in an amount equal to the outstanding principal amount of the Subordinated Loan plus accrued and unpaid interest to such prepayment date and all other amounts payable by the Borrower pursuant to this Agreement up to such prepayment date.

5.4 Special Prepayment

If the CBR does not issue the final confirmation for the Subordinated Loan to be treated as Supplementary Capital to the Borrower by the date falling 60 days from the date of this Agreement, the Borrower may (without premium or penalty), upon not less than 20 days' prior notice (which notice shall be irrevocable) to the Lender prepay the Subordinated Loan in whole (but not in part) in an amount equal to the outstanding principal amount of the Subordinated Loan plus accrued and unpaid interest to such prepayment date and all other amounts payable by the Borrower pursuant to this Agreement up to such prepayment date.

5.5 Reduction of a Loan Upon Redemption and Cancellation of Notes

The Borrower, or any Subsidiary of the Borrower, may from time to time, in accordance with the Conditions of the Notes and to the extent permitted by applicable law, purchase Notes in the open market or by tender or by a private agreement at any price. In the event that, following the prior written consent by the CBR thereto, an amount of Notes has been surrendered to the Lender for cancellation by the Borrower, or such Subsidiary of the Borrower, and cancelled, the relevant Subordinated Loan shall be deemed to have been prepaid by the Borrower in an amount corresponding to the aggregate principal amount of the Notes surrendered to the Lender for cancellation, together with accrued interest and other amounts (if any) thereon and no further payment shall be made or required to be made by the Borrower in respect of such amounts.

5.6 Provisions Exclusive

The Borrower shall not voluntarily prepay or repay the whole or any part of the Subordinated Loan and this Agreement shall not be terminated early except in accordance with the express terms of this Agreement, and the Borrower shall not be entitled to re-borrow from the Lender any amount prepaid or repaid under this Agreement.

6. SUBORDINATION

6.1 Status

- (a) The claims of the Lender in respect of the principal of, and interest on, the Subordinated Loan constitute the direct, unconditional and unsecured subordinated obligations of the

Borrower and will rank at least equally with all other unsecured and subordinated obligations of the Borrower (whether actual or contingent) having a fixed maturity from time to time outstanding save only for such obligations as may be preferred by mandatory provisions of applicable law.

(b) The Subordinated Loan is not secured by any security.

6.2 Subordination

Upon the occurrence of a Bankruptcy Event and so long as such Bankruptcy Event is continuing, the claims of the Lender in respect of the principal of, and interest on, the Subordinated Loan, shall be subordinated in right of payment to the claims of all Senior Creditors (as defined below) (including interest and other amounts in respect of such claims accruing after the date of commencement of such Bankruptcy Event). Thereafter, such amounts will be paid equally and ratably, together with all obligations of the Borrower ranking equally in right of payment with the liabilities of the Borrower under this Agreement.

As used in this Agreement, **Senior Creditors** means all creditors of the Borrower other than creditors whose claims are in respect of (a) the share capital of the Borrower (including preference shares) or (b) other obligations expressed pursuant to Russian law or applicable regulation to rank equally with or junior to the claims of the Lender under this Agreement.

6.3 No Exercise of Rights of Set-off

The Lender shall not be entitled to offset any liabilities of the Borrower under this Agreement against any liabilities owing by the Lender to the Borrower.

6.4 Reclassification

If the CBR does not finally and unconditionally approve this Agreement and the Subordinated Loan as a subordinated loan eligible for inclusion into the supplementary capital of the Borrower within the meaning of the Supplementary Capital Regulation, the Subordinated Loan shall be treated as senior in priority to any subordinated debt or class of equity of the Borrower and Subclauses 6.1(a) and 6.2 shall no longer apply.

7. PAYMENTS

7.1 Making of Payments

All payments of principal and interest to be made by the Borrower under this Agreement shall be made unconditionally by credit transfer to the Lender not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date, the Repayment Date, the Conditional Prepayment Date or (in the case of prepayment pursuant to Subclause 5.3 or Subclause 5.4) the relevant prepayment date in Same-Day Funds to the Account. The Lender agrees with the Borrower that it will not deposit any other monies into the Account or such other account, as the case may be, and that no withdrawals shall be made from the Account or such other account, as the case may be, other than as provided for and in accordance with the Trust Deed and the Agency Agreement.

7.2 No Set-Off, Counterclaim or Withholding; Gross-Up

All payments to be made by the Borrower under or in respect of this Agreement shall be made in full without set-off or counterclaim and (except to the extent required by law) free and clear of and without deduction or withholding for or on account of any Taxes imposed or levied on behalf of any government or political subdivision or territory or possession of any government or authority or

Agency therein having the power to tax (each a **Taxing Authority**) within Russia or Luxembourg. If the Borrower or the Lender becomes subject at any time to any taxing jurisdiction other than or in addition to Russia or Luxembourg, as the case may be, references in this Clause shall be construed as references to Russia and/or Luxembourg and/or such other jurisdiction. If the Borrower shall be required by applicable law to make any deduction or withholding from any payment of principal or interest under this Agreement for or on account of any such Taxes, it shall increase any payment due hereunder to such amount as may be necessary to ensure that the Lender receives a net amount in Dollars equal to the full amount which it would have received had payment not been made subject to such Taxes, shall account to the relevant Taxing Authorities for the relevant amount of such Taxes so withheld or deducted within the time allowed for such payment under the applicable law and shall deliver to the Lender without undue delay evidence satisfactory to the Lender of such deduction or withholding and of the accounting therefor to the relevant taxing authority. If the Lender pays any amount in respect of such Taxes, the Borrower shall increase the amount payable to the Lender accordingly in Dollars for such payment on demand. For the avoidance of doubt, this Subclause 7.2 is without prejudice to the obligations of the Lender pursuant to Subclauses 11(e)(i) and 11(e)(iii). This Subclause 7.2 shall not apply to any Taxes on income payable by the holder.

7.3 Withholding on Notes

If the Lender notifies the Borrower (setting out in reasonable detail the nature and extent of the obligation with such evidence as the Borrower may reasonably require and upon the request of the Borrower, providing an Opinion of Counsel in respect of the existence of such obligation) that it has become obliged to make any withholding or deduction for or on account of any Taxes from any payment which it is obliged to make under or in respect of the Notes in circumstances where the Lender, subject to receipt thereof, is required to pay additional amounts pursuant to Condition 8 (Taxation) of the Notes, the Borrower agrees to pay to the Lender, no later than one Business Day prior to the date on which payment is due to the Noteholders, such additional amounts as are equal to the additional amounts which the Lender would be required to pay pursuant to Condition 8 (Taxation); provided, however, that the Lender shall immediately upon receipt from any Paying Agent of any reimbursement of the sums paid pursuant to this provision, to the extent that the Noteholders are not entitled to such additional amounts pursuant to the terms and conditions of the Notes, pay such additional amounts to the Borrower (it being understood that neither the Lender, nor the Principal Paying Agent nor any Paying Agent shall have any obligation to determine whether any Noteholder is entitled to such additional amount). Any notification by the Lender to the Borrower in connection with this Subclause 7.3 shall be given as soon as reasonably practicable after the Lender becomes aware of any obligation on it to make any such withholding or deduction. For the avoidance of doubt, the provisions of this Subclause 7.3 shall not apply to any withholding or deduction of Taxes with respect to the Subordinated Loan which are subject to payment pursuant to the gross-up requirements under Subclause 7.2.

7.4 Relief From Withholding

Upon specific request of the Borrower, the Lender shall make reasonable efforts to assist the Borrower to obtain relief from withholding of Russian income tax pursuant to the double taxation treaty between Russia and the jurisdiction in which the Lender is incorporated.

7.5 Reimbursement

To the extent that the Lender subsequently obtains or uses any tax credit or allowance or other reimbursements relating to a deduction or withholding with respect to which the Borrower has made a payment pursuant to this Clause 7, the Lender shall pay promptly to the Borrower so much of the benefit received as will leave the Lender in exactly the same position as it would have been had no additional amount been required to be paid by the Borrower pursuant to this Clause 7; *provided,*

however, that the question of whether any such benefit has been received, and accordingly, whether any payment should be made to the Borrower, the amount of any such payment and the timing of any such payment, shall be determined solely by the Lender provided that the Lender shall notify the Borrower promptly upon determination that it has received any such benefit.

If as a result of a failure to obtain relief from deduction or withholding of any tax imposed by Russia or Luxembourg (a) such tax is deducted or withheld by the Borrower and pursuant to this Clause 7 an increased amount is paid by the Borrower to the Lender in respect of such deduction or withholding and (b) following the deduction or withholding of tax as referred to above the Lender applies to the relevant Russian or Luxembourg tax authorities for a tax refund and such tax refund is credited by the Russian or Luxembourg tax authorities to a bank account of the Lender, the Lender shall as soon as reasonably possible notify the Borrower of the receipt of such tax refund and (upon instructions by the Borrower) promptly transfer the entire amount of the tax refund to a bank account of the Borrower specified for that purpose by the Borrower.

7.6 Mitigation

If at any time either party hereto becomes aware of circumstances which would or might, then or thereafter, give rise to an obligation on the part of the Borrower to make any deduction, withholding or payment as described in Subclauses 7.2 or 7.3, then, without in any way limiting, reducing or otherwise qualifying the Lender's rights or the Borrower's obligations under such Clauses, such party shall as soon as reasonably practicable upon becoming aware of such circumstances notify the other party, and, thereupon the parties shall consider and consult with each other in good faith with a view to finding, agreeing upon and implementing a method or methods by which any such obligation may be avoided or mitigated and, to the extent that both parties can do so without taking any action which in the reasonable opinion of such party is prejudicial to its own position, take such reasonable steps as may be reasonably available to it to avoid such obligation or mitigate the effect of such circumstances.

The Borrower agrees to reimburse the Lender for all properly incurred costs and expenses incurred by the Lender in connection with this Clause.

7.7 Lender Notification

The Lender agrees promptly, upon becoming aware thereof, to notify the Borrower if it ceases to be resident in Luxembourg or a Qualifying Jurisdiction or if any of the representations set forth in Subclause 10.2 (Lender's Representations and Warranties) are no longer true and correct.

8. CONDITIONS PRECEDENT

The obligation of the Lender to make the Advance shall be subject to the following:

(a) Proceeds

The Subscription Agreement, the Agency Agreement, the Trust Deed and the Fees and Expenses Side Letter shall have been executed and delivered, and the Lender shall have received (i) the full amount of the proceeds of the issue of the Notes pursuant to the Subscription Agreement, and (ii) the full amount of the Facility Fee pursuant to Subclause 2.3.

(b) Representations and Warranties

The representations and warranties made and given by the Borrower in Subclause 10.1 shall be true and accurate as if made and given on the Closing Date with respect to the facts and circumstances then existing.

(c) **No Bankruptcy Event**

No event has occurred and is continuing that constitutes, or that, with the giving of notice or the lapse of time, or both, would constitute, a Bankruptcy Event.

(d) **No Breach of this Agreement**

The Borrower shall not be in breach of any of the terms, conditions and provisions of this Agreement.

9. CHANGE IN LAW OR BANKING PRACTICES; INCREASE IN COST

9.1 Compensation

In the event that after the date of this Agreement there is any change in or introduction of any tax, law, regulation, regulatory requirement or official directive (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) or in the interpretation or application thereof by any person charged with the administration thereof which:

- (a) subjects or will subject the Lender to any taxes with respect to payments of principal of or interest on the Subordinated Loan or any other amount payable under this Agreement (other than any Taxes payable by the Lender on its overall net income, capital gains or any Taxes referred to in Subclauses 7.2 or 7.3); or
- (b) increases or will increase the taxation of or changes or will change the basis of taxation of payments to the Lender of principal of or interest on the Subordinated Loan or any other amount payable under this Agreement (other than any such increase or change which arises by reason of any increase in the rate of tax payable by the Lender on its overall net income, capital gains or as a result of any Taxes referred to in Subclauses 7.2 or 7.3); or
- (c) imposes, modifies, or deems applicable any capital adequacy, reserve or deposit requirements attributable to this Agreement or to a class of business or transaction which, in the reasonable opinion of the Lender, includes this Agreement, against assets held by, or deposits in or for the amount of, or credit extended by an office of the Lender; provided, however, that the foregoing shall not include any increase in the rate of tax payable on the overall net income or capital gains of the Lender as a result of any change in the manner in which the Lender is required to allocate resources to this Agreement; or
- (d) imposes or will impose on the Lender any other condition affecting this Agreement, the Facility or the Subordinated Loan, and if as a result of any of the foregoing:
 - (i) the cost to the Lender of making, funding or maintaining the Subordinated Loan or the Facility is increased; or
 - (ii) the amount of principal, interest or other amount payable to or received by the Lender hereunder is reduced; or
 - (iii) the Lender makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of any sum receivable by it from the

Borrower hereunder or makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of the Subordinated Loan, then subject to the following, and in each such case:

- (A) the Lender shall, as soon as practicable after becoming aware of such increased cost, reduced amount or payment made or foregone, give written notice to the Borrower, together with a certificate signed by two directors of the Lender or by any person empowered by the authorised signatories of the Lender or on behalf of the Lender describing in reasonable detail the introduction or change or request which has occurred and the country or jurisdiction concerned and the nature and date thereof and demonstrating the connection between such introduction, change or request and such increased cost, reduced amount or payment made or foregone, and setting out in reasonable detail the basis on which such amount has been calculated, and all relevant supporting documents evidencing the matters set out in such certificates; and
- (B) the Borrower, in the case of Subclauses (i) and (iii) above, shall within 30 Business Days of receiving a written demand from the Lender, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such increased cost, and, in the case of Subclause (ii) above, at the time the amount so reduced would otherwise have been payable, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such reduction, payment or foregone interest or other return, provided however, that the amount of such increased cost, reduced amount or payment made or foregone shall be deemed not to exceed an amount equal to the proportion which is directly attributable to this Agreement, and provided, further, that the Lender will not be entitled to such additional amount where such reduction, payment or foregone interest or other return arises as a result of the gross negligence or wilful default of the Lender, and provided that this Subclause 9.1 will not apply to or in respect of any matter for which the Lender has already been compensated under Subclause 7.2 or 7.3.

9.2 Mitigation

Without in any way limiting, reducing or otherwise qualifying the Lender's rights or the Borrower's obligations under Subclause 9.1, in the event that the Lender becomes entitled to make a claim pursuant to Subclause 9.1, the Lender shall consult in good faith with the Borrower and shall use reasonable efforts (based on the Lender's reasonable interpretation of any relevant tax, law, regulation, requirement, official directive, request, policy or guideline) to reduce, in whole or in part, the Borrower's obligations to pay any additional amount pursuant to such Subclause, except that nothing in this Subclause 9.2 shall obligate the Lender to incur any costs or expenses in taking any action hereunder, unless the Borrower agrees to reimburse such costs and expenses.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Borrower's Representations and Warranties

The Borrower represents and warrants to the Lender as follows, to the intent that such shall form the basis of this Agreement and shall remain in full force and effect at the date hereof and shall be deemed to be repeated by the Borrower on the Closing Date:

- (a) The Borrower and each of its Subsidiaries is duly organised and incorporated and validly existing under the laws of its respective jurisdiction of incorporation and has the power and legal right to own its property, to conduct its business as currently conducted and to enter into and to perform its obligations under this Agreement and to borrow the Subordinated Loan; the Borrower has taken all necessary corporate, legal and other action required to authorise the borrowing of the Subordinated Loan on the terms and subject to the conditions of this Agreement and to authorise the execution and delivery of this Agreement and all other documents to be executed and delivered by it in connection with this Agreement, and the performance of this Agreement in accordance with its terms.
- (b) This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, (i) to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); (ii) with respect to the enforceability of a judgment where there is a federal law or treaty in force relating to the mutual recognition of foreign judgments; and (iii) to the fact that certain gross-up and tax indemnity provisions may not be enforceable under Russian law.
- (c) The execution, delivery and performance of this Agreement by the Borrower will not conflict with or result in any breach or violation of (i) any law or regulation or any order of any governmental, judicial or public body or authority in the Russian Federation, (ii) the constitutive documents, rules and regulations of the Borrower or any of its Material Subsidiaries, (iii) any agreement or other undertaking or instrument to which the Borrower or any of its Material Subsidiaries is a party or which is binding upon any of their respective assets, nor result in the creation or imposition of any Encumbrance on any of its assets pursuant to the provisions of any such agreement or other undertaking or instrument or (iv) the terms of the Borrower's general banking licences.
- (d) All consents, licenses, notifications, authorisations or approvals of, or filings with, any governmental, judicial or public bodies or authorities of the Russian Federation required by the Borrower in connection with the execution, delivery, performance, legality, validity, enforceability, and, subject to Russian legal requirements, admissibility in evidence of this Agreement have been obtained or effected and are in full force and effect.
- (e) No event has occurred that constitutes, or that, with the giving of notice or the lapse of time, or both, would constitute, a Bankruptcy Event or a default under any agreement or instrument evidencing any Financial Indebtedness of the Borrower or any Subsidiary of the Borrower, and no such event will occur upon the making of the Subordinated Loan.
- (f) There are no judicial, arbitral or administrative actions, proceedings or claims (including, without limitation, with respect to Taxes) pending or, to the knowledge of the Borrower, threatened, against the Borrower or any of its Subsidiaries, (i) which prohibit the execution and delivery of this Agreement or the Borrower's compliance with its obligations hereunder or (ii) the adverse determination of which could reasonably be expected to have a Material Adverse Effect.
- (g) The Borrower and each of its Subsidiaries has good title to its property free and clear of all Encumbrances which if existing would have a Material Adverse Effect.
- (h) The audited consolidated financial statements of the Borrower for each of the three most recently completed financial years, and the respective related notes thereto:

- (i) were prepared in accordance with IFRS; and
 - (ii) disclose all liabilities (contingent or otherwise) and all unrealised or anticipated losses of the Group at that date in accordance with IFRS; and
 - (iii) save as disclosed therein, present fairly in all material respects, the assets and liabilities as at that date and the results of operations of the Group during the relevant financial year in accordance with IFRS.
- (i) Except as disclosed in the Prospectus, there has been no significant change since the date of the last audited consolidated financial statements of the Borrower in the financial condition, results of business operations, trading position or prospects of the Borrower or the RAB Group.
 - (j) The execution, delivery and enforceability of this Agreement is not subject to any tax, duty, fee or other charge, including, without limitation, any registration or transfer tax, stamp duty or similar levy, imposed by or within the Russian Federation or any political subdivision or taxing authority thereof or therein (other than state duty paid on any claim filed with a Russian court).
 - (k) Neither the Borrower nor any Subsidiary of the Borrower nor any of their respective property has any right of immunity from suit, execution, attachment or other legal process on the grounds of sovereignty or otherwise in respect of any action or proceeding relating in any way to this Agreement.
 - (l) The Borrower and its Subsidiaries are in compliance in all material respects with all applicable provisions of law except where failure to be so in compliance would not have a Material Adverse Effect.
 - (m) Neither the Borrower, nor any of its Material Subsidiaries, has taken any corporate action nor, to the best of the knowledge and belief of the Borrower, have any other steps been taken or legal proceedings started or threatened in writing against the Borrower or any of its Material Subsidiaries for its or their bankruptcy, winding-up, dissolution, external administration or re-organisation (whether by voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its or their assets or revenues.
 - (n) There are no strikes or other employment disputes against the Borrower which are pending or, to the Borrower's knowledge, threatened or imminent which could have a Material Adverse Effect.
 - (o) In any proceedings taken in the Russian Federation in relation to this Agreement, the choice of English law as the governing law of this Agreement and any arbitration award obtained in England pursuant to Subclause 15.11 (Arbitration) in relation to this Agreement will be recognised and enforced in the Russian Federation after compliance with the applicable procedural rules and all other legal requirements in Russia.
 - (p) The Borrower's execution of this Agreement will constitute, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes.
 - (q) Neither the Borrower nor any of its Subsidiaries has any overdue tax liabilities.

- (r) All licences, consents, examinations, clearances, filings, registrations and authorisations which are or may be necessary to enable the Borrower and any of its Material Subsidiaries to own its assets and carry on its business are in full force and effect.
- (s) Subject to the performance by the relevant parties of the relevant established procedures in connection with the obtaining of an applicable withholding tax exemption for payments hereunder, all payments of principal and/or interest or any other amounts payable on or in respect of the Subordinated Loan may be paid by the Borrower to the Lender in any currency and will not be subject to Taxes under the laws and regulations of Russia or any political subdivision or Taxing Authority thereof or therein and will otherwise be free and clear of any other Tax, duty, withholding or deduction in Russia or any political subdivision or Taxing Authority thereof or therein and without the necessity of obtaining any governmental authorisation in Russia or any political subdivision or Taxing Authority thereof or therein.
- (t) Neither the Borrower nor any of its Subsidiaries is materially overdue in the filing of any tax returns, reports and other information required to be filed by it with any appropriate Taxing Authority, and each such tax return, report or other information was, when filed, accurate and complete in all material aspects; and each of the Borrower and its Subsidiaries has duly paid, or has made adequate reserves for, all Taxes required to be paid by it and any other assessment, fine or penalty levied against it (other than those it is contesting in good faith), and to the best of the Borrower's knowledge, no Tax deficiency is currently asserted against the Borrower or any of its Subsidiaries except, in each case, where any such failure to do so would not have a Material Adverse Effect.
- (u) The Borrower maintains a sufficient level of insurance to cover the risks pertaining to its business according to the legislation of the Russian Federation.
- (v) The Borrower and its Subsidiaries have, to the best of the Borrower's knowledge, complied in all material respects with all applicable anti-money laundering laws and regulations in the jurisdictions in which it or they conduct its or their operations.

10.2 Lender's Representations and Warranties

The Lender represents and warrants to the Borrower as follows:

- (a) The Lender is duly incorporated under the laws of Luxembourg and has full power and capacity to execute this Agreement and to undertake and perform the obligations expressed to be assumed by it herein and therein and the Lender has taken all necessary action to approve and authorise the same.
- (b) The execution of this Agreement and the undertaking and performance by the Lender of the obligations expressed to be assumed by it herein will not conflict with, or result in a breach of or default under, the laws of Luxembourg or the constitutive documents, rules and regulations of the Lender or any agreement or instrument to which it is a party or by which it is bound or in respect of indebtedness in relation to which it is a surety.
- (c) The Lender (i) is a public limited company (*société anonyme*) which at the date hereof is a resident of Luxembourg, is subject to taxation in Luxembourg on the basis of its registration as a legal entity, location of its management body or another similar criterion and it is not subject to taxation in Luxembourg merely on income from sources in Luxembourg or connected with property located in Luxembourg, and (ii) does not have a permanent establishment in Russia.
- (d) This Agreement constitutes legal, valid and binding obligations of the Lender.

- (e) All authorisations, consents and approvals required by the Lender for or in connection with the execution of this Agreement, the performance by the Lender of the obligations expressed to be undertaken by it herein have been obtained and are in full force and effect.

11. COVENANTS

So long as any amount remains outstanding under this Agreement:

(a) Maintenance of Authorisations

The Borrower shall take all necessary action to obtain, and do or cause to be done all things reasonably necessary to maintain in full force and effect, all consents, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, which may at any time be required to be obtained or made in the Russian Federation for the execution, delivery or performance of this Agreement or for the legality, validity, enforceability for admissibility in evidence in Russia thereof (except for the preparation of certified translations thereof).

(b) Disposals

Except as otherwise permitted herein, the Borrower shall not and the Borrower shall ensure that none of its Subsidiaries shall sell, lease, transfer or otherwise dispose of, by one or more transactions or series of transactions (whether related or not), the whole or any material part of its revenues or its assets (except for sales or other disposals of assets in the ordinary course of business and payments of cash) unless the terms of such transaction are substantially no less favourable to the Borrower, or the relevant Subsidiary, as the case may be, than those that would be obtained in a comparable arm's-length transaction. This Subclause (b) does not apply to any transaction between the Borrower and any of its Subsidiaries, or between any Subsidiaries of the Borrower. With respect to a sale or disposal of assets (other than a sale or disposal of assets, including securities, carried out in the ordinary course of the Borrower's banking business) involving aggregate payments or value in excess of 10% of the gross assets of the Borrower and its Subsidiaries on a consolidated basis determined by reference to the balance sheet date for the Borrower's most recent IFRS Fiscal Period, the Borrower shall deliver to the Lender a written opinion from an Independent Appraiser to the effect that such sale is fair, from a financial point of view, to the Borrower or the relevant Subsidiary, as the case may be and such written opinion shall be conclusive and binding on the parties.

(c) Maintenance of Capital Adequacy

- (i) The Borrower shall not permit its consolidated total capital ratio as calculated in accordance with the recommendations of the Basle Committee on Banking Regulations and Supervisory Practices (as of the date hereof) to fall below 8%, such recommendations to be as provided in such Committee's paper entitled "International Convergence of Capital Measurement and Capital Standards" dated July 1988, as amended in November 1991, and such calculation to be made by reference to the latest annual consolidated audited accounts of the Borrower prepared in accordance with IFRS.
- (ii) The Borrower shall ensure that neither it nor any Subsidiary which carries on a banking business shall permit its total capital ratio to fall below the minimum total capital ratio required by in the case of the Borrower, the CBR and, in the case of any other such Subsidiary, the relevant banking authority responsible for setting and/or

supervising capital adequacy requirements for financial institutions in the jurisdiction in which such other Subsidiary carries on its banking business, such calculation to be made by reference to, in the case of the Borrower, the latest annual non-consolidated audited accounts of the Borrower prepared in accordance with Russian legislation or, if the CBR so requires, IFRS and, in the case of each such Subsidiary, the latest annual non-consolidated audited accounts of such Subsidiary or if such Subsidiary does not prepare audited accounts, the latest annual non-consolidated unaudited accounts of such Subsidiary (in either case as prepared under the accounting regulations used to calculate its capital adequacy in the relevant jurisdictions) provided that, should the Borrower or any other Subsidiary carry on a banking business in more than one jurisdiction, it shall not permit its total capital ratio to fall below the minimum ratio required by the relevant banking authority responsible for setting and/or supervising capital adequacy requirements for financial institutions in each such jurisdiction.

(d) Withholding Tax Exemption

- (i) The Lender shall use its best endeavours to provide the Borrower no later than ten Business Days before the first Interest Payment Date (and thereafter as soon as possible at the beginning of each calendar year but not later than ten Business Days prior to the first Interest Payment Date in that year) with a certificate, issued and certified by the competent Luxembourg authorities (or the authorities of a Qualifying Jurisdiction), confirming that the Lender is tax resident in Luxembourg (or in a Qualifying Jurisdiction) provided that the Lender shall not be liable for any failure to provide, or any delays in providing, such residency certificate as a result of any action or inaction of the competent Luxembourg authorities (or the authorities of a Qualifying Jurisdiction), but shall notify the Borrower without delay about any such failure or delay with a written description of the actions taken by the Lender to obtain such residency certificate. Such certificate shall be appropriately apostilled.
- (ii) The Borrower and the Lender (using their best endeavours and in accordance with law) agree that, should the Russian legislation regulating the procedure for obtaining an exemption from Russian income tax withholding change then the procedure referred to in Subclause 11(d)(i) will be deemed changed accordingly.
- (iii) The Lender shall within 30 days of the request of the Borrower (to the extent it is able to do so under applicable law including Russian laws) deliver to the Borrower such other information or forms to be duly completed and delivered as may be needed to obtain a tax relief or refund if a relief from deduction or withholding of Russian Taxes has not been obtained. If required, the other forms referred to in this Subclause 11(d)(iii) shall be duly signed by the Lender and stamped or otherwise approved by the competent tax authority in Luxembourg and any requisite power of attorney issued by the Lender to the Borrower shall be duly signed and apostilled or otherwise legalised. The Lender shall provide the Borrower with all assistance it may reasonably require to ensure that the Borrower can deliver to the tax authorities the information or forms specified in this Subclause 11(d)(iii) the Borrower shall indemnify the Lender for all out-of-pocket costs and expenses incurred by the Lender as a result of steps undertaken pursuant to this Subclause 11(d)(iii). The Lender shall not be obligated to take any step under this Subclause 11(d)(iii) if, in the reasonable opinion of the Lender, to so take would be prejudicial to it (other than the incurrence of costs and expenses of an administrative nature).

(e) **Reports**

The Borrower undertakes that so long as any Subordinated Loan or any sum owing under this Agreement remains outstanding it shall deliver to the Trustee and/or the Lender, as the case may be:

- (i) Within six months after the end of each of the Group's financial years, copies of the Group's audited consolidated financial statements for such financial year, prepared in accordance with IFRS consistently applied with the corresponding financial statements for the preceding period.
- (ii) Within four months after the end of the first half of each of the Group's financial years, copies of the Group's consolidated unaudited financial statements for such period prepared in accordance with IFRS consistently applied with the corresponding financial statements for the preceding period.
- (iii) The Borrower undertakes that it shall deliver to the Lender and the Trustee, without undue delay, such additional information (other than information that the Borrower in good faith determines is required to be kept confidential) regarding the financial position or the business of the Borrower or the RAB Group as the Lender or the Trustee may reasonably request including providing certificates to the Trustee as contemplated in the Trust Deed.
- (iv) The Borrower undertakes to furnish to the Lender and the Trustee such information as the Irish Stock Exchange (or any other or further stock exchange or stock exchanges or any relevant authority or authorities on which the Notes may, from time to time, be listed or admitted to trading) may require in connection with the listing or admission to trading of such Notes on such stock exchange or relevant authority.
- (v) The Borrower consents that any information provided to the Lender pursuant to this Subclause 11(e) may also be provided to the Trustee without violating any duty of confidentiality or secrecy that the Lender may owe to the Borrower under the laws of Luxembourg.
- (vi) On each Interest Payment Date, the Borrower shall deliver to the Lender a written notice in the form of an Officers' Certificate stating whether any Bankruptcy Event has occurred and, if it has occurred and shall be continuing, what action the Borrower is taking or proposes to take with respect thereto.
- (vii) The Borrower will at the same time as delivering its audited annual financial statements pursuant to Subclause 11(e)(i) and within 30 calendar days of a request from the Lender, deliver to the Lender an Officers' Certificate specifying those Subsidiaries which were at a date no more than ten days' before the date of such Officers' Certificate, Subsidiaries.
- (viii) The Borrower will at the same time as delivering its audited annual financial statements pursuant to Subclause 11(e)(i), deliver to the Lender and the Trustee an Officers' Certificate stating that the Borrower is in compliance with Subclause 11(c)(i) (Maintenance of Capital Adequacy). Such certificate may, if requested by the Lender or the Trustee, be accompanied by a report from the Borrower's auditors as to the proper extraction of the figures used by the Borrower in calculation of the ratios and as to the mathematical accuracy of the calculations.

- (ix) Upon being so requested in writing by the Lender, the Borrower shall deliver to the Lender an Officers' Certificate of the Borrower setting out the total principal amount of Notes which, at the date of such certificate, are held by the Borrower or any Subsidiary and have not been cancelled and are retained by it for its own account or for the account of any other company.
- (x) The Borrower shall promptly on becoming aware thereof inform the Lender and the Trustee of the occurrence of any Bankruptcy Event and, upon receipt of a written request to that effect from the Lender or the Trustee, confirm to the Lender and the Trustee that, save as previously notified to the Lender and the Trustee or as notified in such confirmation, no Bankruptcy Event has occurred.

(f) **Capital Treatment**

To the extent that any part of the Subordinated Loan is to be treated as Supplementary Capital by the Borrower, the Borrower will use its best efforts to procure that the CBR issue a final confirmation for the Subordinated Loan to be treated as Supplementary Capital and will provide all relevant information about the Subordinated Loan to the CBR as may be necessary for the issuance of such final confirmation.

12. LIMITED ACCELERATION RIGHTS

12.1 Bankruptcy Event

If any Bankruptcy Event has occurred and is continuing, the Lender may by notice in writing to the Borrower, declare all amounts payable hereunder by the Borrower to be immediately due and payable (subject to, and in accordance with, the provisions of Clause 6 (Subordination) above) whereupon all such amounts shall become immediately due and payable, all without diligence, presentment, demand of payment, protest or notice of any kind, which are expressly waived by the Borrower; and/or prove for such debt, and claim, in connection with such Bankruptcy Event proceedings.

12.2 Payment Defaults

Without prejudice to its right to enforce the obligations of the Borrower under this Agreement when they fall due, the Lender shall have no right to accelerate payments under this Agreement in the case of a default in payments of principal, interest or other amounts due under this Agreement.

12.3 Notice of Bankruptcy Events

The Borrower shall promptly deliver to the Lender and the Trustee, upon it becoming aware thereof, written notice of any event that constitutes, or that, with the giving of notice or the lapse of time, or both, would constitute, a Bankruptcy Event.

12.4 Rights Not Exclusive

The Lender may not accelerate the Subordinated Loan other than pursuant to Subclause 12.1 but, aside from such limited acceleration rights, the rights provided for herein are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

13. INDEMNITY

13.1 Indemnification

The Borrower undertakes to indemnify the Lender, any Affiliate of the Lender and each director, officer, employer or agent of the Lender (each an **Indemnified Party**) against Liabilities (as defined below), which an Indemnified Party may sustain or incur in relation to the preparation and execution, or purported execution, of the exercise of its powers, authorities and discretions and the performance of its duties under, and in any other manner in relation to, this Agreement, unless, in any such case, such Liability was caused by such Indemnified Parties' negligence or wilful misconduct or resulted from its breach of this Agreement. **Liability** means any loss, damage, claim, demand, judgment, action, proceeding (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and reasonably incurred out-of-pocket costs and expenses (including legal fees) on a full indemnity basis (but excluding any Liability that is the subject of the undertakings contained in Subclauses 2.3, 15.2 and 15.7 of this Agreement).

13.2 Independent Obligation

Subclause 13.1 constitutes a separate and independent obligation of the Borrower from its other obligations under or in connection with this Agreement or any other obligations of the Borrower in connection with the issuance of the Notes by the Lender and shall not affect, or be construed to affect, any other provision of this Agreement or any such other obligations.

13.3 Evidence of Loss

A certificate of the Lender, supported by the relevant documentation, setting forth the amount of Liability described in Subclause 13.1 and specifying in full detail the basis therefor shall in the absence of manifest error be evidence of the amount of such Liability.

13.4 Survival

The obligations of the Borrower pursuant to Subclauses 7.2, 7.3 and 13.1 shall survive the execution and delivery of this Agreement, the drawdown of the Facility and the repayment of the Subordinated Loan, in each case by the Borrower.

14. EXPENSES

14.1 Preservation and Enforcement of Rights

The Borrower shall, from time to time within three Business Days of the respective demand of the Lender, reimburse the Lender for all costs and expenses (including legal fees and expenses), together with any value added tax thereon, properly incurred in or in connection with the preservation and/or enforcement of any of its rights under this Agreement.

15. GENERAL

15.1 Evidence of Debt

The Lender shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and owing to it hereunder; in any legal action or proceeding arising out of or in connection with the Agreement, the entries made in such accounts shall (in the absence of manifest error) constitute *prima facie* evidence of the existence and amounts of the obligations of the Borrower therein recorded.

15.2 Stamp Duties

The Borrower shall pay all stamp, registration and documentary taxes or similar charges (if any) imposed on the Borrower by any person in the Russian Federation or Luxembourg which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement and shall indemnify the Lender against any and all costs, expenses or penalties which may be incurred or suffered by the Lender with respect to, or resulting from, delay or failure by the Borrower to pay such taxes or similar charges, upon presentation by the Lender to the Borrower of documentary evidence of such costs and expenses.

The Borrower agrees that if the Lender incurs a liability to pay any stamp, registration and documentary taxes or similar charges (if any) imposed by any person in the Russian Federation or Luxembourg which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement and any documents related thereto as well as the Notes and any documents related thereto, the Borrower shall repay the Lender on demand an amount equal to such stamp or other documentary taxes, charges or duties and shall indemnify the Lender against any and all costs and expenses properly documented and connected with the payment of such amounts.

15.3 Waivers

No failure to exercise and no delay in exercising, on the part of the Lender or the Borrower, any right, power or privilege hereunder and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights, or remedies provided by applicable law.

15.4 Notices

All notices, requests, demands or other communications to or upon the respective parties to this Agreement shall be given or made in the English language by fax (subject to the subsequent dispatch of the original by post), by hand or by courier to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement addressed as follows:

(a) if to the Borrower:

OJSC Russian Agricultural Bank
3 Gagarinsky Pereulok
Moscow 119034
Russian Federation
Fax: +7 495 363 0293
Attention: Yakov Kuznetsov

(b) if to the Lender:

RSHB Capital S.A.
1, allée Scheffer
L-2520 Luxembourg, Grand Duchy of Luxembourg
Phone: +352 24 14 33 1

Fax: +352 24 14 33 300
Attention: the Directors

or to such other address or fax number as any party may hereafter specify in writing to the other.

Any notice, request, demand or other communication sent in accordance with this Clause shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by fax on the day of transmittal thereof, in each case if given during the normal business hours of the recipient, and on the business day during which such normal business hours next occur if not given during such hours on any day.

15.5 English Language

Each communication and document delivered by one party to another pursuant to this Agreement shall be in the English language or accompanied by a translation into English certified (by an officer of the person delivering the same) as being a true and accurate translation. In the event of any discrepancies between the English and the non-English language versions of such communication or document, or any dispute regarding the interpretation of any provision in the English or the non-English language versions of such communication or document, the English version of such communication or document shall prevail, unless the document is a statutory or other official document.

15.6 Assignment

- (a) This Agreement shall inure to the benefit of and be binding upon the parties, their respective successors and any permitted assignee or transferee of some or all of a party's rights or obligations under this Agreement. Any reference in this Agreement to any party shall be construed accordingly and, in particular, references to the exercise of rights and discretions by the Lender, following notification to the Borrower of the assignment referred to in Subclause 15.6(c) below, shall be references to the exercise of such rights or discretions by the Trustee (as Trustee). Notwithstanding the foregoing, the Trustee shall not be entitled to participate in any determinations by the Lender, or in any discussions between the Lender and the Borrower or any agreements of the Lender and the Borrower pursuant to Subclauses 7.5 and 7.6 or Clauses 9 and 10 hereof.
- (b) The Borrower shall not assign or transfer all or any part of its rights or obligations hereunder to any other party.
- (c) Subject to the provisions of the Trust Deed, the Lender may not assign or transfer, in whole or in part, any of its rights and benefits or obligations under this Agreement except (i) the charge by way of first fixed charge granted by the Lender in favour of the Trustee (as Trustee) of certain of the Lender's rights and benefits under this Agreement and (ii) the absolute assignment by the Lender to the Trustee of certain rights, interests and benefits under this Agreement, in each case, pursuant to Clause 6 of the Supplemental Trust Deed.

15.7 Currency Indemnity

To the fullest extent permitted by law, the obligation of the Borrower in respect of any amount due in Dollars under this Agreement shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in Dollars that the Lender may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which the Lender receives such payment. If the amount in Dollars that may be so purchased for any reason falls short of the amount originally due (the **Due Amount**), the

Borrower hereby agrees to indemnify and hold harmless the Lender against any deficiency in Dollars. Any obligation of the Borrower not discharged by payment in Dollars shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect. If the amount in Dollars that may be purchased exceeds that Due Amount the Lender shall promptly pay the amount of the excess to the Borrower.

15.8 Prescription

Subject to the Lender having received the principal amount thereof or interest thereon from the Borrower, the Lender shall forthwith repay to the Borrower the principal amount or the interest amount thereon, respectively, of any Notes upon such Notes becoming void pursuant to Condition 9 of the Notes.

15.9 Rights of Third Parties

The parties to this Agreement intend that any Indemnified Party may enforce the provisions of Subclause 2.3 of this Agreement pursuant to Section 1(1)(a) of the Contracts (Rights of Third Parties) Act 1999. Except as provided in this Subclause 15.9, pursuant to Section 1(2) of the Contracts (Rights of Third Parties) Act 1999, the parties intend that a person who is not a party to this Agreement has no right to enforce any term of this Agreement. Nothing in this Subclause 15.9 is intended to affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

15.10 Choice of Law

This Agreement and any non-contractual obligations arising from this Agreement shall be governed by, and construed in accordance with, the laws of England.

15.11 Arbitration

- (a) Subject to Subclause 15.12 (Option to litigate) any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Agreement or, including any question regarding its existence, validity, interpretation, performance or termination (a **Dispute**), shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the **Rules**).
- (b) The Rules are incorporated by reference into this Subclause and capitalised terms used in this Subclause which are not otherwise defined in this Agreement, have the meaning given to them in the Rules, except that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this Clause 15.11.
- (c) The number of arbitrators shall be three. The claimant (or claimants jointly) shall nominate jointly one arbitrator for appointment by the LCIA Court. The respondent (or respondents jointly) shall nominate jointly one arbitrator for appointment by the LCIA Court. The LCIA Court shall appoint the chairman. If, within 30 days of the Request for Arbitration being sent to the LCIA Registrar, (i) the claimants do not jointly make a nomination for an arbitrator or (ii) the respondents do not make a joint nomination for an arbitrator, the LCIA Court shall appoint such arbitrator.
- (d) Each party:

- (i) expressly agrees and consents to this procedure for nominating and appointing the Arbitral Tribunal; and
 - (ii) irrevocably and unconditionally waives any right to choose its own arbitrator.
- (e) The seat, or legal place of arbitration, shall be London. The language used in the arbitral proceedings shall be English.
- (i) All documents submitted in connection with the proceedings shall be in the English language or, if in another language, accompanied by an English translation.
 - (ii) Service of any Request for Arbitration made pursuant to this Subclause must be by registered post at the address given for the sending of notices under Subclause 15.4 (Notices).
- (f) Save as provided in Subclause 15.12 (Option to litigate) below, the jurisdiction of the English courts under sections 45 and 69 of the Arbitration Act 1996 is excluded.

15.12 Option to litigate

- (a) The Lender may by notice in writing to the Borrower (a **Notice**) require that all Disputes or a specific Dispute be litigated. The Notice must be given no later than the date for service of any Response (as defined in the Rules) or equivalent document. In the event such a Notice is given, Subclause 15.11 (Arbitration) shall not apply to the Dispute or Disputes referred to in the Notice and this Subclause 15.12 (Option to litigate) shall apply instead.
- (b) The English courts shall have jurisdiction to hear the Dispute or Disputes referred to in a Notice. Subject to paragraph (d) below, such jurisdiction shall be exclusive and each party submits to the exclusive jurisdiction of the English courts in such circumstances.
- (c) For the purposes of this Subclause 15.12 (Option to litigate), the Borrower waives its objection to the English courts on the grounds that they are an inconvenient forum to settle the Dispute or Disputes referred to in a Notice.
- (d) This Subclause 15.12 (Option to litigate) is for the benefit of the Lender only. To the extent allowed by law, the Lender may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions,
 in respect of any Dispute or Disputes referred to in a Notice.
- (e) Service of any Notice pursuant to this Subclause 15.12 (Option to litigate) must be by registered post at the address given for sending of notices under Subclause 15.4 (Notices).

15.13 Service of process

- (a) The Lender agrees that the process by which any proceedings in England are begun in relation to any Dispute may be served on it by being delivered to TMF Corporate Services Limited, Pellipar House, 1st Floor 9 Cloak Lane, London EC4R 2RU, United Kingdom or its other principal place of business in England for the time being or at any other address for the time being at which process may be served on such person in accordance with Part XXIII of the Companies Act 1985 (as modified or re-enacted from time to time). If such person is

not or ceases to be effectively appointed to accept service of process on the Lender's behalf, the Lender shall, on the written demand of the Borrower, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Borrower shall be entitled to appoint such a person by written notice to the Lender. Nothing in this Clause shall affect the right of the Borrower to serve process in any other manner permitted by law. The Lender agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.

- (b) The Borrower agrees that the process by which any proceedings in England in relation to any Dispute are begun may be served on it by being delivered to TMF Corporate Services Limited, Pellipar House, 1st Floor 9 Cloak Lane, London EC4R 2RU, United Kingdom or its other principal place of business in England for the time being or at any other address for the time being at which process may be served on such person in accordance with Part XXIII of the Companies Act 1985 (as modified or re-enacted from time to time). If such person is not or ceases to be effectively appointed to accept service of process on the Borrower's behalf, the Borrower shall, on the written demand of the Lender, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Lender shall be entitled to appoint such a person by written notice to the Borrower. Nothing in this Clause shall affect the right of the Lender to serve process in any other manner permitted by law. The Borrower agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.

15.14 Waiver of immunity

The Borrower irrevocably and unconditionally (i) submits to the jurisdiction of the English courts in relation to any Dispute and waives and agrees not to claim with respect to this Agreement any sovereign or other immunity from suit, jurisdiction, enforcement or execution or any similar defence in England or any other jurisdiction and agrees to ensure that no such claims shall be made on its behalf (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of any jurisdiction made in relation to any Dispute (including a judgment or order in support of any arbitration) and waives and agrees not to claim any sovereign or other immunity in relation to the recognition of any such judgment or order and (iii) consents to the giving of any relief (whether by way of injunction, specific performance, attachment or other relief and whether interim or final) in any jurisdiction or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment including in respect of any arbitral award made or given in connection with any Dispute and agrees to ensure that no such claim is made on its behalf.

15.15 Language

The language which governs the interpretation of this Agreement is the English language.

15.16 Amendments

Except as otherwise provided by its terms, this Agreement may not be varied except by an agreement in writing signed by the parties with the prior written consent of the CBR.

15.17 Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same agreement.

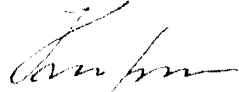
15.18 Partial Invalidity

The illegality, invalidity or unenforceability to any extent of any provision of this Agreement under the law of any jurisdiction shall affect its legality, validity or enforceability in such jurisdiction to such extent only and shall not affect its legality, validity or enforceability under the law of any other jurisdiction, nor the legality, validity or enforceability of any other provision.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year before written.

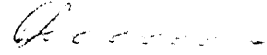
SIGNATORIES

OJSC RUSSIAN AGRICULTURAL BANK



By: Victoria V. Kirina

Deputy Chairman of the Management Board



By: Ekaterina A. Romankova

Chief Accountant

RSHB CAPITAL S.A.

By:

Title:

SIGNATORIES

OJSC RUSSIAN AGRICULTURAL BANK

By:

Title:

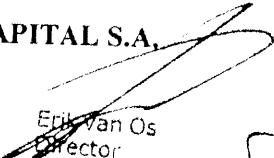
By:


Title: Chief Accountant

RSHB CAPITAL S.A.

By:

Title:


Erik van Os
Director


J. van der Loo
Director