

Future Cessation Guidance – 2021 ISDA Interest Rate Derivatives Definitions and 2006 ISDA Definitions

The Moscow Prime Offered Rate (MosPrime)

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) provides the following guidance for parties to over-the-counter derivative transactions that are affected by the announcements made on April 29, 2022 (the “**April MosPrime Cessation Announcement**”) and August 3, 2022 (the “**August MosPrime Cessation Announcement**”, and together, the “**MosPrime Cessation Announcements**”) by the National Finance Association (“**NFA**”) relating to the future cessation of the Moscow Prime Offered Rate (“**MosPrime**”).

On April 29, 2022 in the April MosPrime Cessation Announcement, the NFA announced that the process of transitioning away from MosPrime to the Russian Ruble Overnight Index Average rate (“**RUONIA**”) would be accelerated, with MosPrime ceasing on January 1, 2023. The announcement can be found [here](#). The NFA further announced on August 3, 2022¹ in the August MosPrime Cessation Announcement that the publication of MosPrime would continue for longer than originally anticipated, until June 30, 2023. The announcement can be found [here](#).

ISDA is issuing this guidance in the interest of mitigating market risk and the promotion of orderly and consistent application of triggers and fallbacks by market participants. This guidance is not legal advice and market participants should consult their legal advisors as appropriate. Market participants should not rely on this guidance for any purpose but should review the contractual terms of each affected transaction in order to understand the effects of the events described above. ISDA does not assume any responsibility for this guidance and it is not intended to set a precedent. Parties are not obliged to follow this guidance. For cleared transactions and transactions executed on electronic confirmation platforms, market participants should refer to the contractual terms of the applicable clearing house or confirmation platform, as applicable.

¹ This announcement is dated August 3, 2022 on the Russian language version of the NFA's website. However, the announcement is dated August 9, 2022 on the English language version of the website.

Guidance

The purpose of this Guidance is:

- (1) **2021 ISDA Interest Rate Derivatives Definitions:** to describe how the terms of the 2021 ISDA Interest Rate Derivatives Definitions (Versions 1.0 to 7.0), published by ISDA on its 'MyLibrary' platform (the "**2021 Definitions**") apply to the MosPrime Cessation Announcements;
- (2) **2006 ISDA Definitions:** to describe how the terms of the 2006 ISDA Definitions published by ISDA (the "**2006 Definitions**") apply to the MosPrime Cessation Announcements;
- (3) **2018 ISDA Benchmarks Supplement:** to describe how the terms of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement (the "**ISDA Benchmarks Supplement**") apply to the MosPrime Cessation Announcements; and
- (4) **November 2022 Benchmarks Module:** to describe how the terms of the November 2022 Benchmarks Module to the ISDA 2021 Fallbacks Protocol (the "**November 2022 Benchmarks Module**") apply to the MosPrime Cessation Announcements.

Terms used but not defined in this Guidance have the meanings given to them in the 2021 Definitions, the 2006 Definitions, the ISDA Benchmarks Supplement or the November 2022 Benchmarks Module, as applicable.

The MosPrime Cessation Announcements

On April 29, 2022, the NFA announced in the [April MosPrime Cessation Announcement](#):

"SRO NFA's Expert Council on Benchmarks and Rates decided to accelerate the rejection of the MosPrime Rate benchmark".

"SRO NFA's Expert Council on Financial Benchmarks and Rates decided to accelerate the rejection of the MosPrime Rate benchmark and transfer to the Ruonia benchmark. The termination of the calculation and publication of the MosPrime Rate will take place on 01.01.2023. SRO NFA will request the Bank of Russia to prepare recommendations for market participants on the accelerated rejection of the MosPrime Rate and transition to the Ruonia. The transition parameters will be determined by the SRO NFA's Expert Council on Benchmarks and Rates and presented to market participants in the near future."

On August 3, 2022, the NFA issued the [August MosPrime Cessation Announcement](#), postponing the date of cessation of MosPrime and notifying market participants of the need to use RUONIA with an adjustment spread:

"The termination date of the MosPrime Rate publication is rescheduled for 30th June 2023".

"On the results of the meeting between the financial market participants and the Bank of Russia the decision to prolong calculation and publication of the MosPrime Rate benchmark on a standard procedure till 30th June 2023 is accepted. It was also decided to publish historical median spread between the MosPrime Rate and term versions of the RUONIA for the 5-years period according to the ISDA Fallbacks procedure. Amendments to the RISDA regarding actions with derivatives in case of rejection from the MosPrime Rate approved by the financial market participants will be presented to the Bank of Russia till 31st August 2022. Market participants are recommended to switch [...] to the RUONIA term version according to the ISDA Fallbacks procedure with the rate definition in the end of the period adjusted for the spread, published on 30th December 2022."

Application of the 2021 Definitions to the MosPrime Cessation Announcements

An Index Cessation Event under the 2021 Definitions² will occur in respect of MosPrime upon:

“a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark announcing that it has ceased or will cease to provide the Applicable Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark.”

In light of the above, an Index Cessation Event with respect to MosPrime occurred on April 29, 2022 by virtue of the announcement by the NFA (the Administrator of MosPrime) that MosPrime will permanently cease. The Index Cessation Effective Date is the first date on which MosPrime would ordinarily have been published or provided and will no longer be published or provided. This is a question of fact as to the date on which this will occur. However, pursuant to the August MosPrime Cessation Announcement, the Index Cessation Effective Date is expected to be the first Moscow business day after June 30, 2023³ on which MosPrime would ordinarily have been published or provided but is not published or provided.

Application of Versions 1.0 to 6.0 of the 2021 Definitions

Pursuant to any of Version 1.0 to Version 6.0 of the 2021 Definitions, the Generic Fallback Provisions will apply from the Index Cessation Effective Date (provided that the documents incorporating any of Versions 1.0 to 6.0 of the 2021 Definitions have not been amended by the November 2022 Benchmarks Module). Under the Generic Fallback Provisions, the parties are obliged to seek to apply the Alternative Continuation Fallbacks and will apply the first Alternative Continuation Fallback pursuant to which a Continuation Amendment can be made. Refer to the [ISDA Summary of the Generic Fallback Provisions](#) for a summary of the Generic Fallback Provisions

For the purposes of applying the Alternative Continuation Fallback ‘Alternative Post-nominated Index’, an alternative index must be *“formally designated, nominated or recommended”* by a Relevant Nominating Body or the Administrator to replace the Applicable Benchmark (in this case, MosPrime) and in the case of a recommendation by the Administrator, provided that the replacement is substantially the same as the Applicable Benchmark.

The April MosPrime Cessation Announcement refers to the cessation of MosPrime occurring in the context of *“transition to the RUONIA”*.

The August MosPrime Cessation Announcement states that *“Amendments to the RISDA regarding actions with derivatives in case of rejection from the MosPrime Rate approved by the financial market participants will be presented to the Bank of Russia till 31st August 2022. Market participants are recommended to switch [...] to the RUONIA term version according to the ISDA Fallbacks procedure with the rate definition in the end of the period adjusted for the spread, published on 30th December 2022”*. By this, ISDA understands that the recommendation for derivatives is to use RUONIA plus a spread in accordance with the ISDA fallbacks for MosPrime (which now include ‘Fallback Rate (RUONIA)’, which is compounded RUONIA plus the adjustment spread). The spread, for this purpose is the 5-year historical median spread between MosPrime and RUONIA published

² The analysis regarding the occurrence of an Index Cessation Event and the corresponding Index Cessation Effective Date set out in this section applies equally to each version of the 2021 Definitions published by ISDA as at the date of this Guidance. However, please note that amendments have been made to the fallbacks for MosPrime in Version 7.0 of the 2021 Definitions. Therefore, as explained further below, different fallbacks will apply to contracts incorporating Version 7.0 of the 2021 Definitions and those incorporating earlier versions of the 2021 Definitions.

³ It is expected that the first Moscow business day immediately following Friday June 30, 2023 will be Monday July 3, 2023, unless Monday July 3, 2023 is an unscheduled holiday in Moscow.

on December 30, 2022 referred to in the August MosPrime Cessation Announcement. The spread as of December 30, 2022 has been published on both the NFA's MosPrime website (available [here](#)), in respect of certain tenors⁴, and on the website of the Central Bank of the Russian Federation (the "CBR") (available [here](#)), in respect of all tenors. Daily calculations of this spread as of earlier dates have been published on these websites since September 1, 2022. The announcement regarding NFA first starting publication of the spread can be found [here](#).

The MosPrime Cessation Announcements demonstrate that, for the purposes of the definition of "Alternative Post-nominated Index", compounded RUONIA plus the adjustment spread has been recommended as a replacement index for derivatives.

Consequently, parties may agree to apply the Alternative Continuation Fallback, 'Alternative Post-nominated Index', as set out in Section 8.6.3(iii) (*Application of Alternative Post-nominated Index*) of the 2021 Definitions, in which case the Calculation Agent will apply the adjustment spread determined pursuant to the recommended spread adjustment methodology set out in the August MosPrime Cessation Announcement⁵.

If parties agree an alternative outcome pursuant to the Alternative Continuation Fallback, 'Agreement between the parties' or if the parties have provided for an 'Alternative Pre-nominated Index' in respect of the Transaction, that Alternative Continuation Fallback would instead apply.

Application of Version 7.0 of the 2021 Definitions

Pursuant to the Permanent Cessation Fallbacks for MosPrime in Version 7.0 of the 2021 Definitions, Fallback Rate (RUONIA) will apply as the fallback to MosPrime from the Index Cessation Effective Date with respect to MosPrime.

Fallback Rate (RUONIA) is RUONIA, compounded in arrears with a two business day observation period shift, plus the RUONIA Spread.⁶

RUONIA Spread is defined as:

"the median spread between MosPrime and RUONIA over the preceding five-year period up to the RUONIA Spread Fixing Date which is (i) published by the Administrator of MosPrime or another recognised price source, or (ii) if such spread is not published by any such entity, calculated by the Calculation Agent".

The NFA started publishing a median daily spread on the [MosPrime website](#) further to an [announcement](#) made on September 2, 2022.

The RUONIA Spread Fixing Date, as defined in Version 7.0 of the 2021 Definitions, is the date on which the spread is fixed by the NFA or another recognised price source, provided that if the spread has not fixed by the date on which Fallback Rate (RUONIA) is required pursuant to the transaction⁷, then the spread is taken as at the date of the Index Cessation Event (i.e. April 29, 2022). The August MosPrime Cessation Announcement indicated that the NFA would fix the spread on December 30,

⁴ The spread for the 2-month, 3-month and 6-month tenors only appears on the CBR's website.

⁵ It should be noted that while the Index Cessation Event occurred on April 29, 2022 and the Index Cessation Effective Date is expected to occur on the first Moscow business day following June 30, 2023, according to the August MosPrime Cessation Announcement, the August MosPrime Cessation Announcement recommends the use of the five year historical mean spread between RUONIA and MosPrime published on December 30, 2022.

⁶ Version 7.0 applies this compounding in arrears of RUONIA by specifying that the Floating Rate Option is deemed to be RUB-RUONIA and the Overnight Rate Compounding Method 'Compounding with Observation Period Shift' is applied with a two business day observation period shift and where the Observation Period Shift Business Days include the payment business days specified for the relevant transaction.

⁷ Currently, it is anticipated that the earliest date on which the RUONIA Spread would be required is July 3, 2023, being the expected Index Cessation Effective Date.

2022. The spread as of December 30, 2022⁸ has since been published on both the NFA's MosPrime website (available [here](#)), in respect of certain tenors⁹, and on the CBR's website (available [here](#)), in respect of all tenors. CBR is a recognised price source for the purpose of the definitions of RUONIA Spread and RUONIA Spread Fixing Date as it acts as the administrator and price source of other Floating Rate Options (e.g. RUB-RUONIA). In addition, the NFA's announcement on September 2, 2022 stated that the CBR is the entity which calculates the spread and the NFA's MosPrime website, as of the date of this Guidance, directs users to the relevant section of the CBR's website for the purpose of viewing the spread. The RUONIA Spread is consequently the spread for the relevant tenor as published on the CBR website, as per limb (i) of the definition of RUONIA Spread.

Application of the 2006 ISDA Definitions to the MosPrime Cessation Announcements

The terms of the relevant Rate Option will apply. Section 7.1(ae)(i) of the 2006 Definitions includes a Rate Option for MosPrime: "RUB-MOSPRIME-NFEA". Pursuant to the terms of this Rate Option (provided that the documents incorporating the 2006 Definitions have not been amended by the November 2022 Benchmarks Module), if the relevant rate does not appear on the relevant screen, then the rate for the Reset Date will be determined by reference to the Rate Option, "RUB-MOSPRIME-Reference Banks", which sets out a dealer poll process requiring, in the first instance, quotations from Reference Banks. If the requisite number of quotations is not received, there is a further fallback to the Calculation Agent determining the relevant rate.

As MosPrime will not appear on the relevant screen after June 30, 2023, for the purposes of the Rate Option detailed above, the fallback to Reference Bank quotations, and the further fallback to Calculation Agent determination, will apply from the first Moscow business day immediately following June 30, 2023¹⁰, being the first day on which MosPrime will no longer be provided.

The 2006 Definitions also contain three Rate Options that reference the swap rate for swap transactions where MosPrime is the floating leg: "RUB-Annual Swap Rate-11:00-BGCANTOR", "RUB-Annual Swap Rate-12:45-TRADITION" and "RUB-Annual Swap Rate-4:15-TRADITION". While separate benchmarks, it is expected that these swap rates will also no longer be available after the permanent cessation of MosPrime. These Rate Options also apply a fallback to reference bank quotations and, if the requisite number of quotations is not received, determination of the relevant rate by the Calculation Agent.

The IBOR Fallbacks Supplement, the IBOR Fallbacks Protocol, Supplement 90 to the 2006 Definitions and the December 2021 Benchmark Module to the ISDA 2021 IBOR Fallbacks Protocol.

Supplement number 70 to the 2006 Definitions (the IBOR Fallbacks Supplement), finalized on October 23, 2020 and published by ISDA and effective on January 25, 2021, amends and restates certain IBOR Rate Options and related terms to introduce fallbacks on a permanent cessation of those IBOR Rate Options. The ISDA 2020 IBOR Fallbacks Protocol (published on October 23, 2020) applies those fallbacks to, *inter alia*, legacy transactions incorporating the 2006 Definitions that were entered into prior to the effective date of Supplement number 70. Neither the 2020 IBOR Fallback Protocol nor Supplement number 70 to the 2006 Definitions included permanent cessation fallbacks for MosPrime. Accordingly, neither Supplement number 70 nor the ISDA 2020 IBOR Fallbacks

⁸ While no express statement has been published confirming that the spread has been permanently fixed as of December 30, 2022, no further spreads have been published since that date and it is ISDA's understanding that the spread has consequently been fixed as at December 30, 2022.

⁹ The spread for the 2-month, 3-month and 6-month tenors only appears on the CBR's website.

¹⁰ It is expected that the first Moscow business day immediately following Friday June 30, 2023 will be Monday July 3, 2023, unless Monday July 3, 2023 is an unscheduled holiday.

Protocol apply to the MosPrime Cessation Announcements (but see section below on the November 2022 Benchmarks Module's use of Supplement number 70).

Supplement number 90 to the 2006 Definitions, published by ISDA and effective on December 16, 2021, amends and restates certain additional IBOR Rate Options and related terms not previously included in Supplement number 70 in order to introduce fallbacks on a permanent cessation of those IBOR Rate Options. The December 2021 Benchmark Module and related ISDA 2021 Fallbacks Protocol (published on December 16, 2021) apply those fallbacks to certain legacy transactions incorporating the 2006 Definitions that were entered into prior to the effective date of Supplement number 90. Neither the December 2021 Benchmark Module nor Supplement number 90 to the 2006 Definitions included permanent cessation fallbacks for MosPrime. Accordingly, neither Supplement number 90 nor the December 2021 Benchmark Module apply to the MosPrime Cessation Announcements (but see section below on the November 2022 Benchmarks Module's use of Supplement number 90).

Application of the November 2022 Benchmarks Module to the MosPrime Cessation Announcements¹¹

In November 2022 ISDA published the November 2022 Benchmarks Module to enable parties to incorporate the fallbacks for certain Relevant Benchmarks, including MosPrime, into (in respect of transactions referencing MosPrime) (1) legacy transactions referencing a Relevant Benchmark and incorporating (or referring to) the 2006 Definitions¹² or any of Versions 1.0 to 6.0 of the 2021 Definitions, and (2) legacy transactions containing generic references to the Relevant Benchmarks.

Protocol Covered Documents referencing MosPrime will be amended by the November 2022 Benchmarks Module as described below.

2021 Definitions: If a Protocol Covered Document incorporates any of Versions 1.0 to 6.0 of the 2021 Definitions and references MosPrime, the November 2022 Benchmarks Module amends that Protocol Covered Document by incorporating the fallbacks that apply on MosPrime cessation that were introduced in Version 7.0 of the 2021 Definitions (as to which, please refer to the paragraph above entitled '*Application of Version 7.0 of the 2021 Definitions*'). If a Protocol Covered Document references MosPrime "as defined" or having the meaning given in the 2021 Definitions, the November 2022 Benchmarks Module amends it by interpreting the reference to MosPrime "as defined" or having the meaning given in the 2021 Definitions as a reference to MosPrime as defined in Version 7.0 of the 2021 Definitions.

2006 Definitions: If a Protocol Covered Document incorporates the 2006 Definitions, the November 2022 Benchmarks Module amends the Protocol Covered Document to incorporate the MosPrime fallbacks set out in Version 7.0 of the 2021 Definitions, but adapts these amendments to apply within the framework, and using the defined terms, of the 2006 Definitions. In order to incorporate the permanent cessation fallbacks to MosPrime in the Protocol Covered Document certain provisions relevant to permanent cessation fallbacks set out in Supplement 70 and Supplement 90 to the 2006 Definitions are also incorporated into that Protocol Covered Document. However, only the relevant defined terms and general provisions (such as the definition of Index Cessation Event) from Supplement 70 and Supplement 90 are incorporated and not the permanent cessation fallbacks for

¹¹ The November 2022 Benchmarks Module and the associated FAQs can be found [here](#) and [here](#), respectively. The November 2022 Benchmarks Module is a Benchmark Module to the 2021 Fallbacks Protocol. The 2021 Fallbacks Protocol and the associated FAQs can be found [here](#) and [here](#), respectively.

¹² The November 2022 Benchmarks Module also amends transactions incorporating or referencing the 2000 Definitions and the 1991 ISDA Definitions. However, as neither of those booklets contain a MosPrime floating rate option, those amendments are not relevant for the purpose of this Guidance.

the other IBORs that are contained in those two supplements. Consequently, adherence to the November 2022 Benchmarks Module will not incorporate the IBOR fallbacks that are set out in Supplement 70 and Supplement 90.

If a Protocol Covered Document refers to MosPrime “as defined in” or as having the meaning given to it in the 2006 Definitions, that reference will be interpreted as a reference to the MosPrime Rate Option as defined in the 2006 Definitions but amended by the November 2022 Benchmarks Module (as described in the immediately preceding paragraph).

Generic references to MosPrime: If a Protocol Covered Document otherwise references MosPrime, howsoever defined, the November 2022 Benchmarks Module amends that Protocol Covered Document to effectively include the MosPrime fallbacks from Version 7.0 of the 2021 Definitions, but these provisions are worded generically to avoid referring to the specific definitions from any one definitional booklet.

Please refer to the paragraph above entitled ‘*Application of Version 7.0 of the 2021 Definitions*’ for a summary of the MosPrime fallback provisions introduced in Version 7.0 of the 2021 Definitions which are applied to Protocol Covered Documents as described in the preceding paragraphs.

Application of the ISDA Benchmarks Supplement to the MosPrime Cessation Announcements

For the purposes of applying the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement, at the time of the April MosPrime Cessation Announcement regarding the permanent discontinuation of MosPrime, the relevant RUB Rate Options, as referenced in transactions incorporating the 2006 Definitions, do not include a reference to a concept defined or otherwise described as an “index cessation event”. This means that a “Priority Fallback” as defined in Section 1.1 (*Specific provisions for certain Relevant Benchmarks*) of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement will not apply to the relevant transactions.

Accordingly, the provisions of Section 1.2 (*Consequences of a Benchmark Trigger Event*) of the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement will apply following the MosPrime Cessation Announcements (the first of which, the April MosPrime Cessation Announcement, constitutes a “Benchmark Trigger Event” under the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement) and each party must seek to apply one or more “Alternative Continuation Fallbacks” prior to the “Cut-off Date” of the first MosPrime business day immediately following June 30, 2023¹³.

The 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement includes equivalent Alternative Continuation Fallbacks to those set out in the 2021 Definitions. As such, the operation of the Alternative Continuation Fallbacks in the 2006 ISDA Definitions Benchmarks Annex to the ISDA Benchmarks Supplement is the same as the operation of the Generic Fallback Provisions in the 2021 Definitions. See the section above entitled, ‘*Application of Versions 1.0 to 6.0 the 2021 Definitions to the MosPrime Cessation Announcements*’, for further details.

¹³ It is expected that the first MosPrime business day immediately following Friday June 30, 2023 will be Monday July 3, 2023, unless Monday July 3, 2023 is an unscheduled holiday.

Annex 1

2006 ISDA Definitions – RUB Rate Options

“RUB-MOSPRIME-NFEA” means that the rate for a Reset Date will be the offered rate for deposits in Russian Rubles for a period of the Designated Maturity which appears on the Reuters Screen MOSPRIME1 Page as of 12:30 p.m., Moscow time, on the day that is one Moscow Banking Day preceding that Reset Date. If such rate does not appear on the Reuters Screen MOSPRIME1 Page, the rate for that Reset Date will be determined as if the parties had specified “RUB-MOSPRIME-Reference Banks” as the applicable Floating Rate Option.

“RUB-MOSPRIME-Reference Banks” means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Russian Rubles are offered by the Reference Banks at approximately 1:30 p.m., Moscow time, on the day that is one Moscow Banking Day preceding that Reset Date to prime banks in the Moscow interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount. The Calculation Agent will request the principal Moscow office of each of the Reference Banks to provide a quotation of its rate. If five quotations are provided, the rate for that Reset Date will be arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the case of equality, one of the lowest). If fewer than five but at least two quotations are provided, the rate for that Reset Date will be arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that Reset Date will be determined by the Calculation Agent.

“RUB-Annual Swap Rate-11:00-BGCANTOR” means that the rate for a Reset Date will be the annual swap rate for fixed-for-floating Russian Ruble swap transactions with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Reuters Screen BGCANTOR65 Page as of 11:00 a.m., Moscow time, on the day that is one Moscow Banking Day preceding that Reset Date. If such rate does not appear on the Reuters Screen BGCANTOR65 Page, the rate for that Reset Date will be determined as if the parties had specified “RUB-Annual Swap Rate-Reference Banks” as the applicable Floating Rate Option.

“RUB-Annual Swap Rate-Reference Banks” means that the rate for a Reset Date will be determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., Moscow time, on the day that is one Moscow Banking Day preceding that Reset Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on an Actual/Actual day count basis, of a fixed-for-floating Russian Ruble swap transaction with a term equal to the Designated Maturity commencing on that Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/Actual day count basis, is equivalent to RUB-MOSPRIME-NFEA with a Designated Maturity of three months. The Calculation Agent will request the principal Moscow office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than three quotations are provided, the rate for that Reset Date will be determined by the Calculation Agent, using a representative rate.

“RUB-Annual Swap Rate-12:45-TRADITION” means that the rate for a Reset Date will be the annual swap rate for RUB swap transactions with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Tradition Screen TRADRUB Page (on Reuters) as of 12:45 p.m., Moscow time, on that Reset Date. If such rate does not appear on the Tradition screen TRADRUB

Page (on Reuters), the rate for that Reset Date will be determined as if the parties had specified "RUB-Annual Swap Rate-TRADITION-Reference Banks" as the applicable Floating Rate Option.

"RUB-Annual Swap Rate-4:15-TRADITION" means that the rate for a Reset Date will be the annual swap rate for RUB swap rate for RUB swap transactions with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Tradition Screen TRADRUB Page (on Reuters) as of 4:15 p.m., London time, on that Reset Date. If such rate does not appear on the Tradition screen TRADRUB Page (on Reuters), the rate for that Reset Date will be determined as if the parties had specified "RUB-Annual Swap Rate-TRADITION-Reference Banks" as the applicable Floating Rate Option.

"RUB-Annual Swap Rate-TRADITION-Reference Banks" means that the rate for a Reset Date will be determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 12:30 p.m., Moscow time, on the day that is one Moscow Banking Day preceding that Reset Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on an Actual/Actual day count basis, of a fixed-for-floating Russian Ruble swap transaction with a term equal to the Designated Maturity commencing on that Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/Actual day count basis, is equivalent to RUB-MOSPRIME-NFEA with a Designated Maturity of three months. The Calculation Agent will request the principal Moscow office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations. If fewer than three quotations are provided, the rate for that Reset Date will be determined by the Calculation Agent, using a representative rate.