

LPN REFERENCE OBLIGATION LISTS PROCEDURES**Background**

1. The Additional Provisions for LPN Reference Entities as published by ISDA may be incorporated into a Confirmation if parties wish to specify certain Reference Obligations in relation to certain Reference Entities that issue debt via Loan Participation Note (LPN) programs.
2. The provisions allow parties to either refer to the 'LPN Reference Obligation Lists' published by Markit or to attach their own list.
3. The 'LPN Reference Obligation Lists' contain Reference Obligations related to Reference Entities that issue debt via LPN programs. They are additional Deliverable Obligations with respect to contracts that incorporate them.
4. The LPN Reference Obligation Lists are published by Markit Group and the lists are available at <http://www.markit.com/marketing/services.php>
5. Each LPN Reference Obligation List shall contain all Reference Obligations and Additional Obligations as agreed by the RED Preferred Reference Obligation Group. The following information shall also be included:
 - (i) Reference Entity
 - (ii) Region
 - (iii) Issuer
 - (iv) Coupon
 - (v) Maturity
 - (vi) RED Code
 - (vii) Date Added
 - (viii) Date removed
6. The universe of Reference Entities for the initial phase was determined by the ISDA Operations Working Group and 10 entities¹ were submitted as follows:
 - (i) Joint stock commercial bank - Bank of Moscow (open joint stock company)
 - (ii) City of Moscow
 - (iii) JSC "GAZPROM"
 - (iv) Joint Stock Commercial Bank for Social Development "Ukrsotsbank"
 - (v) JSC "The State Export-Import Bank of Ukraine"

¹ The names in the list are indicative. The exact names will be published on the Markit website and might differ from the above.



- (vi) National Joint Stock Company "Naftogaz of Ukraine"
- (vii) RUSSIAN AGRICULTURAL BANK
- (viii) Sberbank
- (ix) JSC VTB Bank
- (x) Open Joint Stock Company "Vimpel-Communications"

Procedures

7. Markit will publish an LPN Reference Obligation List for each of the Reference Entities selected by the ISDA Operations Working Group.
8. Following publication of an LPN Reference Obligation List, where it is possible the Reference Entity and Reference Obligations will be scrubbed by Markit RED and a 9-digit RED Code will be assigned to the pair.
9. If the obligation documents for a Reference Obligation are not available, Markit will inform the RED Preferred Reference Obligation Group.
10. If Markit does not receive the documents from market participants, the Reference Obligation will not be scrubbed. However, the Reference Obligation shall still remain in the LPN Reference Obligation List without an allocated 9-digit RED Code.
11. Reference Obligations and Additional Obligations for each of the Reference Entities will be determined by the RED Preferred Reference Obligation Group by majority voting with a minimum of 3 votes.
12. RED Preferred Reference Obligation Group members can veto prior to publication of an LPN Reference Obligation List the inclusion of a reference obligation on the basis that it does not satisfy the conditions of the Additional Provisions for LPN Reference Entities as published by ISDA.
13. Until agreement is reached within the preferred RED Preferred Reference Obligation Group, the obligation will not be added to the list.

Creating additional LPN Lists

14. Any additional Reference Entities will be agreed by the ISDA Operations Working Group.
15. Reference Obligations and Additional Obligations for any additional Reference Entities will be agreed by the RED Preferred Reference Obligation Group by majority voting with a minimum of 3 votes. RED Preferred Reference Obligation Group members can veto the inclusion of a reference obligation on the basis that the particular reference obligation does not satisfy the conditions of the Additional Provisions for LPN Reference Entities as published by ISDA. Until an agreement is reached by all of the RED Preferred Reference Obligation Group, the obligation will not be added to the list.



16. Markit will notify the RED Preferred Reference Obligation Group of the veto within a reasonable time frame. An agreement will be required by all group participants within 5 business days for the obligation to be added to the LPN Reference Obligation List.
17. Any additional Reference Entities will be scrubbed by Markit RED subject to the standard liquidity scrubbing criteria. A minimum of 3 clean pricing contributions for the entity shall be required before proceeding with legal verification of the data and 9 digit RED Pair Code allocation.
18. Markit shall monitor the scrubbed Reference Entities, Reference Obligations and Additional Obligations for corporate events resulting in a name change or bond redemption.
19. Markit will bring any discrepancies or changes to the RED Preferred Reference Obligation Group and ISDA Operations Working Groups' attention, who will decide on the best course of action.
20. Any queries relating to the LPN Reference Obligation Lists should be addressed to red@markit.com