EMEA DC MEETING STATEMENT

19 August 2022

1. SUMMARY

1.1 Ukraine announced the results of its Consent Solicitation in respect of its directly issued notes (other than its GDP-linked Securities) on 10 August 2022.[1] Each of the Notes referenced in that announcement are referred to in this statement as the **Eurobonds**. The Ministry of Finance of Ukraine also issued a press release dated 10 August 2022 which referenced the completion of Ukraine's liability management transaction and that the negotiations with bondholders resulted in the successful amendment of all of Ukraine's Eurobonds.[2]

1.2 The EMEA Credit Derivatives Determinations Committee (the **DC**) met on 19 August 2022 to discuss whether a Restructuring Credit Event has occurred with respect to Ukraine (the **Reference Entity**) as a result of amendments made to the Eurobonds, including the USD 7.75 per cent. Notes originally due 2023 (Reg S ISIN: XS1303921487) (the **2023 Notes**).

1.3 The DC resolved:

(a) that a Restructuring Credit Event has occurred with respect to the Reference Entity for 2014 Transactions;

(b) that the Restructuring Credit Event with respect to the Reference Entity and such transactions occurred on 11 August 2022; and

(c) that the Credit Event Resolution Request Date is 15 August 2022.

1.4 Capitalised terms used but not defined in this Meeting Statement have the meanings given to them in the Credit Derivatives Determinations Committees Rules (September 28, 2018 version, as most recently amended on October 3, 2020) (including in the 2014 Definitions as defined therein).

2. PUBLICLY AVAILABLE INFORMATION

2.1 The DC considered that there was sufficient Publicly Available Information in order to determine the occurrence of a Credit Event, on the basis that the Publicly Available Information submitted constituted at least the Specified Number (two) of Public Sources in accordance with Section 1.35(a)(i) of the 2014 Definitions and also satisfied the requirements of Section 1.35(a)(ii) of the 2014 Definitions.

3. APPLICATION OF OBLIGATION CHARACTERISTICS AND EFFECT ON CREDIT EVENT RESOLUTIONS

3.1 The Transaction Type applicable to the Reference Entity is Emerging European and Middle Eastern Sovereign. In order to trigger a Credit Event in relation to the amendments made to any of the Eurobonds (except for Credit Derivative Transactions where one of the Eurobonds

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1 The relevant announcement is available at: https://direct.euronext.com/api/PublicAnnouncements/RISDocument/Ukraine%20Results%20Announcement%20-%20Eurobonds%20final.pdf?id=c541aa6a-0fee-48cc-a560-583aecee9964

2 The relevant press release is available at: https://mof.gov.ua/en/news/investors_supported_consent_solicitation_transactions_initiated_by_ukraine-3557.

is the Reference Obligation), it is necessary for the relevant Eurobonds to satisfy the following Obligation Characteristics:

(a) Not Subordinated;

(b) Not Domestic Currency;

(c) Not Domestic Law; and

(d) Not Domestic Issuance.

3.2 For ease, the EMEA DC conducted its analysis in respect of the 2023 Notes. The 2023 Notes satisfy the Not Domestic Currency and Not Domestic Law Obligation Characteristics, as the 2023 Notes are denominated in US Dollars and governed by English law. The DC determined that the Not Domestic Issuance Obligation Characteristic is satisfied on the basis of the information in the prospectus dated 15 February 2016, including the fact that (i) such Notes were originally issued in the context of the 2015 restructuring of Ukraine's debt; (ii) the prospectus was approved by the Central Bank of Ireland (the **CBI**) and (iii) an application had been made to the Irish Stock Exchange plc (trading as Euronext Dublin) to admit the 2023 Notes to listing on the official list and to trading on Euronext Dublin (at the time, the Main Securities Market).

3.3 The Not Subordinated Obligation Characteristic requires that the 2023 Notes are not Subordinated to the Reference Obligation or the Prior Reference Obligation (if applicable) in respect of a given Credit Derivative Transaction. In the context of a Sovereign Reference Entity such as this, the definition of "Subordination" in the 2014 Definitions takes into account priorities arising by operation of law.

3.4 Condition 1(b) of the terms and conditions in the prospectus for the 2023 Notes provides as follows:

> "The Notes are the direct, unconditional and, […] unsecured obligations of the Issuer and [...] rank and will rank *pari passu* without any preference among themselves and not less than *pari passu* in right of payment with all other unsecured External Indebtedness of the Issuer..."

Each of the Eurobonds had substantially similar language. Due to their denomination, each of the Eurobonds would also qualify as External Indebtedness. Therefore, each of the Eurobonds effectively provides that they rank *pari passu* with each other. The Eurobonds do not address the question of whether the Eurobonds could be Subordinated by operation of law to other obligations of the Reference Entity that are not External Indebtedness. However, based on advice from Ukrainian legal counsel, the EMEA DC understands that no such Subordination would arise as a matter of Ukrainian law and the EMEA DC concluded it was reasonable to assume that no such Subordination would arise by operation of any other law. Therefore, the EMEA DC concluded that the Eurobonds satisfied Not Subordinated.

4. RESTRUCTURING CREDIT EVENT

4.1 The modifications to the Eurobonds were stated to be subject to (i) receipt of the Requisite Consents; (ii) the satisfaction of the Eligibility Condition (which required that the Requisite Consents were granted by Eligible Holders); (iii) the satisfaction of the Cross Condition (which required the approval of the relevant modifications for the GDP-linked securities); (iv) obtaining Additional Governmental Approvals (in relation to the "most favoured creditor" modifications); and (v) execution of the Amendment Documents.

4.2 The DC noted that the Announcement of the Results of the Consent Solicitation published by Ukraine on 10 August 2022 provided:

> "Ukraine announces today that it received the Requisite Consents (as defined below) from Eligible Holders of each Series of Securities in relation to each Written Resolution regarding approval of the Proposed Modifications as further described in the consent solicitation memorandum dated 20 July 2022, as amended on 22 July 2022 and 3 August 2022 (the "Consent Solicitation Memorandum").
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> […]
>
> Ukraine also announces that the Eligibility Condition and the Cross Condition have been satisfied, and the Additional Governmental Approvals have been obtained in relation to the Consent Solicitations.
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> Following receipt of the Requisite Consents, satisfaction of the Eligibility Condition and Cross Condition, and obtaining of the Additional Governmental Approvals, Ukraine expects to execute the Amendment Documents effecting the Proposed Modifications approved pursuant to the Consent Solicitation on the Effective Date of 11 August 2022. The Proposed Modifications will become effective once the Amendment Documents have been executed."

4.3 The DC also noted that the Consent Solicitation Memorandum[3] stated:

> "Ukraine will execute the relevant Amendment Documents giving effect to the Proposed Modifications with respect to all Series of Securities for which the Requisite Consents are received and accepted, the Eligibility Condition is satisfied and the Cross Condition is satisfied or waived."

4.4 Although the DC was not aware of an express statement published by Ukraine stating that it had accepted the Requisite Consents and executed the Amendment Documents on 11 August 2022 and the maturity dates for the Eurobonds have not yet been updated on the website of Euronext Dublin or the London Stock Exchange (as applicable), the DC noted that:

1. The 10 August 2022 press release of the Ministry of Finance of Ukraine (see also paragraph 1.1 above) stated "The 3-week negotiations with bondholders and GDP warrants holders resulted in the successful amendment of all of Ukraine's sovereign international eurobonds…"

2. The Ministry of Finance of Ukraine updated the maturity dates of the Eurobonds and the GDP-linked Securities on its website to reflect the successful implementation of the Proposed Modifications.[4]

3. The Consent Solicitation in respect of the GDP-linked Securities included as a Cross Condition that the Eurobonds Consent Solicitation was successful and the amendments to the Eurobonds were approved.[5] On 10 August 2022 Ukraine announced that the Cross Condition in respect of the GDP-linked Securities had been satisfied.

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[3] The original Consent Solicitation Memorandum is available on Reorg.com. The DC has not reviewed a copy of the amended Consent Solicitation Memorandum. The requirement for Additional Governmental Approvals was added subsequently.

[4] The list of all outstanding Eurobonds and GDP-linked Securities demonstrating the deferred maturity dates and published by the Ministry of Finance is available at:
https://mof.gov.ua/en/ozdp

[5] The original Consent Solicitation Memorandum is available on Reorg.com. The DC has not reviewed a copy of the amended Consent Solicitation Memorandum.

4. The maturity dates of the Eurobonds have been updated on Bloomberg and a note has been added in respect of each Eurobond stating that "AS OF 08/10/22 INT PYMNTS DEFERRED FROM (INCL) NEXT CPN PYMNT TO (EXCL) 2 YRS AFTER NXT CPN PYMNT. MTY EXTENDED BY 24 MONTHS."

5. The legal advisers to JPMorgan (in its role as solicitation agent for Ukraine) published a press release which stated "Both Consent Solicitations were passed on 10 August 2022 and the amendments to the terms and conditions of the Securities were effected on 11 August 2022."[6]

4.5 On the basis of the Eligible Information described above, and in the absence of any Eligible Information suggesting that the Amendment Documents were not executed on 11 August 2022, the DC concluded that the relevant modifications became effective on 11 August 2022 (including the deferral of interest and principal).

4.6 Therefore, the DC concluded that a Restructuring Credit Event had occurred. This was due to the deferral of both interest and principal in respect of the 2023 Notes[7] as a result of the consent solicitation process. Such consent solicitation process resulted from a deterioration in the creditworthiness of Ukraine. The outstanding amount of the 2023 Notes is also in excess of the Default Requirement.

4.7 In relation to settlement, the EMEA DC noted that the Transaction Type is Standard Emerging European & Middle Eastern Sovereign and therefore Mod Mod R is <u>not</u> applicable. Accordingly, it is not necessary for a Credit Event Notice to be delivered to trigger standard 2014 Transactions referencing Ukraine. In addition, the EMEA DC noted that the Relevant Transaction 300/5 Criteria is satisfied in respect of Ukraine and 2014 Transactions. Therefore, the EMEA DC voted to hold an Auction to settle 2014 Transactions in respect of Ukraine and agreed to meet again next week to prepare for holding an Auction.

6 See: https://www.lw.com/en/news/2022/08/latham-advises-jp-morgan-in-connection-with-ukraines-us-20-billion-debt-restructuring

7 As noted above, the other Eurobonds were also modified. The DC has referred to the 2023 Notes in its analysis for convenience.