

## ICMA SOVEREIGN BOND CONSULTATION PAPER SUPPLEMENT

### For members of ICMA

#### INTRODUCTION

1. ICMA's primary objective is to support the creation of orderly and well-functioning international capital markets. In line with ICMA's mission, this involves setting standards of best market practice, through contract reform and practical improvements to standard form market documentation.
2. In December 2013, ICMA consulted its members on two matters related to sovereign bonds (the "**Original Consultation Paper**"). The Original Consultation Paper proposed new standard form aggregated collective action clauses for inclusion in all government securities (that are not otherwise subject to the mandatory euro area model collective action clause introduced in January 2013). The Original Consultation Paper also set out plans to publish for the first time a standard *pari passu* provision for inclusion in sovereign debt securities.
3. For ease of reference, the Original Consultation Paper can be viewed at <http://www.icmagroup.org/resources/Sovereign-Debt-Information/>. We recommend that this consultation paper supplement (the "**Consultation Paper Supplement**") is read alongside the Original Consultation Paper.

#### SINGLE LIMB STANDARD AGGREGATED CACS

4. As discussed in our Original Consultation Paper, aggregation allows bondholders across different series of bond issues to vote collectively in response to a proposed modification or action in respect of all their bonds; binding all bondholders if the requisite number approve such a modification or action. This mechanism enables a wider range of bondholders to be bound by a single restructuring proposal and should disincentivise creditors looking to dissent from acquiring holdings that might block a restructuring which is otherwise approved by the majority.
5. In view of comments received in response to the Original Consultation Paper, as well as ICMA's participation in a number of informal cross-border discussion groups on the current sovereign debt restructuring architecture and potential ways to enhance it, we have reached the view that it would also be helpful to consult with Members as to the addition of a single aggregation voting mechanism (the so-called "single limb" voting approach) in the new proposed ICMA Standard Aggregated Collective Action Clauses ("**Standard Aggregated CACs**") for sovereign notes. The single limb voting approach would aggregate the votes across all affected series of bonds to determine whether the requisite voting threshold had been met and the proposed modification or action approved.
6. The advantage of adopting a single limb aggregation voting mechanism is that it would reduce the risk, where a majority of a sovereign's creditors are supportive of a

restructuring proposal, of a minority of creditors disrupting or blocking a sovereign debt restructuring.

To date, the collective action clauses in the small number of sovereign bonds which have included an aggregation mechanism (other than as issued by euro area member states) have been structured so as to require two voting thresholds to be met (the so-called "two limb" voting approach). The two limb voting aggregation feature has been present in the new euro area model CAC since January 2013<sup>1</sup>, and a two limb voting aggregation mechanism was proposed in the Original Consultation Paper.

Under a two limb voting approach, the first of the two limbs is an overall vote taken across all affected series of bonds. The second of the two limbs is a separate vote within each affected series of bonds. Some parties are of the view that collective action clauses with a two limb voting aggregation mechanism remain open to the possibility that, if a dissenting minority can build a sufficient stake in one or more individual series of bonds, it can still block a restructuring which otherwise has the support of an overall majority of bondholders across all affected series of bonds. This could have severe consequences for a country seeking to solve its debt problems, including the risk of a damaging and disorderly default for the country. Much of the on-going discussion has, therefore, centred around introducing a single limb aggregation mechanism to facilitate sovereign debt restructurings which have the support of an overall majority of bondholders across all affected series of bonds.

Aggregation under a single limb voting mechanism provides a significantly more predictable process for restructuring the sovereign debtor's affected debt securities than is the case with a restructuring being executed on a series-by-series basis. The sovereign debtor will benefit from knowing that a successful vote will result in a full restructuring of its affected debt securities. Creditors will also benefit from knowing that if the restructuring offer is approved by a super-majority of creditors that holdout creditors will not be able to seek to recover on the original bonds and the economic uncertainty associated with potential payouts to holdouts will be eliminated. Some commentators, including a number of investors in sovereign debt, have also expressed the view that by eliminating the uncertainty of outcomes that can arise under the two limb voting approach, the single limb voting aggregation mechanism would facilitate determinations as to the pricing impact of a bond including a collective action clause, as well as enhancing the predictability and speed at which a settlement can be reached with a sovereign debtor requiring to restructure its debt.

7. The fact is, nevertheless, that a collective action clause allowing for aggregation under a single limb voting mechanism provides a potentially powerful tool for a sovereign debtor and a supermajority of its creditors and, consequently, ICMA believes that a number of safeguards should be included in such a provision to protect minority interests.
8. The key objective is to include safeguards within the clause without creating additional legal risks or undermining the operation of the enhanced aggregation mechanism. These safeguards would therefore primarily be to ensure that there is adequate protection of affected creditors' rights and interests, and also to ensure that

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<sup>1</sup> The euro area model CAC has been mandatory in all euro area government securities with a maturity above one year issued since 1 January 2013.

the sovereign debtor does not discriminate against a minority or face the risk of legal challenge.

In this regard, we would propose:

- (a) that the overall voting threshold is set at a reasonably high level, compatible with the supermajority voting requirements that are currently found in most sovereign bonds, and that this is measured by reference to the outstanding principal amount of affected series of bonds;
- (b) that the revised Standard Aggregated CACs include protective disenfranchisement provisions to exclude bonds owned or controlled by the Issuer from the vote;
- (c) an information covenant to ensure that the Issuer's restructuring plan (including debt sustainability analysis, the underlying economic and financial circumstances and proposed treatment of other major creditor groups) are available to all bondholders prior to the restructuring proposal being put to a vote of the bondholders. This should encourage the prior consultation, cooperation and effective communication with the relevant bondholders in order to facilitate the reaching of the requisite majority support for voting threshold purposes;
- (d) that any proposal put to creditors if the single limb voting aggregation mechanism is to be utilised, will need to ensure that the offer being made to affected series of bonds will be uniformly applicable ("**Uniformly Applicable**"). This would broadly mean that the same new instrument or other consideration is, or the same menu of instruments or other considerations are, offered to all creditors whose instruments are subject to the aggregation, or that amendments being proposed to such instruments would, if implemented, result in the amended instruments having identical provisions. The objective is that these "same offer" requirements will allow for appropriate consideration of an individual sovereign debtor's circumstances. For example, provisions to address interest that has been accrued but not paid may be appropriate. The offer on unpaid but accrued interest should treat all unpaid interest the same, but need not treat accrued or past due interest the same as principal;
- (e) in addition, it is envisaged that aggregation can cover all series of debt securities which include the Standard Aggregated CACs or a subset of such series with contiguous maturities. Where the debtor aggregates series in multiple groups it will be required to provide a description of the proposed treatment of each such group; and
- (f) that the issuer can, in the alternative, opt to make use of:
  - (i) the two limb voting aggregation mechanism; or
  - (ii) the series by series collective action mechanism (i.e. the conventional, non-aggregated collective action clause found in the vast majority of issued sovereign bonds),

where the Uniformly Applicable and Contiguous Maturities conditions cannot be met, or, should the issuer choose to do so.

9. The current proposal provides for the same offer on the same unit of par value; it should be noted, however, that it does not seek to benchmark or equalise a similar form of NPV loss across the different series of bonds being restructured. Considerable amount of work has been done to develop such a benchmark; a view has, however, been reached that, because of the number of assumptions that would need to be made in such a formula (for example, the discount rate to be applied), the level of complexity involved could lead to challenge where a party is minded to test whether the economics of the instruments being offered comply with the benchmark included. Similarly, such a formula or model would likely be so complicated and unwieldy that it might deter use of the single limb aggregation alternative altogether. The Uniformly Applicable concept, compliance with which can easily be ascertained, should therefore be preferable, such that both the debtor and the holders of affected series of bonds, as well as parties such as trustees or fiscal agents, can readily determine whether a proposal satisfies this important condition. The requirement to offer bonds of equal par value the same terms seeks to be consistent with principles of bankruptcy law, as well as to reflect the fact that in the event of non-payment, bondholders generally have the right to accelerate and demand full payment of the principal (although the Standard Aggregated CACs it should be noted may be used prior to a default). For zero coupon bonds, the accreted par value of their claim would need to be calculated.
10. As indicated above, under the revised Standard Aggregated CACs scheduled to this Consultation Paper Supplement, therefore, the Issuer would have the option to put a modification or action proposal to its bondholders pursuant to any one of or a combination of the three collective action mechanisms included in the new Standard Aggregated CACs (see: Modification of this Series of Notes only; Multiple Series Aggregation – Single limb voting; Multiple Series Aggregation – Two limb voting.)
11. For example, there may be circumstances where, a sovereign debtor may wish to offer different instruments to different creditors (which might also entail proposed modifications or actions which are substantially comparable in NPV loss terms). In such circumstances, the "Uniformly Applicable" condition would not be met, resulting in the single limb aggregation mechanism not being applicable. In that case the sovereign debtor would be able to choose to invoke either the two limb voting aggregation mechanism or revert to the individual series by series collective action mechanism.
12. As the single limb voting aggregation mechanism combines the votes of bonds with different terms and conditions, the protection against discrimination in respect of the interests of any individual series are particularly important. The types of legal safeguards referred to above can limit the legal risk which may arise from their use. The potential for any such risk to arise will need, however, to be addressed by any sovereign debtor making use of this mechanism in an appropriate way at the time of restructuring. Awareness of this combined with suitable bondholder consultation will inevitably increase bondholder participation and deliver the benefits provided by the revised Standard Aggregated CACs.

## INVITATION TO RESPOND TO THE CONSULTATION PAPER SUPPLEMENT

13. The proposed revised Standard Aggregated CACs (including the single limb aggregation mechanism) is set out in Part A of the Schedule in this Consultation Paper Supplement. Part B of the Schedule is a blackline showing the amendments made to the Standard Aggregated CACs circulated with the Original Consultation Paper, for ease of reference.
14. ICMA invites views from its Members on the proposals in this Consultation Paper Supplement by 17 July 2014. Comments should be sent by email to [sovereignbondconsultation@icmagroup.org](mailto:sovereignbondconsultation@icmagroup.org) identifying the organisation on whose behalf the comments have been sent, indicating if the organisation wishes to keep its name confidential, and giving an email address and phone number of a point of contact.

Taking account of the comments received in response to the Original Consultation Paper and this Consultation Paper Supplement, ICMA plans to publish recommendations in respect of a new form of Standard Aggregated CACs for inclusion into the terms and conditions of sovereign notes.

The revised Standard Aggregated CACs does not as yet reflect the comments received from Members on the Original Consultation Paper. These will be reflected in ICMA's new proposed Standard Aggregated CACs once responses have been received to this Consultation Paper Supplement.

## POINTS FOR CONSULTATION

ICMA would welcome input from Members on the addition of the single limb voting aggregation mechanism to the draft Standard Aggregated CACs. Points for consideration include:

1. Do Members agree with the basic premise that it would be sufficient under the single limb voting approach for the relevant modification or action to be approved by the requisite number of bondholders voting in a single aggregated group across all affected series of debt securities rather than it also being necessary for a majority of the bondholders in each affected series of bonds to vote in favour of the modification or action being proposed?
2. Do Members agree that for the single limb voting aggregation mechanism included in the Standard Aggregated CACs, the voting threshold of 75% of the outstanding principal amount of all affected series of bonds issued by the sovereign debtor is the appropriate level at which to set such a threshold?
3. In order to provide the greatest flexibility, it would be left to the sovereign debtor to determine: (i) which affected series of bonds would be aggregated together for the collective voting; and (ii) which aggregation mechanism to utilise (single limb voting approach or two limb voting approach). Do Members have any comments in relation to the features in the Standard Aggregated CACs which allow the sovereign debtor to choose between approaching creditors on any one of a single limb voting or a two limb voting aggregated basis or on a single series by series basis?
4. Additionally, in view of the need to comply with the Uniformly Applicable and Contiguous Maturities conditions, even where an Issuer wishes to avail itself of the single limb aggregation mechanism in respect of a significant number or all of its debt securities, it may need to aggregate series of debt securities into separate groups. Do Members agree that, in view of the two different aggregation mechanisms and the further option for a sovereign debtor to choose the single series by series collective action mechanism, it will, inevitably, need to be left to the sovereign debtor to determine which series of bonds should be aggregated and under which aggregation mechanism, if at all?
5. Alternatively, should aggregation be limited to the aggregation of instruments by reference to other criteria, for example, the same governing laws?
6. Do Members agree that the Standard Aggregated CACs should be able to apply to:
  - (a) all foreign law governed debt securities issued by a sovereign debtor;
  - (b) all instruments issued by a sovereign debtor which are governed by English law or New York law only, or
  - (c) instruments issued by a sovereign debtor with the same foreign governing law only; meaning that there would be separate aggregation pools based on governing law and that aggregation of series of instruments with different governing laws would not be permitted?

7. Additionally, should the inclusion of Standard Aggregated CACs in domestic law debt securities also be encouraged? As seen in the case of Greece, countries may resort to the passing of domestic legislation to facilitate restructuring outcomes in respect of domestic law governed instruments which prescribe that aggregated collective action procedures may apply to contracts entered into prior to such legislation.
8. In the event that the introduction of the Standard Aggregated CACs was to be encouraged in respect of domestic law instruments, each sovereign debtor would need to undertake some enforceability analysis in respect of such clauses under local law.
  - (i) If this were to raise no concerns under the national law of a country, are Members of the view that the adoption of collective action clauses in the domestic law governed debt securities of such an issuer would be beneficial?
  - (ii) Do Members have any views as to whether in principle both domestic and foreign law instruments should be capable of aggregation for voting purposes or, as above, should domestic and foreign law instruments be aggregated in separate groups?
9.
  - (i) Do Members also agree that, in respect of the single limb voting aggregation mechanism in the Standard Aggregated CACs, there should be no quorum requirement in relation to resolutions put to bondholders when the meeting provisions apply? The logic behind this is that retaining a quorum requirement in respect of each affected series of bonds could potentially weaken the advantages of the single limb voting aggregation mechanism as dissenting holders could, through the quorum requirements at the level of each affected series of bonds, prevent that series being included in the resolution being sought to effect the proposed modification or action. Historically, quorum requirements have provided an important legal safeguard where the voting threshold at the relevant meeting has been set by reference to those attending/casting votes at such a meeting and market practice has grown around this custom. In the case of Standard Aggregated CACs, the voting thresholds relating to reserved matters were set by reference to outstanding principal amount but the quorum requirements were, nevertheless, included. If the quorum requirements are not included in respect of the single limb aggregation mechanism, this will, however, create inconsistencies within the proposed form of Standard Aggregated CACs in that the quorum requirements are included in respect of reserved matters for the operation of the two limb voting aggregation mechanism and the series by series collective action mechanism.
  - (ii) Do Members agree that, due to longstanding market practice in this area, these quorum requirements should be maintained nevertheless as they do not undermine the operation of these two voting mechanisms but that the single limb aggregation mechanism can dispense with the quorum requirement?
10. Do Members have any comments on the definition of the "Uniformly Applicable" condition?
11. Do Members have any comments on the Contiguous Maturities condition?

12. (i) Do Members have any comments on the scope of the Information undertaking?  
(ii) ICMA would welcome thoughts on when the contemplated information should be provided and whether such information should only be required in the context of the single limb aggregation mechanism.
13. Are there any other issues or concerns with the use of the single limb voting aggregation mechanism which Members would like to raise?
14. As drafted the Standard Aggregated CACs envisage that separate meetings will be called/written resolutions put to each affected series of bonds. We note that some securitisations and MTN Programmes include aggregation provisions on the basis that a single meeting can be held in respect of multiple series of instruments issued under such framework documentation, if the same resolution is proposed to each series of noteholders and the resolution does not give rise to a conflict of interests between the holders of the instruments of any series. Subject to appropriate disclosure requirements and the ability of the Trustee/Fiscal Agent or other bondholder representative to obtain legal comfort as to the existence or not of a conflict of interest, do Members think it would be preferable to have only one meeting in respect of the single limb aggregation mechanism?
15. Do Members believe that use of the single limb voting aggregation mechanism should be limited to the confines of, for example, an MTN Programme or could the inclusion of such a mechanism be permitted in relation to any debt instrument the sovereign may issue (by incorporation by reference), in so far as this fact is disclosed? I.e. should only instruments issued pursuant to the same contractual framework be capable of being aggregated in one group?
16. Do Members think it would be more appropriate for the Aggregation Agent to be referred to as the Tabulation Agent?
17. Do Members agree that transparent and extensive disclosure (including by way of a risk factor in a Prospectus, where appropriate) of the scope and potential implications of the Standard Aggregated CACs would be an important legal safeguard and enhance market understanding?
18. ICMA would welcome thoughts on the mechanisms for establishing a Noteholders' Committee. Would Members agree that it would be appropriate to update ICMA's current form of Noteholders' Committee provision further to operate outside the confines of one series of Notes only in order to allow representation across multiple series of debt securities?

## **PROPOSAL ON STANDARD AGGREGATED CACS**

19. The proposed new ICMA Standard Aggregated CACs for sovereign notes, as amended in this Consultation Paper Supplement to include a single limb voting aggregation mechanism, are set out in Part A of the Schedule attached hereto.
20. A blackline of the ICMA Standard Aggregated Collective Action Clauses is set out in Part B of the Schedule attached hereto, showing the amendments that have been made to the wording proposed in the Original Consultation Paper, for ease of reference.



## SCHEDULE

### PART A

*Consultation Draft  
June 2014*

#### **DRAFT ICMA MODEL STANDARD AGGREGATED CACS**

#### **STANDARD AGGREGATED COLLECTIVE ACTION CLAUSES (CACS) FOR THE TERMS AND CONDITIONS OF SOVEREIGN NOTES**

##### **[•] MEETINGS OF NOTEHOLDERS; WRITTEN RESOLUTIONS**

##### **(a) Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions**

- (i) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Bond Documentation. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Issuer or the [Fiscal Agent/Trustee/other bondholder representative] will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Bond Documentation and described in paragraph (h) (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the [Fiscal Agent/Trustee/other bondholder representative (with a copy to the Issuer)] setting out the purpose of the meeting. The [Fiscal Agent/Trustee/other bondholder representative] will agree the time and place of the meeting with the Issuer promptly. The Issuer or the [Fiscal Agent/Trustee/other bondholder representative], as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 30 and not more than 60 days after the date on which such notification is given.
- (iii) The Issuer (with the agreement of the [Fiscal Agent/Trustee/other bondholder representative]) will set the procedures governing the conduct of any meeting in accordance with the Bond Documentation. If the Bond Documentation does not include such procedures, or additional procedures are required, the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] will agree such procedures as are customary in the market and in such a manner as

to facilitate the processing of any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

- (iv) The notice convening any meeting will specify, *inter alia*;
  - (A) the date, time and location of the meeting;
  - (B) the agenda and the text of any Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution or Multiple Series Two Limb Extraordinary Resolution to be proposed for adoption at the meeting;
  - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
  - (D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
  - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
  - (F) whether paragraph (c) (*Multiple Series Aggregation – Single Limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two Limb voting*) shall apply;
  - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
  - (H) the identity of the Aggregation Agent for any proposed modification or action to be voted on at the meeting; and
  - (I) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series modification or action will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) In addition, the [Fiscal Agency Agreement/Trust Deed/other bond documentation] contains provisions relating to Written Resolutions.
- (vi) A "record date" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary

Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

**(b) Modification of this Series of Notes only**

- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Bond Documentation may be made or taken if approved by an Extraordinary Resolution or a Written Resolution as set out below.
- (ii) An "Extraordinary Resolution" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*) by a majority of:
  - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
  - (B) in the case of a matter other than a Reserved Matter, at least 66 $\frac{2}{3}$  per cent. of the aggregate principal amount of the outstanding Notes which are represented at that meeting.
- (iii) A "Written Resolution" means a resolution in writing signed by or on behalf of the holders of:
  - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
  - (B) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (iv) Any Extraordinary Resolution duly passed or Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed a Written Resolution, as the case may be, and on all Couponholders.

**(c) Multiple Series Aggregation – Single limb voting**

- (i) If in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities issued by it and any related agreement governing the issuance of such debt securities, including the Notes, all of which contain (whether by inclusion, incorporation or otherwise) a multiple series aggregation provision analogous to and consistent with this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*), any modification of any provision of, or any action with respect to, the Notes may be made or taken if approved by a Multiple Series Single

Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that each of the Uniformly Applicable and Contiguous Maturities condition is satisfied.

- (ii) A "Multiple Series Single Limb Extraordinary Resolution" means a resolution considered at separate meetings of the holders of each affected series of debt securities, including the Notes, duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate).
- (iii) A "Multiple Series Single Limb Written Resolution" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of debt securities in accordance with the applicable bond documentation) which, when taken together, has been signed by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of debt securities, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed a Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of debt securities.
- (v) In this Condition [•] (*Meetings of Noteholders; Written Resolutions*) "debt securities" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year which includes or incorporates by reference this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*) or a provision substantially in these terms which provides for the instruments which include such a provision to be capable of being aggregated with other instruments.
- (vi) The "Uniformly Applicable" condition will be satisfied if:
  - (A) the holders of all series of affected debt securities are invited to exchange, convert, or substitute their debt securities, on the same

terms<sup>2</sup>, for (i) the same new instrument or other consideration or (ii) a new instrument or other consideration chosen by such holders from an identical menu of instruments or other consideration; or

(B) the amendments proposed to the terms and conditions of each series of affected debt securities would, following implementation of such amendments, result in the amended instruments having identical provisions.<sup>3</sup>

(vii) If, pursuant to this Condition [•] (*Meetings of Noteholders; Written Resolutions*), the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities (the 'Relevant Debt Instruments'), then the "Contiguous Maturity" condition will be satisfied if all series of debt securities issued by it with maturity dates between the earliest and the latest maturity dates of the Relevant Debt Instruments are included in that proposal and thereby subject to aggregation.

**(d) Multiple Series Aggregation – Two limb voting**

(i) If in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities issued by it and any related agreement governing the issuance of such debt securities, including the Notes, all of which contain (whether by inclusion, incorporation or otherwise) a multiple series aggregation provision analogous to and consistent with this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*), any modification of any provision of, or any action with respect to, the Notes may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A "Multiple Series Two Limb Extraordinary Resolution" means a resolution considered at separate meetings of the holders of each affected series of debt securities, including the Notes, duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*), as supplemented if necessary, which is passed by a majority of:

(A) at least  $66\frac{2}{3}$  per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate); and

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<sup>2</sup> Meaning the same offer on principal and the same offer on all accrued but unpaid interest (or other relevant financial features of the bonds) but does not replace the same offer on every dollar/euro - or other currency as applicable of principal and unpaid interest.

<sup>3</sup> This replicates (vi)(A) but in the context of the proposal by the Issuer being executed by way of amendments to the terms and conditions of each series of affected debt securities rather than an invitation to exchange, convert or substitute debt securities. In reality its application will be limited to circumstances where the affected debt securities had substantively similar terms initially and where holders of debt securities are being presented with one option only.

- (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).
- (iii) A "Multiple Series Two Limb Written Resolution" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of debt securities in accordance with the applicable bond documentation) which, when taken together, has been signed by or on behalf of the holders of:
  - (A) at least  $66\frac{2}{3}$  per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of debt securities (taken in aggregate); and
  - (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of debt securities, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed a Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of debt securities.
- (v) In this Condition [•] (*Meetings of Noteholders; Written Resolutions*) "debt securities" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year which includes or incorporates by reference this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*) or a provision substantially in these terms which provides for the instruments which include such a provision to be capable of being aggregated voting with other instruments.

(e) **Quorum**

(i) *Single Series Extraordinary Resolution Quorum Requirement*

The quorum at any meeting of Noteholders convened to vote on an Extraordinary Resolution will be:

- (A) one or more persons present and holding or representing at least 50 per cent. of the aggregate principal amount of the outstanding Notes; or

- (B) where a meeting is adjourned and rescheduled owing to the lack of a quorum, at any rescheduled meeting of Noteholders, one or more persons present and holding or representing at least 25 per cent. of the aggregate principal amount of the outstanding Notes;

*provided, however,* that any proposals relating to a Reserved Matter may only be approved by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons present and holding or representing at least 75 per cent. of the aggregate principal amount of the outstanding Notes form a quorum.

(ii) *Multiple Series Two Limb Extraordinary Resolution Quorum Requirement*

The quorum at any meeting of Noteholders convened to vote on a Multiple Series Two Limb Extraordinary Resolution will be one or more persons present and holding or representing at least  $66\frac{2}{3}$  per cent. of the aggregate principal amount of the outstanding Notes.

(f) **Reserved Matters**

In these Conditions, "**Reserved Matter**" means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (iii) to change the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution, a Multiple Series Two Limb Extraordinary Resolution, a Written Resolution, a Multiple Series Single Limb Written Resolution, a Multiple Series Two Limb Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (iv) to change this definition, or the definition of "Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Multiple Series Single Limb Written Resolution", "Multiple Series Two Limb Written Resolution", "Uniformly Applicable" or "Contiguous Maturity";
- (v) to change the definition of "outstanding" or paragraph (h) (*Notes controlled by the Issuer*);

- (vi) to change the legal ranking of the Notes [or other specified substantive covenants as appropriate, to be determined on a case-by-case basis];
- (vii) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition [•] (*Events of Default*) [if any];
- (viii) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition [•] (*Governing Law and Jurisdiction*);
- (ix) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other Person;
- (x) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes;
- (xi) to modify the provisions of this paragraph (f) (*Reserved Matters*);
- (xii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security;
- (xiii) to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
  - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
  - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(g) **Information**

Prior to seeking the consent of any Noteholder to any modification to the terms and conditions of, or any action with respect to, debt securities issued by the Issuer pursuant to this Condition [•] (*Meetings of Noteholders; Written Resolutions*) the Issuer shall, publish in accordance with Condition [•] (*Aggregate Agent; Aggregation Procedures*) and provide the [Fiscal Agent/Trustee/other bondholder representative] with, *inter alia*, the following information:

- (i) any debt sustainability analysis and reasonable details as to the Issuer's economic and financial circumstances which, in each case, are, in the Issuer's

opinion, relevant to the circumstances leading to such potential modification or action;

- (ii) a description of the Issuer's proposed treatment of its other major creditor groups (including, where appropriate, but not limited to, Paris Club creditors, other bilateral creditors and domestic holders of internal and other external debt securities) in connection with the Issuer's efforts to address the situation giving rise to the underlying circumstances; and
- (iii) details of any proposed financial assistance from the International Monetary Fund (including any related technical memorandum), other multilateral lenders or official lenders and any conditionality related to such financial assistance subject to any applicable information disclosure policies of the International Monetary Fund and such other lenders, as the case may be.

(h) **Claims Valuation**

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with paragraph (c) (*Multiple Series Aggregation – Single Limb voting*), so as to determine whether the Uniformly Applicable condition has been satisfied, the Issuer may appoint a Calculation Agent. The Issuer may also, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities, and the same methodology will be promulgated.

(i) **Manifest error, etc.**

The Notes, these Conditions and the provisions of the Bond Documentation may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Bond Documentation may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

(j) **Notes controlled by the Issuer**

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, whether a quorum is present at any meeting of Noteholders, or the right to sign, or authorise the signature of, any Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution [and] (ii) this Condition [•] (*Meetings of Noteholders; Written Resolutions*) [and (iii) Condition [•] (*Events of Default*)], those Notes (if any) which are held in circumstances where the Issuer has the power to direct the casting of votes in respect of such Notes, whether directly or indirectly, shall (unless and until ceasing to be so held) be disregarded and be deemed not to remain outstanding. Without prejudice to the generality of the previous sentence, the Issuer shall be deemed to have the power to direct the casting of votes in respect of a Note if the Note is held by or on behalf of

the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer, where:

- (i) "**public sector instrumentality**" means [*insert name of central bank [and any other governmental agency which it is desirable to mention]*], any [other] department, ministry or agency of the government of [*insert name of country*] or any corporation, trust, financial institution or other entity owned or controlled by the government of [*insert name of country*] or any of the foregoing; and
- (ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, the Issuer shall provide to the [Fiscal Agent/Trustee/other bondholder representative] a copy of the certificate prepared pursuant to paragraph (e) (*Certificate*) of Condition [•] (*Aggregation Agent; Aggregation Procedures*), which includes information on the total number of Notes which are held in circumstances where the Issuer has, at the date of such certificate, the power to direct the casting of votes in respect of such Notes and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution in respect of any such meeting. The [Fiscal Agent/Trustee/other bondholder representative] shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

(k) **Publication**

The Issuer shall publish all Extraordinary Resolutions, Multiple Series Single Limb Extraordinary Resolutions, Multiple Series Two Limb Extraordinary Resolutions, Written Resolutions, Multiple Series Single Limb Written Resolutions and Multiple Series Two Limb Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with paragraph (h) (*Manner of Publication*) of Condition [•] (*Aggregation Agent; Aggregation Procedures*).

**(l) Exchange and Conversion**

Any Extraordinary Resolutions, Multiple Series Single Limb Extraordinary Resolutions, Multiple Series Two Limb Extraordinary Resolutions, Written Resolutions, Multiple Series Single Limb Written Resolutions or Multiple Series Two Limb Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and debt securities in each affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

**[•] AGGREGATION AGENT; AGGREGATION PROCEDURES**

**(a) Appointment**

The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision, or any action in respect of these Conditions or the Bond Documentation and each other affected series of debt securities or any related agreement governing the issuance of such debt securities.

**(b) Quorate Meetings**

If any meeting of Noteholders has been duly convened under these Conditions for Noteholders to vote on an Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, the Aggregation Agent will, as soon as reasonably practicable following the commencement of the meeting, calculate whether holders of a sufficient portion of the outstanding Notes are present or represented at each relevant meeting such that it is quorate.

**(c) Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution and Multiple Series Two Limb Extraordinary Resolution**

If an Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution or Multiple Series Two Limb Extraordinary Resolution has been proposed at a duly convened and quorate meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution, the Multiple Series Single Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, such that the Extraordinary Resolution, the Multiple Series Single Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution, Multiple Series Single

Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, has been duly passed.

**(d) Written Resolution, Multiple Series Single Limb Written Resolution and Multiple Series Two Limb Written Resolution**

If a Written Resolution, a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution has been signed, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed in favour of the Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, as the case may be, such that the Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, as the case may be, is passed. If so, the Aggregation Agent will determine that the Written Resolution, the Multiple Series Single Limb Written Resolution or the Multiple Series Two Limb Written Resolution, as the case may be, has been duly passed.

**(e) Certificate**

For the purposes of paragraph (b) (*Quorate Meetings*), paragraph (c) (*Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution and Multiple Series Two Limb Extraordinary Resolution*) and paragraph (d) (*Extraordinary Resolution, Multiple Series Single Limb Written Resolution and Multiple Series Two Limb Written Resolution*) of this Condition [•] (*Aggregation Agent; Aggregation Procedures*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to and in any case no later than, in the case of an Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, as the case may be, the date of the meeting referred to in paragraph (b) (*Modification of this Series of Notes only*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*), paragraph (c) (*Multiple Series Aggregation – Single Limb Voting*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*) and paragraph (d) (*Multiple Series Aggregation – Two Limb Voting*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*), and, in the case of a Written Resolution, a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution, as the case may be, on the date arranged for the signing of the Written Resolution, the Multiple Series Single Limb Written Resolution or the Multiple Series Two Limb Written Resolution.

The certificate shall:

- (i) list the total principal amount of Notes and, in the case of a multiple series modification or action, debt securities of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Notes and, in the case of a multiple series modification or action, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (h) (*Notes controlled by the Issuer*) of Condition [•] (*Meetings of*

*Noteholders; Written Resolutions*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

**(f) Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition [•] (*Aggregation Agent; Aggregation Procedures*) to be notified to the [Fiscal Agent/Trustee/other bondholder representative] and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

**(g) Binding nature of determinations; no liability**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Aggregation Agent will (in the absence of manifest error) be binding on the Issuer, the [Fiscal Agent/Trustee/other bondholder representative], the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**(h) Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to the Bond Documentation including any matters required to be published pursuant to Condition [•] (*Meetings of Noteholders; Written Resolutions*), this Condition [•] (*Aggregation Agent; Aggregation Procedures*), Condition [•] (*Noteholders' Committee*) and Condition [•] (*Events of Default*):

- (i) on [*the Issuer's website*];
- (ii) through [*insert international and domestic (if relevant) clearing system*];
- (iii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iv) in such other places and in such other manner as may be customary.

## SUPPLEMENTARY PROVISIONS

### NOTEHOLDERS' COMMITTEE

#### (a) Appointment

- (i) Noteholders of at least 33 $\frac{1}{3}$  per cent. in aggregate principal amount of the outstanding Notes or the Issuer may at any time instruct the [Fiscal Agent/Trustee/other bondholder representative] to convene a meeting of the Noteholders for the purpose of appointing any person or persons as a committee to represent the interests of the Noteholders in accordance with paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*) above and the Bond Documentation.

The Noteholders may:

- (A) by a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Bond Documentation, by a majority of at least 25 per cent. in aggregate principal amount of the Notes then outstanding, or
- (B) by notice in writing to the Issuer (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]) signed by or on behalf of the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding,

appoint any person or persons as a committee to represent the interests of the Noteholders if any of the following events has occurred:

- (1) an Event of Default under Condition [•] (*Events of Default*);
  - (2) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition [•] (*Events of Default*) become an Event of Default;
  - (3) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes (whether by amendment, exchange offer or otherwise); or
  - (4) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes are outstanding.
- (ii) Such committee shall, if appointed by notice in writing to the Issuer, give notice of its appointment to all Noteholders in accordance with Condition [•] (*Notices*) as soon as practicable after the notice is delivered to the Issuer; and if appointed by a resolution passed at a meeting of Noteholders, give notice of its appointment to the Issuer and the [Fiscal Agent/Trustee/other bondholder representative]) as soon as practicable after the resolution is passed.

**(b) Powers**

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this paragraph (b) (*Powers*), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

**(c) Engagement with the committee and provision of information**

The Issuer shall:

- (i) negotiate with the committee in good faith;
- (i) provide the committee with a description of the Issuer's proposed treatment of its other major creditor groups (including, where appropriate, but not limited to, Paris Club creditors, other bilateral creditors and domestic holders of internal and other external debt securities) in connection with the Issuer's efforts to address the situation giving rise to the underlying circumstances;
- (iii) provide the committee with details of any proposed financial assistance from the International Monetary Fund (including any related technical memorandum), other multilateral lenders or official lenders and any conditionality related to such financial assistance subject to any applicable information disclosure policies of the International Monetary Fund and such other lenders, as the case may be; and
- (iv) pay any reasonable fees and expenses of any such committee following receipt of a reasonably detailed invoice and supporting documentation (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any).

**(d) Certification**

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the [Fiscal Agent/Trustee/other bondholder representative] signed by the authorised representatives of the Members, upon which the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;

- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the Bond Documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] may rely on conclusively, will be delivered to the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] identifying the new Members. Each of the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] will assume that the membership of the committee has not changed unless and until it has received a new certificate.

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a committee with any person or persons appointed for similar purposes by other affected series of debt securities.

## **[•] EVENTS OF DEFAULT**

### **(a) Declaration of Acceleration**

If any of the following events (each an "**Event of Default**") occurs and is continuing:

*[Insert Events of Default]*

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing to the Issuer (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

### **(b) Withdrawal of Declaration of Acceleration**

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall, give notice thereof to the Noteholders (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

## PART B

Consultation Draft  
~~December 2013~~ June 2014

### DRAFT ICMA MODEL STANDARD AGGREGATED CACS

#### STANDARD AGGREGATED COLLECTIVE ACTION CLAUSES (CACS) FOR THE TERMS AND CONDITIONS OF SOVEREIGN NOTES

##### [•] MEETINGS OF NOTEHOLDERS; WRITTEN RESOLUTIONS

###### (a) Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (i) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Bond Documentation. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than ~~30~~21 and not more than ~~60~~45 days before the meeting.
- (ii) The Issuer or the [Fiscal Agent/Trustee/other bondholder representative] will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Bond Documentation and described in paragraph (h) (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer or the [Fiscal Agent/Trustee/other bondholder representative] (with a copy to the Issuer) setting out the purpose of the meeting. The [Fiscal Agent/Trustee/other bondholder representative] will agree the time and place of the meeting with the Issuer promptly. The Issuer or the [Fiscal Agent/Trustee/other bondholder representative], as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 30 and not more than 60 days after the date on which such notification is given.
- (iii) The Issuer (with the agreement of the [Fiscal Agent/Trustee/other bondholder representative]) will set the procedures governing the conduct of any meeting in accordance with the Bond Documentation. If the Bond Documentation does not include such procedures, or additional procedures are required, the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] will agree such procedures as are customary in the market and in such a manner as to facilitate the processing of any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

- (iv) The notice convening any meeting will specify, *inter alia*;
- (A) the date, time and location of the meeting;
  - (B) the agenda and the text of any Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution or Multiple Series Two Limb Extraordinary Resolution to be proposed for adoption at the meeting;
  - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
  - (D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
  - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
  - ~~(F)~~ whether paragraph (c) (Multiple Series Aggregation – Single Limb voting) or paragraph (d) (Multiple Series Aggregation – Two Limb voting) shall apply;
  - ~~(G)~~ if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
  - ~~(F)~~(H) the identity of the Aggregation Agent for any proposed modification or action to be voted on at the meeting; and
  - ~~(G)~~(I) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series modification or action will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- ~~(v)~~ In addition, the [Fiscal Agency Agreement/Trust Deed/other bond documentation] contains provisions relating to Written Resolutions.
- ~~(v)~~(vi) A "record date" in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(b) **Modification of this Series of Notes only**

- (i) Any modification of any provision of, or any action in respect of, these Conditions or the Bond Documentation may be made or taken if approved by an Extraordinary Resolution or a Written Resolution as set out below.
- (ii) An "Extraordinary Resolution" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*) by a majority of:
  - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
  - (B) in the case of a matter other than a Reserved Matter, at least 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding Notes which are represented at that meeting.
- (iii) A "Written Resolution" means a resolution in writing signed by or on behalf of the holders of:
  - (A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
  - (B) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

Any Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (iv) Any Extraordinary Resolution duly passed or Written Resolution ~~duly passed~~approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed a Written Resolution, as the case may be, and on all Couponholders.

(c) **Multiple Series Aggregation – Single limb voting**

- (i) If in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities issued by it and any related agreement governing the issuance of such debt securities, including the Notes, all of which contain (whether by inclusion, incorporation or otherwise) a multiple series aggregation provision analogous to and consistent with this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*), any modification of any provision of, or any action with respect to, the Notes may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written

Resolution as set out below, provided that each of the Uniformly Applicable and Contiguous Maturities condition is satisfied.

- (ii) A "Multiple Series Single Limb Extraordinary Resolution" means a resolution ~~passed~~considered at separate meetings of the holders of each affected series of debt securities, including the Notes, duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*), as supplemented if necessary, ~~by a majority of:~~which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate).

~~(A) at least 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate); and~~

~~(B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).~~

- ~~(iii)~~ A "Multiple Series Single Limb Written Resolution" means ~~a~~each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of debt securities in accordance with the applicable bond documentation) which, when taken together, has been signed by or on behalf of the holders of:

~~(A) at least 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of debt securities (taken in aggregate); and~~

~~(B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).~~

- (iii) at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

(iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution ~~duly passed~~approved shall be binding on all Noteholders and holders of each other affected series of debt securities, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed a Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of debt securities.

~~(v) Separate meetings will be convened and held, or a separate Multiple Series Written Resolution signed, in relation to the proposed modification of any provision of, or any action in respect of, the Notes and the proposed modification of any provision of, or any action in respect of, each other series of affected debt securities at the same time or as soon as practicable after each other meeting or signing, as the case may be, in accordance with the Bond Documentation relevant to the Notes and each such other series of affected debt securities.~~

~~(vi)~~(v) In this Condition [**•**] (*Meetings of Noteholders; Written Resolutions*) "debt securities" means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year which includes or incorporates by reference this Condition [**•**] (*Meetings of Noteholders; Written Resolutions*) and Condition [**•**] (*Aggregation Agent; Aggregation Procedures*) or a provision substantially in these terms which provides for the instruments which include such a provision to be capable of being aggregated ~~voting~~ with other instruments.

~~(d) Partial Multiple Series Aggregation~~

~~(i) Subject to (ii) below, if:~~

~~(vi) a~~ The "Uniformly Applicable" condition will be satisfied if:

(A) the holders of all series of affected debt securities are invited to exchange, convert, or substitute their debt securities, on the same terms<sup>1</sup>, for (i) the same new instrument or other consideration or (ii) a new instrument or other consideration chosen by such holders from an identical menu of instruments or other consideration; or

(B) the amendments proposed ~~modification or action~~ to the terms and conditions of each series of affected debt securities would, following implementation of such amendments, result in ~~respect of two or more affected series of debt securities (including the Notes) is not approved~~

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<sup>1</sup> Meaning the same offer on principal and the same offer on all accrued but unpaid interest (or other relevant financial features of the bonds) but does not replace the same offer on every dollar/euro - or other currency as applicable of principal and unpaid interest.

~~in relation to a Reserved Matter in accordance with the amended instruments having identical provisions.<sup>2</sup>~~

~~(A)(vii)~~ If, pursuant to this Condition [•] (*Meetings of Noteholders; Written Resolutions*); ~~but~~), the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities (the 'Relevant Debt Instruments'), then the "Contiguous Maturity" condition will be satisfied if all series of debt securities issued by it with maturity dates between the earliest and the latest maturity dates of the Relevant Debt Instruments are included in that proposal and thereby subject to aggregation.

(d) **Multiple Series Aggregation – Two limb voting**

(i) If in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or any action with respect to, two or more series of debt securities issued by it and any related agreement governing the issuance of such debt securities, including the Notes, all of which contain (whether by inclusion, incorporation or otherwise) a multiple series aggregation provision analogous to and consistent with this Condition [•] (*Meetings of Noteholders; Written Resolutions*) and Condition [•] (*Aggregation Agent; Aggregation Procedures*), any modification of any provision of, or any action with respect to, the Notes may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A "Multiple Series Two Limb Extraordinary Resolution" means a resolution considered at separate meetings of the holders of each affected series of debt securities, including the Notes, duly convened and held in accordance with the procedures prescribed by the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] pursuant to paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*), as supplemented if necessary, which is passed by a majority of:

(A) at least 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of debt securities (taken in aggregate); and

(B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).

~~(iii) any such proposed modification~~ A "Multiple Series Two Limb Written Resolution" means each resolution in writing (with a separate resolution in writing or ~~action would have~~ multiple separate resolutions in writing

<sup>2</sup> This replicates (vi)(A) but in the context of the proposal by the Issuer being executed by way of amendments to the terms and conditions of each series of affected debt securities rather than an invitation to exchange, convert or substitute debt securities. In reality its application will be limited to circumstances where the affected debt securities had substantively similar terms initially and where holders of debt securities are being presented with one option only.

distributed to the holders of each affected series of debt securities in accordance with the applicable bond documentation) which, when taken together, has been signed by or on behalf of the holders of:

- (A) at least 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of debt securities (taken in aggregate); and
- (B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of debt securities (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

- ~~(B)(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved if the proposed modification or action had involved only the Notes and one or more, but less than all, of the shall be binding on all Noteholders and holders of each other affected series of debt securities included in the proposed modification or action, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed a Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders of each other affected series of debt securities.~~

~~that modification or action shall be deemed to have been approved, notwithstanding~~In this Condition [•] (Meetings of Noteholders; Written Resolutions), in relation to the Notes and the ) "debt securities of those"means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series affected by the proposed modification or action with an original stated maturity of more than one year which approved the said modification or action as required pursuant to includes or incorporates by reference this Condition [•] (Meetings of Noteholders; Written Resolutions) and Condition [•] (Aggregation Agent; Aggregation Procedures) or a provision substantially in these terms and conditions.

- ~~(ii) Paragraph (i) above only applies if:~~

- ~~(A) the Issuer notifies the Noteholders and the holders of each which provides for the instruments which include such a provision to be capable of being aggregated voting with other affected series of debt securities at the time the modification or action is proposed whether and, if so, under what conditions, such modification or action will be deemed to have been approved if it is approved as set out above in relation to the Notes and some, but not all, of the other series of debt securities; and~~

~~(B)(v) these conditions are satisfied in connection with the proposed modification or action instruments.~~

(e) **Quorum**

(i) *Single Series Extraordinary Resolution Quorum Requirement*

The quorum at any meeting of Noteholders convened to vote on an Extraordinary Resolution will be:

- (A) one or more persons present and holding or representing at least 50 per cent. of the aggregate principal amount of the outstanding Notes; or
- (B) where a meeting is adjourned and rescheduled owing to the lack of a quorum, at any rescheduled meeting of Noteholders, one or more persons present and holding or representing at least 25 per cent. of the aggregate principal amount of the outstanding Notes;

*provided, however,* that any proposals relating to a Reserved Matter may only be approved by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons present and holding or representing at least 75 per cent. of the aggregate principal amount of the outstanding Notes form a quorum.

(ii) *Multiple Series Two Limb Extraordinary Resolution Quorum Requirement*

The quorum at any meeting of Noteholders convened to vote on a Multiple Series Two Limb Extraordinary Resolution will be one or more persons present and holding or representing at least  $66\frac{2}{3}$  per cent. of the aggregate principal amount of the outstanding Notes.

(f) **Reserved Matters**

In these Conditions, "**Reserved Matter**" means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (iii) to change the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution, a Multiple Series Two Limb Extraordinary Resolution, a Written Resolution, a Multiple Series Single Limb Written Resolution, a Multiple Series Two Limb Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be

cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

- (iv) to change this definition, or the definition of "Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution" ~~"or "~~, "Multiple Series Single Limb Written Resolution", "Multiple Series Two Limb Written Resolution", "Uniformly Applicable" or "Contiguous Maturity";
- (v) to change the definition of "outstanding" or paragraph (h) (*Notes controlled by the Issuer*);
- (vi) to change the legal ranking of the Notes [or other specified substantive covenants as appropriate, to be determined on a case-by-case basis];
- (vii) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition [•] (*Events of Default*) [if any];
- (viii) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition [•] (*Governing Law and Jurisdiction*);

(ix) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other Person;

~~(ix)(i) to modify the provisions of this paragraph (f) (*Reserved Matters*);~~

- (x) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes;

(xi) to modify the provisions of this paragraph (f) (*Reserved Matters*);

~~(xi)~~(xii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; ~~or~~

~~(xii)~~(xiii) to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the ~~holders of Notes~~Noteholders which are subject to the Conditions as so modified than:

- (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

- (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(g) Information

Prior to seeking the consent of any Noteholder to any modification to the terms and conditions of, or any action with respect to, debt securities issued by the Issuer pursuant to this Condition [•] (Meetings of Noteholders; Written Resolutions) the Issuer shall, publish in accordance with Condition [•] (Aggregate Agent; Aggregation Procedures) and provide the [Fiscal Agent/Trustee/other bondholder representative] with, *inter alia*, the following information:

- (i) any debt sustainability analysis and reasonable details as to the Issuer's economic and financial circumstances which, in each case, are, in the Issuer's opinion, relevant to the circumstances leading to such potential modification or action;
- (ii) a description of the Issuer's proposed treatment of its other major creditor groups (including, where appropriate, but not limited to, Paris Club creditors, other bilateral creditors and domestic holders of internal and other external debt securities) in connection with the Issuer's efforts to address the situation giving rise to the underlying circumstances; and
- (iii) details of any proposed financial assistance from the International Monetary Fund (including any related technical memorandum), other multilateral lenders or official lenders and any conditionality related to such financial assistance subject to any applicable information disclosure policies of the International Monetary Fund and such other lenders, as the case may be.

(h) Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with paragraph (c) (Multiple Series Aggregation – Single Limb voting), so as to determine whether the Uniformly Applicable condition has been satisfied, the Issuer may appoint a Calculation Agent. The Issuer may also, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities, and the same methodology will be promulgated.

~~(g)~~ (i) Manifest error, etc.

The Notes, these Conditions and the provisions of the Bond Documentation may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Bond Documentation may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the

Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

~~(h)~~(j) **Notes controlled by the Issuer**

For the purposes of (i) determining the right to attend and vote at any meeting of Noteholders, whether a quorum is present at any meeting of Noteholders, or the right to sign, or authorise the signature of, any Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution [and] (ii) this Condition [•] (*Meetings of Noteholders; Written Resolutions*) [and] (iii) Condition [•] (*Events of Default*), those Notes (if any) which are held in circumstances where the Issuer has the power to direct the casting of votes in respect of such Notes, whether directly or indirectly, shall (unless and until ceasing to be so held) be disregarded and be deemed not to remain outstanding. Without prejudice to the generality of the previous sentence, the Issuer shall be deemed to have the power to direct the casting of votes in respect of a Note if the Note is held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer, where:

- (i) **"public sector instrumentality"** means [*insert name of central bank [and any other governmental agency which it is desirable to mention]*], any [other] department, ministry or agency of the government of [*insert name of country*] or any corporation, trust, financial institution or other entity owned or controlled by the government of [*insert name of country*] or any of the foregoing; and
- (ii) **"control"** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, the Issuer shall provide to the [Fiscal Agent/Trustee/other bondholder representative] a copy of the certificate prepared pursuant to paragraph (e) (*Certificate*) of Condition [•] (*Aggregation Agent: Aggregation Procedures*), which includes information on the total number of Notes which are held in circumstances where the Issuer has, at the date of such certificate, the power to direct the casting of votes in respect of such Notes and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two

Limb Written Resolution in respect of any such meeting. The [Fiscal Agent/Trustee/other bondholder representative] shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

#### **⊕(k) Publication**

The Issuer shall publish all Extraordinary Resolutions, Multiple Series Single Limb Extraordinary Resolutions, Multiple Series Two Limb Extraordinary Resolutions, Written Resolutions, Multiple Series Single Limb Written Resolutions and Multiple Series Two Limb Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with paragraph (h) (*Manner of Publication*) of Condition [•] (*Aggregation Agent: Aggregation Procedures*).

#### **⊕(l) Exchange and Conversion**

Any Extraordinary Resolutions, Multiple Series Single Limb Extraordinary Resolutions, Multiple Series Two Limb Extraordinary Resolutions, Written Resolutions, Multiple Series Single Limb Written Resolutions or Multiple Series Two Limb Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and debt securities in each affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

### **[•] AGGREGATION AGENT: AGGREGATION PROCEDURES**

#### **(a) Appointment**

The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision, or any action in respect of these Conditions or the Bond Documentation and each other affected series of debt securities or any related agreement governing the issuance of such debt securities.

#### **(b) Quorate Meetings**

If any meeting of Noteholders has been duly convened under these Conditions for Noteholders to vote on an Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, the Aggregation Agent will, as soon as reasonably practicable following the commencement of the meeting, calculate whether holders of a sufficient portion of the outstanding Notes are present or represented at each relevant meeting such that it is quorate.

(c) **Extraordinary Resolution—~~and~~, Multiple Series Single Limb Extraordinary Resolution and Multiple Series Two Limb Extraordinary Resolution**

If an Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution or Multiple Series Two Limb Extraordinary Resolution has been proposed at a duly convened and quorate meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution—~~or~~, the Multiple Series Single Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, such that the Extraordinary Resolution, the Multiple Series Single Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution, Multiple Series Single Limb Extraordinary Resolution or the Multiple Series Two Limb Extraordinary Resolution, as the case may be, has been duly passed.

(d) **Written Resolution, Multiple Series Single Limb Written Resolution and Multiple Series Two Limb Written Resolution**

If a Written Resolution, a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution has been signed, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed in favour of the Written Resolution—~~or~~, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, as the case may be, such that the Written Resolution, Multiple Series Single Limb Written Resolution or Multiple Series Two Limb Written Resolution, as the case may be, is passed. If so, the Aggregation Agent will determine that the Written Resolution, the Multiple Series Single Limb Written Resolution or the Multiple Series Two Limb Written Resolution, as the case may be, has been duly passed.

(e) **Certificate**

For the purposes of paragraph (b) (*Quorate Meetings*), paragraph (c) (*Extraordinary Resolution—~~and~~, Multiple Series Single Limb Extraordinary Resolution and Multiple Series Two Limb Extraordinary Resolution*) and paragraph (d) (*Extraordinary Resolution, Multiple Series Single Limb Written Resolution and Multiple Series Two Limb Written Resolution*) of this Condition [•] (*Aggregation Agent; Aggregation Procedures*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to and in any case no later than, in the case of an Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, as the case may be, the date of the meeting referred to in paragraph (b) (*Modification of this Series of Notes only*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*)—~~and~~, paragraph (c) (*Multiple Series Aggregation – Single Limb Voting*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*) and paragraph (d) (*Multiple Series Aggregation – Two Limb Voting*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*), and, in the case of a Written

Resolution, [a Multiple Series Single Limb Written Resolution](#) or a Multiple Series [Two Limb Written Resolution](#), as the case may be, on the date arranged for the signing of the Written Resolution, [the Multiple Series Single Limb Written Resolution](#) or the Multiple Series [Two Limb Written Resolution](#).

The certificate shall:

- (i) list the total principal amount of Notes and, in the case of a multiple series modification or action, debt securities of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Notes and, in the case of a multiple series modification or action, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (h) (*Notes controlled by the Issuer*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

**(f) Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition [•] (*Aggregation Agent; [Aggregation Procedures](#)*) to be notified to the [Fiscal Agent/Trustee/other bondholder representative] and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

**(g) Binding nature of determinations; no liability**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Aggregation Agent will (in the absence of manifest error) be binding on the Issuer, the [Fiscal Agent/Trustee/other bondholder representative], the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

**(h) Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to the Bond Documentation including any matters required to be published pursuant to Condition [•] (*Meetings of Noteholders; Written Resolutions*), this Condition [•] (*Aggregation Agent; [Aggregation Procedures](#)*), Condition [•] (*Noteholders' Committee*) and Condition [•] (*Events of Default*):

- (i) on [*the Issuer's website*];
- (ii) through [*insert international and domestic (if relevant) clearing system*];

- (iii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iv) in such other places and in such other manner as may be customary.

## SUPPLEMENTARY PROVISIONS

### NOTEHOLDERS' COMMITTEE

#### (a) Appointment

(i) Noteholders of at least 33⅓ per cent. in aggregate principal amount of the outstanding Notes or the Issuer may at any time instruct the [Fiscal Agent/Trustee/other bondholder representative] to convene a meeting of the Noteholders for the purpose of appointing any person or persons as a committee to represent the interests of the Noteholders in accordance with paragraph (a) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders*) of Condition [•] (*Meetings of Noteholders; Written Resolutions*) above and the Bond Documentation.

The Noteholders may ~~;~~:

(A) by a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Bond Documentation, by a majority of at least 25 per cent. in aggregate principal amount of the Notes then outstanding, or

(B) by notice in writing to the Issuer (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]) signed by or on behalf of the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding,

appoint any person or persons as a committee to represent the interests of the Noteholders if any of the following events has occurred:

- (i1) an Event of Default under Condition [•] (*Events of Default*);
- (ii2) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition [•] (*Events of Default*) become an Event of Default;
- (iii3) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes (whether by amendment, exchange offer or otherwise); or
- (iv4) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes are outstanding.

(ii) Such committee shall, if appointed by notice in writing to the Issuer, give notice of its appointment to all Noteholders in accordance with ~~paragraph (h) (*Manner of publication*) of~~ Condition [•] (*Aggregation Agent Notices*) as soon as practicable after the notice is delivered to the Issuer; and if appointed by a resolution passed at a meeting of Noteholders, give notice of its appointment to the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] ~~in accordance with paragraph (h) (*Manner of publication*) of Condition [•] (*Aggregation Agent*)~~ as soon as practicable after the resolution is passed.

## (b) Powers

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this paragraph (b) (*Powers*), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

## (c) Engagement with the committee and provision of information

The Issuer shall:

- ~~(i) recognise any such committee as being fully representative;~~
- ~~(ii)~~ (i) negotiate with the committee in good faith;
- ~~(iii) promptly provide the committee with all information, including any debt sustainability analysis and details as to the Issuer's economic and financial circumstances, reasonably requested by the committee;~~
- ~~(iv) promptly~~ (i) provide the committee with a description of the Issuer's proposed treatment of its other major creditor groups (including, where appropriate, but not limited to, Paris Club creditors, other bilateral creditors and domestic holders of internal and other external debt securities); in connection with the Issuer's efforts to address the situation giving rise to the underlying circumstances;
- ~~(v) promptly~~ (ii) provide the committee with details of any proposed financial assistance from the International Monetary Fund, (including any related technical memorandum), other multilateral lenders or official lenders and any conditionality related to such financial assistance and subject to any applicable information disclosure policies of the International Monetary Fund and such other lenders, as the case may be; and
- ~~(vi)~~ (iv) pay any reasonable fees and expenses of any such committee following receipt of a reasonably detailed invoice and supporting documentation (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any).

## (d) Certification

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the [Fiscal

Agent/Trustee/other bondholder representative] signed by the authorised representatives of the Members, upon which the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the Members; and
- (iii) that such appointment complies with the terms and conditions of the Bond Documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] may rely on conclusively, will be delivered to the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] identifying the new Members. Each of the Issuer and the [Fiscal Agent/Trustee/other bondholder representative] will assume that the membership of the committee has not changed unless and until it has received a new certificate.

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a committee with any person or persons appointed for similar purposes by other affected series of debt securities.

## [•] EVENTS OF DEFAULT

### (a) **Declaration of Acceleration**

If any of the following events (each an "**Event of Default**") occurs and is continuing:

*[Insert Events of Default]*

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing to the Issuer (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

### (b) **Withdrawal of Declaration of Acceleration**

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall, give notice thereof to the Noteholders (with a copy to the [Fiscal Agent/Trustee/other bondholder representative]), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.