

THIS DIRECT DEBIT AGREEMENT (hereinafter the "**Agreement**") is dated 5th July 2013 and made in Sofia, the Republic of Bulgaria between:

(1) **TBL EOOD**, a single shareholder limited liability company, incorporated and validly existing under the laws of Bulgaria, registered in the Commercial Registry with the Bulgarian Registry Agency with UIC 106588084, having its registered office and address of management at 1 Sveti Ivan Rilski Square, 2300 Pernik, Pernik Municipality, Pernik District, Bulgaria (hereinafter referred to as "**the Client**"), represented by Mr Dimitar Yordanov Ivanov in his capacity as a General Manager;

(2) **UNICREDIT BULBANK AD**, a commercial bank incorporated under the laws of the Republic of Bulgaria with its registered office at 7 Sveta Nedelia square, 1000 Sofia, Bulgaria registered with the Commercial Registry with the Registry Agency with UIC 831919536 (hereinafter referred to as "**the Bank**"), represented by Ms Radostina Radeva, acting as a proxy of the Bank pursuant to a notarized power of attorney with reg.number 2537/2010 and 2538/2010 of notary public Poelina Tihova, reg. number 056 with the Notary Chamber and Ms Tatyana Dimova, acting as a proxy of the Bank pursuant to a notarised power of attorney with reg. number 4594/2010 and 4595/2010 of notary public Poelina Tihova, reg. number 056 with the Notary Chamber;

(3) **MECHEL INTERNATIONAL HOLDINGS GMBH**, a company incorporated in Switzerland under registration number CH-170.3.025.255-2 with its registered office address at: Oberdorfstrasse 11, 6340 Baar, Switzerland (hereinafter referred to as "**the Agent**"), represented by Pavel M. Petukhov, citizen of the Russian Federation, born on 28 December 1978, holder of passport No. 53 03 16643, issued by Ministry of Foreign Affairs 07701 on 18 January 2013, acting as a proxy pursuant to a notarized power of attorney by virtue of a power of attorney signed on 2 July 2013 by Irina Pankratova Girschweiler, in her capacity of President of the managing Officers, and certified by Felix Kappeler, in the capacity of notary public, on 3 July 2013 and apostille No. 8157/13 dated 3 July 2013; and

(4) **MECHEL CARBON AG**, a company incorporated in Switzerland under registration number CH-170.3.032.036-7 with its registered office address at Oberdorfstrasse 11, 6340 Baar, Switzerland (hereinafter referred to as "**the MC**"), represented by Pavel M. Petukhov, citizen of the Russian Federation, born on 28 December 1978, holder of passport No. 53 03 16643, issued by Ministry of Foreign Affairs 07701 on 18 January 2013, acting as a proxy pursuant to a notarized power of attorney by virtue of a power of attorney signed on 2 July 2013 by Irina Pankratova Girschweiler, in her capacity of President of the managing Officers, and certified by Felix Kappeler, in the capacity of notary public, on 3 July 2013 and apostille No. 8157/13 dated 3 July 2013.

and hereinafter jointly referred to as "**the Parties**" and separately as "**the Party**".

WHEREAS:

(A) The Client and the Bank have concluded the Bank Account Agreements (as defined below).

(B) The Agent and the Client have entered into the Agent Guarantee (as defined below).

(C) MC and the Client have entered into the MC Guarantee (as defined below), where the Agent Guarantee and the MC Guarantee shall be cumulatively referred to as the "Guarantees".

(D) The Client and the Agent have concluded the Agent Pledge Agreement (as defined below) which grants to the Agent the Direct Debit Rights and certain other rights in relation to the Bank Accounts (as defined below).

(E) The Client and MC have concluded the MC Pledge Agreement (as defined below) which grants to the Agent the Direct Debit Rights and certain other rights in relation to the Bank Accounts (as defined below) where the Agent Pledge Agreement and the MC Pledge Agreement shall be cumulatively referred to as the "Pledge Agreements".

(F) The right to debit the Bank Accounts without requiring further consent, instruction or confirmation from the Client is granted to the Agent according to the present Agreement in order to ensure the fulfillment of the Client's obligations under the Guarantees in case of Default (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. Whenever used in this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

"Bank Accounts" means the following accounts of the Client opened and maintained with the Bank:

- (a) Bulgarian Lev Bank Account;
- (b) Foreign Currency Bank Account.

and **"Bank Account"** means each of the Bank Accounts.

"Foreign Currency Bank Account" means the Bank Account in Euro № BG51UNCR70001521030156 opened and maintained by the Bank in the Client's name.

"Bulgarian Lev Bank Account" means the Bank Account in Bulgarian Lev № BG22UNCR70001521030096 opened and maintained by the Bank in the Client's name.

"Bank Account Agreements" means

(a) bank account agreement in relation to the Bulgarian Lev Bank Account dated 1st July 2013 consisting of the application on opening of a bank account and the confirmation thereof as well as the standard rules, terms and conditions of the Bank applicable to such agreement;

(b) bank account agreement in relation to Foreign Currency Bank Account dated 1st July 2013 consisting of the application on opening of a bank account and the confirmation thereof as well as the standard rules, terms and conditions of the Bank applicable to such agreement,

and **"Bank Account Agreement"** means each of the Bank Account Agreements.

"Agent Guarantee" means a Deed of Guarantee and Undertaking dated the same date as this Agreement by which the Client undertook to the Agent to guarantee the timely payment to the Agent and discharge in full of certain amounts owing to the Agent by Toplofikacia Pleven EAD, a single shareholder joint stock company, incorporated and existing under the laws of Bulgaria, registered in the Commercial registry with the Registry Agency with the Bulgarian Ministry of Justice, UIC 114005624, having its seat and address of management at 128 Iztochna Industrialna Zona, 5800 Pleven, Pleven District, Bulgaria under a Sale and Purchase Agreement dated 13 December 2012, as amended and supplemented by the parties to it.

"MC Guarantee" means a Deed of Guarantee and Undertaking dated the same date as this Agreement by which the Client undertook to MC to guarantee the timely payment to MC and discharge in full of certain amounts owing to MC by the Company (as defined below) under an agreement for coal supply between the Company and MC dated 30.12.2011, № MECH-RUS-2012, including eventual amendments thereto that may be introduced by the same parties, where **"Guarantees"** means collectively the Agent Guarantee and the MC Guarantee.

"Default" means a default under either the Agent Guarantee or the MC Guarantee, as notified to the Bank by the Agent or MC, as the case may be, in a Default Notice.

"Payment Demand" (*In Bulgarian: Нареджане за директен дебит*) means Bulgarian Lev Payment Demand or Foreign Currency Payment Demand.

"Foreign Currency Payment Demand" (*In Bulgarian: Нареджане за директен дебит в чужда валута*) means a payment demand in Euro (€) submitted by the Agent or MC to the Bank in relation to the Foreign

Currency Bank Account in the form set out in Attachment 3 subject to the mandatory requirements of the Applicable Law which may not be revoked by the Client.

"Bulgarian Lev Payment Demand" (*In Bulgarian: Нареджане за директен дебит в лева*) means a payment demand in Bulgarian Lev submitted by the Agent or MC to the Bank in relation to the Bulgarian Lev Bank Account in the form set out in Attachment 2 subject to the mandatory requirements of the Applicable Law which may not be revoked by the Client.

"Direct Debit Right" means the several right of each of the Agent and MC to withdraw amounts from any Bank Account as defined herein in accordance with the irrevocable pre-acceptance provided by the Client to the Bank without any further consent, instruction or confirmation of the Client or any other third party.

"Applicable Law" means the current legislation of the the Republic of Bulgaria, including without limitation ordinances and statutes enacted pursuant thereto, as well as any and all applicable laws of the subject states and municipalities of the Republic of Bulgaria.

"Business Day" means any day except Saturday, Sunday or any officially declared day-off (holidays) in the Russian Federation, Switzerland and the Republic of Bulgaria.

"Default Notice" means a notice in writing issued by the Agent or MC, as the case may be, and addressed to the Bank with a copy to the Client stating that a Default has occurred in the form set out in Attachment 5

"Agent Pledge Agreement" means a receivables pledge agreement by the Client (as Pledgor) in favour of the Agent (as Pledgee) to secure the Client's obligations under the Agent Guarantee.

"MC Pledge Agreement" means a receivables pledge agreement by the Client (as Pledgor) in favour of MC (as Pledgee) to secure the Client's obligations under the MC Guarantee.

"Company" means **DISTRICT HEATING COMPANY ROUSSE EAD** (in Bulgarian: "Топлофикация Русе" ЕАД), a single shareholder joint stock company, incorporated and validly existing under the laws of Bulgaria, registered in the Commercial Registry with the Bulgarian Registry Agency with UIC 117005106, having its registered office and address of management at 1 Tets-Iztok Street, 7009 Rousse, Bulgaria.

1.2. Guarantees

The Client is aware of the terms of the Guarantees (and each document referred to therein), and the Client acknowledges that has reviewed the originals of such documents and been provided with copies of those originals. The Parties hereby agree and acknowledge that this Agreement shall be governed by the laws of the Republic of Bulgaria.

1.3. Interpretation

In this Agreement:

- (a) the table of contents, Article headings and Attachment headings are inserted for convenience only and do not affect the interpretation of this Agreement;
- (b) references to a specified article or recital and Attachments will be construed as references to the relevant article or recital or Attachment to this Agreement;
- (c) references to this Agreement, the Guarantees, the Bank Account Agreements or any other document will be construed as references to this Agreement, the Guarantees, the Bank Account Agreements and that other document as from time to time amended and/or supplemented;
- (d) references to the "Client", the "Agent", the "MC", the "Bank" or any "Party" will be construed so as to

include its successors in title and permitted assignees;

(e) words importing the plural include the singular and vice versa.

2. AMENDMENTS TO BANK ACCOUNT AGREEMENTS

2.1. Conflict

This Agreement is an integral part of each Bank Account Agreement. In the event of conflict between the provisions of this Agreement and a Bank Account Agreement, the provisions of this Agreement shall prevail, except for the instances when the Bank has the right to amend the terms of a Bank Account Agreement including the right to introduce amendments unilaterally as contemplated by the respective Bank Account Agreement. The Client shall notify the Agent and/or MC as applicable as soon as possible of any changes to any of the Bank Account Agreements that may adversely affect the rights of the Agent and/or MC under this Agreement.

3. CLIENT INSTRUCTIONS AND DIRECT DEBIT CONSENT

3.1. Instruction to debit account

In accordance with the Applicable law, the Client hereby irrevocably, for the term of this Agreement, consents to, authorises and instructs the Bank to debit each Bank Account directly without any further consent, instruction or confirmation from the Client or any other third Party, in accordance with the instructions of the Agent and/or MC contained in a Payment Demand and made in compliance with the provisions of this Agreement.

The provisions of this Article 3.1 are considered by the Parties as irrevocable pre-acceptance of and explicit consent to the Payment Demands granted by the Client.

3.2. Minimum deposit

For as long as this Agreement is in force and has not been terminated in accordance with Article 14, the Client hereby authorises and instructs the Bank to block the amount of the minimum deposit (as identified below) standing to the credit of the Bulgarian Lev Bank Account. If and whenever the balance standing to the credit of the Bulgarian Lev Bank Account from time to time is (or as a result of the debit transaction will be or become) less than or equal to a minimum deposit of 2,356,034 (*in words*: two million three hundred and fifty six thousand and thirty four) Bulgarian Lev, the Bank shall not unblock and debit the Bulgarian Lev Bank Account for any amounts except:

- (a) ..to pay a Payment Demand; and
- (b) .to pay the Bank's normal charges in accordance with the Bank Account Agreement.

3.3. Instruction to the Bank

The Client hereby authorises and instructs the Bank to perform any other operation specified in Articles 4 - 7 inclusively without any further consent, instruction or confirmation from the Client.

4. DIRECT DEBIT RIGHT

4.1. Exercise of Direct Debit Right

Subject only to the provisions of Article 4.2, each of the Agent and MC shall have the right, in order to secure the performance of the Client's obligations under the Guarantees, to exercise its Direct Debit Right under Article 3.1 (*Instruction to debit account and Direct Debit Consent*), by submitting to the Bank a Payment Demand.

4.2. Exercise only after an event of Default

Each of the Agent and MC is entitled to exercise its Direct Debit Right only after the occurrence of an event of Default which shall be evidenced to the Bank by a Default Notice. For the avoidance of doubt, the Agent and MC shall not be obliged to provide other evidence of the occurrence of a Default.

4.3. Payment Demand

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4.3.1. A Payment Demand must be signed by an authorised signatory/ies of the Agent or MC, as the case may be, authorized by operation of law or by virtue of an explicit notary certified (and apostiled, if applicable) power of attorney to represent the Agent and/or MC and sign and deliver to the Bank any Default Notice and any Payment Demands on behalf of the respective company.

4.4. Bank's Rights and Obligations

4.4.1. The Bank undertakes to perform the instructions of the Agent or MC contained in the Payment Demand submitted in the applicable form (Attachment 2 or Attachment 3 (as applicable)) in accordance with this Agreement, subject only to any mandatory contrary provisions of the Applicable Law and the respective Accounts Agreement.

4.4.2. The Bank must perform the instructions set out in the relevant Payment Demand:

(a) on the Business Day of receipt of the Payment Demand, in case if the Payment Demand is received before 13:00 a.m. Sofia time;

(b) on the Business Day following the day of receipt of the Payment Demand, in case if the Payment Demand is received after 13:00 a.m. Sofia time.

4.4.3. To enable the Bank comply with the above stated terms the Agent or MC, as the case may be, should forward to the Bank at least one Business Day prior to a Payment Demand a Default Notice in the form of Attachment 5 containing references to the name of the Client and to this Agreement. The said Default Notice should be delivered as it is prescribed in Article 15 below.

4.4.4. The provisions of Article 3.1 have no force in relation to Payment Demands which do not conform to the requirements of Article 4.3 and Article 4.4.1. Any Payment Demand which does not conform to the Article 4.3 and Article 4.4.1 will be executed by the Bank where the Client accepts them as prescribed by the Applicable Law. Save as aforesaid, a Payment Demand that does not comply with the provisions of Article 4.3 and Article 4.4.1, will be rejected by the Bank without execution and the Bank will inform the Agent or MC as applicable accordingly not later than on the next Business Day after the date of its receipt.

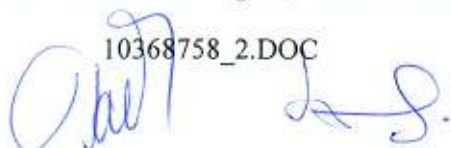
4.4.5. The Bank reserves the right not to execute the Payment Demand if its execution leads to infringement by the Bank of mandatory provisions of the Applicable Law. In the event the Bank is unable to perform the instructions contained in the Payment Demand, the Bank shall inform the Agent or MC as applicable accordingly not later than on the Business Day on which the related Payment Demand should be executed by the Bank.

4.4.6. The provisions of this Agreement do not affect or amend the procedure and terms of execution by the Bank of the demands issued by the Bulgarian state tax, court or any other Bulgarian state bodies in exercise of any direct debit right in accordance with Applicable Law. The Bank may execute payments and transactions as required by such demands in priority to any payment or transaction under this Agreement if that is required by the Applicable Law.

4.4.7. With respect to the notices and demands received by the Bank under this Agreement (including, but not limited to, Default Notices and Payment Demands), the Bank shall be responsible only to verify whether the form, the title of, the contents of, the parties to and the party signing a document presented to the Bank under the provisions of this Agreement correspond to the form, the title, the contents, the parties and the signing party as required under the Agreement and the Attachments attached hereto.

4.4.8. The Bank shall be entitled to rely and act upon any notice, demand, certificate, instrument or other document in writing delivered to it pursuant to this Agreement and believed in good faith to be genuine after comparing such original signature against the signatures of the signatories provided on a specimen form of the Bank under the provisions of the present Agreement, where applicable, without being required to determine the correctness of any fact stated therein or the validity thereof. The Bank may act in reliance on any instrument or signature believed by it to be genuine.

4.4.9. Each of the Agent, MC and the Client hereby undertakes the obligation to execute the written instructions



hereunder as required by this Agreement and to provide them to the Bank in timely manner, consigning also a copy of such instruction to the other Parties.

4.4.10. The Bank may refrain from doing anything which would or might be contrary to any law of any jurisdiction binding on it and may do anything which is necessary to comply with any such law.

4.4.11. The Bank shall not be liable for any action undertaken in accordance or in connection with a notice or instruction presented to it under the provisions of this Agreement or for any losses or damages of any kind and nature incurred thereof, except in cases of recklessness or willful misconduct.

4.4.12. The Bank shall not be liable for any delay as well as the consequences of such delay while crediting an account in accordance with the stipulated under the present Agreement, provided that the Bank has undertaken all the actions necessary for executing such transaction in accordance with any applicable regulation and the procedures of the settlement system being used.

4.4.13. The Bank is not and shall not be considered a party to any of the agreements nor shall incur any liability under, and shall have no duty to inquire as to, the provisions of any agreement entered into between the Agent, MC and the Client or any other parties (including but not limited to the Guarantees and the Pledge Agreements) and shall not be liable for any obligation undertaken by the parties under such agreements.

4.4.14. The Agent, MC and the Client hereby severally undertake to execute, sign and present to the Bank all additional instruments and to undertake all additional actions as deemed appropriate and required by the Bank in connection with the proving, execution and guaranteeing the enforcement to its full extent of the provisions, requirements and the aims of this Agreement.

4.4.15. If the Bank is duly imposed with a dstraint, pledge or other restrictive measure, admissible under the Applicable Law, as well as if in any other way any of the Bank Accounts is or becomes the subject of legal execution, restrictive measure or disposal from the competent authorities in Republic of Bulgaria, the Bank shall not bear responsibility to the Client, the Agent, MC or other persons if the Bank executes a transfer or payment in compliance with an order from the competent authority and upon application of any and all legal requirements therefor. The Bank shall notify the Client, the Agent and MC of the occurrence of events under this clause 4.4.15.

4.4.16. Each of the Client, MC and the Agent hereby agrees that all operations under any of the Bank Accounts performed by the Bank that are in accordance with the terms and conditions hereof are permitted, duly authorized and accounted for.

4.4.17. In the event of cross-border transfers pursuant to this Agreement, in addition to the Default Notice and the Payment Demand, the Client and/or the Agent and/or MC as applicable shall provide to the Bank only the following documents as required under the Applicable Law:

(a) Copies of the signed Guarantees;

(b) A declaration of origin of funds signed by an authorised signatory(ies) of the Client as per Attachment 6 hereto.

(c) any amendments and/or supplements to the Guarantees which have occurred prior to delivery of the respective Payment Demand pursuant to this Agreement;

The documents under item (a) and (b) shall be provided on signing of this Agreement.

4.4.18. The Bank may require additional documents for the purposes of executing of Payment Demand if they are required pursuant to mandatory requirements of the Applicable Law and Bank's rules and regulations.

4.4.19. Each of the Client, the Agent and MC shall deliver to the Bank the documents under Attachment 1 relevant to the respective company.

5. PREPARATION OF DOCUMENTS

5.1. Whenever the Bank may require from the Client pursuant to the Applicable Law, any documents for proper execution of any Payment Demand, the Client undertakes on the date of receipt of the Bank's request to duly complete and/or prepare relative documents or to provide the Bank with any information and/or documents necessary for the Bank to issue or to sign such documents.

5.2. If the Client fails to provide any documents in accordance with this Article, the Bank shall notify the Agent or MC (as applicable, depending on the company that has provided the Payment Demand) accordingly not later than the Business Day following the date of the receipt of the Payment Demand.

6. INSUFFICIENT AMOUNTS

6.1. If there are insufficient funds in the Bank Accounts to make payment in full amount requested in any Payment Demand, the Bank is hereby authorized and instructed by the Client, MC and the Agent to make payment pursuant such Payment Demand to the extent possible with the available funds.

7. PRESERVATION OF ENCUMBRANCE

7.1. Prohibited Actions

7.1.1 Throughout the term of this Agreement, unless the Agent and MC have given in advance their written consent, the Client shall neither create nor allow the existence of any encumbrance over the Bank Accounts, or over any of the funds available on the Bank Accounts at any given time, or over the rights of the Client under the Bank Account Agreement or this Agreement unless arising by operation of Applicable Law.

7.1.2 The Bank shall notify at its earliest convenience the Agent and MC of any encumbrances (including of any pledges, charges, financial collateral arrangements, injunctions) imposed over the Bank Accounts by the Client or by a third party and the Client hereby grants its consent to the Bank for such disclosure.

7.1.3 The Client may not draw overdraft under any of the Bank Accounts.

8. CLIENT UNDERTAKINGS

8.1. The Client shall perform all actions and execute and deliver all documents, in form and substance satisfactory to the Agent, MC or the Bank, as the case may be, that may be required by the Agent, MC or the Bank:

(a) to maintain the Bank Accounts at all times during the term of this Agreement and the Client shall not take and shall abstain from taking any action in order to close, suspend, prevent closing, suspending the operation of, or otherwise limiting the operation of the Bank Accounts;

(b) to give effect to the Direct Debit Right of the Agent and MC provided by or pursuant to the Guarantee and this Agreement;

(c) to give effect to the provisions of this Agreement; and

(d) for the Bank, the Client, MC or the Agent to comply with the Applicable Law.

8.2. The Client shall reimburse the Bank any:

(a) costs incurred by the Bank as a result of performing its obligations under this Agreement, and

(b) loss or liability incurred by the Bank as a result of the failure by the Client to perform its obligations under this Agreement.

9. BANK ACCOUNT CLOSING

If the Client gives an order to the Bank to close or suspend a Bank Account in violation of its undertaking provided by Article 8.1 (*Client Undertakings*), the Bank shall immediately inform the Agent and MC accordingly.

The Client hereby agrees that, notwithstanding anything to the contrary in the relevant Accounts Agreement, the Client may not unilaterally close or suspend a Bank Account, without the prior consent of the Agent and MC. The consent shall be deemed granted if the Agent and MC fail to respond within 10 Business Days from delivery of the notice.

The Bank shall be entitled to exercise its rights and obligations for closing a Bank Account in accordance with the provisions of the Applicable Law and the respective Account Agreement. The Bank shall notify the Agent and MC prior to such closing.

10. PROVISION OF INFORMATION

10.1. Information

10.1.1 The Client hereby authorizes the Agent and MC to receive from the Bank information (in Bulgarian language) regarding the balances standing and credit and debit operations under the Bank Accounts. The Client hereby authorizes and instructs the Bank, pursuant to Article 62 of the Bulgarian Credit Institutions Act, to provide and disclose to the Agent and MC the information under the previous sentence.

10.1.2. The Client undertakes to issue on signing of this Agreement a power of attorney in favour of the Agent and MC in the form of Attachment 4 and undertakes to maintain the power of attorney in full force and effect for the term of the Agreement.

10.2. Notices

The Client shall provide to the Agent and MC copies of:

- (a) any amendments or addendums to the Bank Account Agreements;
- (b) any other communication which may have an adverse effect on the Agent's and MC's rights under this Agreement.

11. LIMITATION OF THE LIABILITY OF THE BANK

11.1. The Bank shall not examine the substance of any objection made by the Client in respect of the Direct Debit of funds from the Bank Account.

11.2. The Bank shall not be liable for any loss arising from:


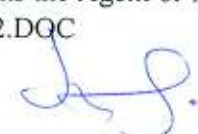
- (a) executing a Payment Demand in accordance with the provisions of this Agreement;
- (b) its failure to perform any of its obligations under this Agreement if such failure is due to the Client failing to perform any of its obligations under this Agreement or due to the Agent, or MC;
- (c) its failure to perform any of its obligations under this Agreement if such failure is due to any injunctions, suspension, court judgment/arbitration award or similar restriction imposed on any of the Bank Accounts' operations by the competent authority in accordance with the Applicable Law.

11.3. For the avoidance of doubt the Bank shall not be obliged to exercise any of its rights or obligations pursuant to the present Agreement if any document or action which is required under the Applicable Law is not submitted or done. The Bank shall also not be obliged to do any act which would violate Applicable Law.

12. FURTHER ASSURANCES

By executing this Agreement, the Client hereby irrevocably and unconditionally consents to the Agent and MC taking whatever actions the Agent or MC, as the case may be, may reasonably require at the Client's own expense,

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for:

(a) protecting the Direct Debit Right created in its favour by this Agreement;

(b) following the occurrence of an event of Default facilitating the enforcement against any Bank Account or the exercise of any right, power or discretion exercisable, by the Agent, or MC, or any of their representatives in respect of any of the Bank Accounts; and/or

(c) following the occurrence of an event of Default the execution of any document or the giving of any notice, order or direction and the making of any registration, which in any such case, the Agent and MC may reasonably think expedient.

13. EXPENSES AND INDEMNITY

13.1. The Client will pay when due all present and future expenses, charges, costs (including for execution of Payment Demands), registration fees, stamp duties and other imposts or transaction taxes, as well as translation costs in relation to this Agreement and keep the Agent and MC indemnified against any failure or delay in paying them.

13.2. Fees and Expenses

In remuneration of the services rendered in connection with this Agreement, the Bank shall receive monthly fee amounting 1,250 (*in words: one thousand two hundred and fifty*) Euro to be paid by the Client to the Bank on the date of this Agreement each month for the duration of this Agreement. Herewith the Bank is entitled to ex-officio collect the amount of any fee due under this Agreement, including pursuant to Article 13.2 and Article 3.2(b), from any account of the Client with the bank, as well as the Bank Accounts.

13.3. Authorisation

The Bank is authorised (to the extent permitted by Applicable Law) to debit from or set-off against any Bank Account, the amount of any fees and commissions agreed between the Client and the Bank under the Bank Account Agreements and this Agreement and in line with the fees and commissions ordinarily charged by the Bank for the provision of such services (including, without limitation, any fees and commissions payable to the Bank for executing currency operations) in connection with the services provided by the Bank with respect to the Bank Accounts.

13.4. Limitation of liability

The Agent and MC shall not be liable for any losses arising in connection with the exercise or purported exercise of any of their rights, powers or discretions under this Agreement, so long as such exercise or purported exercise is made in accordance with the provisions of this Agreement, the Guarantees, any security or pledge and Applicable Law.

14. TERM OF THIS AGREEMENT

14.1. Term

This Agreement shall come into force as of its execution and shall terminate on one of the following dates which comes at the earliest:

(a) the date when the Bank receives a joint notice from the Agent and MC that the Guarantees have been annulled;

(b) the date when the Bank receives a joint notice from the Agent and MC that the Client has discharged in full its obligations under the Guarantees.

14.2. Discharge

At the request and sole expense of the Client, within 10 (ten) Business Days after the termination of this Agreement, the Agent and MC shall sign and deliver to the Client and the Bank a proper instrument acknowledging the termination of the Direct Debit Right.

15. NOTICES

Every notice, request, demand or other communication to be given or made under this Agreement shall:

15.1. be in writing and delivered by hand, by mail, courier delivery or by fax at the addresses provided herein below in Article 15.3;

15.2. be deemed to have been received: (i) on the day of delivery, if delivered personally or by courier, or (ii) on the date when the receipt confirmation is signed, for registered mail transmission; or (iii) at the time of transmission in legible form, if delivered by fax, provided such day is a business day and if the transmission is sent by 5 pm receiver's time and if not, on the next following business day provided that if a document is sent by fax, the original shall follow within 3 (three) Business Days) and provided that, in case of Payment Demand, it may only be delivered to the Bank by hand;

15.3. be sent:

(a) to the Client at:

Attention: Dimitar Yordanov Ivanov

Address: 1 Sveti Ivan Rilski Square, 2300 Pernik, Pernik Municipality, Pernik District, Bulgaria

Fax: +359 (2) 8904 257

(b) to the Bank at:

Attention: Radostina Radeva and Tatyana Dimova

Address: 7 Sveta Nedelia square, 1000 Sofia, Bulgaria

Fax: +359 (2) 9232 753

(c) to the Agent at:

Attention: Pavel M. Petukhov

Address: Russia, 125993 Moscow, 1 Krasnoarmeyskaya street

Fax: +7.495.2218800

(d) to MC at:

Attention: Olga Romanova

Address: Oberdorfstrasse 11, 6340 Baar, Zug, Switzerland

Fax: +41 41 7118293

or to such other address, fax number or contact name as is notified by the relevant Party to another Party under this Agreement with no less than 5 (five) Business Days prior notice.

15.4. Any communications to be made between the Bank and the Client shall be made in Bulgarian, all other communications of the Parties shall be made in English.

16. SEVERABILITY AND INVALIDITY

Each of the provisions of this Agreement shall be deemed to be severable from all the others. If any provision of this Agreement is at any time invalid, null or void, such invalidity, nullity or voidance shall not affect the validity of the other provisions of this Agreement from which it is severable. In case of any such invalidity or nullity, the Parties shall make amendments or supplements to this Agreement to replace the affected provision of the Agreement with a provision having an intent and economic result as close as possible to the original intentions of the Parties and adhering Applicable Law.

17. FINAL PROVISIONS

17.1. Signing date

This Agreement is signed by the Parties on the date appearing on the first page of this Agreement.

17.2. Entry into force

This Agreement shall be deemed concluded as of the date of its signing by the Parties.

17.3. Attachments

The Attachments to this Agreement shall form an integral part of this Agreement.

17.4. Amendments

Any amendments to this Agreement shall only be legally binding if they are made in writing and signed by the authorised representatives of all the Parties.

17.5. Entire Agreement

This Agreement constitutes and contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes any and all prior negotiations, correspondence, understandings and agreements regarding the subject matter of this Agreement.

17.6. Priority

In case of any conflict or inconsistency between the provision of the Bank Account Agreement and the terms set forth in this Agreement, the terms of this Agreement shall prevail.


17.7. Language and originals

This Agreement is executed in the English language in 4 (four) originals, with 1 (one) original for the Agent, 1 (one) original for the Bank, 1 (one) original for the Client and 1 (one) original for MC.

18. GOVERNING LAW AND DISPUTE RESOLUTION

18.1. Governing law

This Agreement and all disputes, controversies or claims arising out of or relating to this Agreement or a breach hereof shall be governed by, and construed in accordance with, Bulgarian law except the Parties hereby agree that

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