

THIS LETTER REQUIRES YOUR IMMEDIATE AND URGENT ATTENTION AS IT RELATES TO A SCHEME OF ARRANGEMENT PROPOSED BY VEON HOLDINGS B.V. THAT WILL BE CONSIDERED BY THE COURT AT THE SCHEME CONVENING HEARING, WHICH THE COMPANY ANTICIPATES WILL TAKE PLACE ON OR AFTER 20 DECEMBER 2022.

THE SPECIFIC DETAILS OF THE SCHEME CONVENING HEARING (INCLUDING THE DATE AND TIME) WILL BE CONFIRMED TO ALL SCHEME CREDITORS (AS DEFINED BELOW). IF THE COURT DETERMINES THAT THE SCHEME CONVENING HEARING WILL BE HELD REMOTELY, SCHEME CREDITORS WILL NEED TO REQUEST ACCESS DETAILS FROM THE COURT. FURTHER DETAILS ON HOW TO DO SO WILL BE PROVIDED PRIOR TO THE SCHEME CONVENING HEARING.

THIS LETTER AND ANY DOCUMENT RELATED THERETO IS NOT, AND SHOULD NOT BE CONSTRUED AS, AN OFFER OF, OR AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY IN RELATION TO, ANY SECURITIES. IN RELATION TO PERSONS RESIDENT OR ESTABLISHED IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM, THIS LETTER IS ONLY DIRECTED AT AND MADE AVAILABLE TO, AND ANY MATTERS DESCRIBED HEREIN WILL ONLY BE ENGAGED WITH, SCHEME CREDITORS AND PERSONS WHO HAVE AN INTEREST IN THE 2023 NOTES (AS DEFINED BELOW) (NOTING THAT THE MINIMUM DENOMINATION OF THE 2023 NOTES IS GREATER THAN EUR 100,000 OR ITS EQUIVALENT).

ANY OTHER PERSON IN THE UNITED KINGDOM SHOULD NOTE THAT THE INFORMATION CONTAINED IN THIS LETTER OR ANY DOCUMENTS RELATED THERETO IS OTHERWISE INTENDED ONLY FOR USE BY AND MAY ONLY BE RELIED UPON BY PERSONS WHO ARE AT THE RELEVANT TIME: (I) INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005/1529; (II) MEMBERS AND CREDITORS OF THE COMPANY WITHIN THE MEANING OF ARTICLE 43 OF THE FINANCIAL PROMOTION ORDER; OR (III) PERSONS TO WHOM THE COMMUNICATION MAY OTHERWISE LAWFULLY BE COMMUNICATED ("PERMITTED PERSONS" AND EACH A "PERMITTED PERSON"). ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A PERMITTED PERSON IS NOT AN INTENDED RECIPIENT OF THE INFORMATION CONTAINED IN THIS LETTER OR ANY DOCUMENT RELATED THERETO AND SHOULD NOT USE, OR RELY UPON, SUCH INFORMATION IN ANY WAY. THIS LETTER SHOULD NOT BE DISTRIBUTED, COMMUNICATED TO, OR DIRECTED AT ANY PERSON IN THE UNITED KINGDOM OTHER THAN A PERMITTED PERSON.

THIS LETTER OR ANY PART HEREOF IS NOT AN OFFER OR AN INVITATION TO MAKE OFFERS, TO SELL, EXCHANGE OR OTHERWISE TRANSFER SECURITIES IN THE RUSSIAN FEDERATION AND DOES NOT CONSTITUTE AN ADVERTISEMENT OR OFFERING OF SECURITIES IN THE RUSSIAN FEDERATION WITHIN THE MEANING OF RUSSIAN SECURITIES LAWS. INFORMATION CONTAINED IN THIS LETTER OR ANY PART HEREOF IS NOT INTENDED FOR ANY PERSONS IN THE RUSSIAN FEDERATION WHO ARE NOT "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 51.2 OF FEDERAL LAW NO. 39-FZ "ON THE SECURITIES MARKET" DATED 22 APRIL 1996, AS AMENDED (THE "RUSSIAN QIS"), AND MUST NOT BE DISTRIBUTED OR CIRCULATED INTO RUSSIA OR MADE AVAILABLE IN RUSSIA TO ANY PERSONS WHO ARE NOT RUSSIAN QIS, UNLESS AND TO THE EXTENT THEY ARE OTHERWISE PERMITTED TO ACCESS SUCH INFORMATION UNDER RUSSIAN LAW. NO SECURITIES HAVE BEEN AND WILL BE REGISTERED IN RUSSIA AND ARE INTENDED FOR "PLACEMENT" OR "CIRCULATION" IN RUSSIA (EACH AS DEFINED IN RUSSIAN

SECURITIES LAWS) UNLESS AND TO THE EXTENT OTHERWISE PERMITTED UNDER RUSSIAN LAW.

SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ARE OFFERED OR SOLD IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE SECURITIES SUBJECT TO THE SCHEME WILL NOT BE REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND, TO THE EXTENT THERE IS ANY DEEMED DELIVERY OF SECURITIES PURSUANT TO THE SCHEME, ARE BEING TRANSFERRED AND DELIVERED IN RELIANCE UPON CERTAIN EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE SCHEME CREDITORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE TERMS OF THE SCHEME, INCLUDING THE MERITS AND RISKS INVOLVED. THIS LETTER HAS NOT BEEN FILED WITH, REVIEWED OR VERIFIED BY AND NEITHER THIS LETTER NOR THE AMENDED 2023 NOTES HAVE BEEN APPROVED OR DISAPPROVED BY ANY RATING AGENCY OR REGULATORY AUTHORITY, INCLUDING THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES. FURTHER, NO RATING AGENCY OR REGULATORY AUTHORITY (INCLUDING THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES) HAS OR WILL APPROVE, DISAPPROVE, PASS UPON OR ENDORSE THE MERITS OF THE SCHEME OR THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS LETTER OR UPON THE MERITS OF THE SCHEME BEING PROPOSED BY THE COMPANY. IT IS A CRIMINAL OFFENCE TO MAKE ANY REPRESENTATION WHICH IS INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH.

ANY STEPS TAKEN IN RESPECT OF THE SCHEME AND IN CONNECTION WITH THE AMENDMENTS (AS DEFINED BELOW) MUST BE IN COMPLIANCE WITH ALL APPLICABLE SANCTIONS LAWS AND REGULATIONS, INCLUDING SECURING ANY NECESSARY LICENCES AND APPROVALS FROM COMPETENT SANCTIONS AUTHORITIES. “SANCTIONS” MEANS ANY ECONOMIC OR FINANCIAL SANCTIONS LAWS OR REGULATIONS, AS AMENDED FROM TIME TO TIME, ADMINISTERED, ENACTED, OR ENFORCED BY THE UNITED STATES, THE UNITED NATIONS, THE EUROPEAN UNION OR ANY MEMBER STATES THEREOF, THE UNITED KINGDOM, BERMUDA AND ANY OTHER JURISDICTION APPLICABLE TO THE COMPANY (EXCLUDING THE RUSSIAN FEDERATION AND THE REPUBLIC OF BELARUS).

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS LETTER OR THE DOCUMENTS THAT ACCOMPANY IT OR WHAT ACTION YOU SHOULD TAKE REGARDING THE MATTERS DISCUSSED HEREIN, YOU SHOULD SEEK YOUR OWN INDEPENDENT FINANCIAL, LEGAL AND TAX ADVICE IMMEDIATELY FROM YOUR FINANCIAL, LEGAL AND/OR TAX ADVISER WHO, IF YOU ARE TAKING ADVICE IN THE UNITED KINGDOM, IS AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS MODIFIED, AMENDED OR RE-ENACTED) OR BY AN APPROPRIATE REGULATORY BODY, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT ADVISER IF YOU ARE IN A TERRITORY OUTSIDE THE UNITED KINGDOM.

**VEON Holdings B.V.
Claude Debussylaan 88
1082 MD
Amsterdam, the Netherlands**

(Registered under the laws of the Netherlands with Company Number 34345993)

PRACTICE STATEMENT LETTER

- To:** BNY Mellon Corporate Trustee Services Limited as trustee under the 2023 Notes Trust Deeds (as defined below) (the “**2023 Notes Trustee**”)
- To:** The 2023 Noteholders (as defined below)
- To:** The Depository Trust Company as the depository in respect of certain of the 2023 Notes (as defined below) (“**DTC**”)
- To:** Cede & Co. as nominee for DTC and as registered holder of certain of the 2023 Notes (“**Cede Nominee**”)
- To:** The Bank of New York Mellon, London Branch, as the common depository for Euroclear and Clearstream (each as defined below) (the “**Common Depository**” and, together with DTC, the “**Depositories**”)
- To:** The Bank of New York Depository (Nominees) Limited as nominee for the common depository for Euroclear and Clearstream and as registered holder for certain of the 2023 Notes (“**BNY Nominee**” and, together with Cede Nominee, the “**Registered Holders**”)
- To:** Kroll Issuer Services Limited as information agent of the Company (as defined below) (the “**Information Agent**”)

24 November 2022

<p>THIS LETTER CONCERNS MATTERS WHICH MAY AFFECT YOUR LEGAL RIGHTS AND ENTITLEMENTS AND YOU MAY THEREFORE WISH TO TAKE APPROPRIATE LEGAL ADVICE ON ITS CONTENTS</p>
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Dear Sir/Madam

Proposed scheme of arrangement in relation to VEON Holdings B.V. (the “Company”) under Part 26 of the UK Companies Act 2006 (as amended) (the “Scheme”)

1. PURPOSE OF THIS LETTER

1.1 The Company is the issuer of:

- (a) USD 1,000,000,000 5.95 per cent. notes due 13 February 2023 (the “**February 2023 Notes**”) pursuant to a trust deed dated 13 February 2013, as supplemented by a supplemental trust deed dated 28 December 2018 (the “**February 2023 Notes Trust Deed**”); and
- (b) USD 700,000,000 7.25 per cent. notes due 26 April 2023 (the “**April 2023 Notes**” and, together with the February 2023 Notes, the “**2023 Notes**”) pursuant to a trust deed dated

26 April 2016 (the “**April 2023 Notes Trust Deed**” and, together with the February 2023 Notes Trust Deed, the “**2023 Notes Trust Deeds**”).

- 1.2 The Company is proposing a scheme of arrangement under Part 26 of the UK Companies Act 2006 (the “**Act**”) in respect of the 2023 Notes.
- 1.3 This Practice Statement Letter is written pursuant to and in accordance with the procedure and guidance laid down by the High Court of Justice in England and Wales (the “**Court**”) in the Practice Statement (Companies: Schemes of Arrangement under Part 26 and Part 26A of the Companies Act 2006) issued by the Chancellor of the Court on 26 June 2020 (the “**Practice Statement**”).
- 1.4 In accordance with the Practice Statement, the purpose of this letter is to inform you of:
 - (a) the Company’s intention formally to propose the Scheme to the Scheme Creditors (as defined below);
 - (b) the purpose which the Scheme is designed to achieve and its effect;
 - (c) the Company’s intention to apply to the Court to seek an order convening a meeting of the Scheme Creditors for the purposes of considering and, if thought fit, approving the Scheme (the “**Scheme Meeting**”);
 - (d) the intended composition of the class of Scheme Creditors for the purpose of voting on the Scheme at the Scheme Meeting;
 - (e) the reasons why the Company considers that the Court has jurisdiction in relation to the Scheme;
 - (f) the date and place fixed for the Scheme Convening Hearing (as defined below);
 - (g) each Scheme Creditor’s right to attend the Scheme Convening Hearing and the subsequent Sanction Hearing (as defined below);
 - (h) the next steps and actions required of the Scheme Creditors; and
 - (i) how you may make further enquiries about the Scheme.
- 1.5 The Company is writing to the following persons:
 - (a) the 2023 Notes Trustee;
 - (b) each person who is the ultimate beneficial owner of any of the 2023 Notes at 5:00 p.m. (London time) on the date falling two business days before the Scheme Meeting (the “**Record Time**”) (each a “**2023 Noteholder**” and, the 2023 Noteholders together with the 2023 Notes Trustee (solely in its capacity as the beneficiary of the covenants to, amongst other things, repay principal on the 2023 Notes pursuant to the 2023 Notes Trust Deeds), the “**Scheme Creditors**”);
 - (c) the Registered Holders, being the registered holders of the global certificates representing the 2023 Notes;
 - (d) the Depositaries, being the depositaries under the 2023 Notes Trust Deeds; and
 - (e) the Information Agent to arrange for publication of this letter on the Scheme Website (as defined below) and to make a copy of this letter available to the 2023 Noteholders via

Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking S.A. (“**Clearstream**”) and The Depository Trust Company (together, the “**Clearing Systems**”).

1.6 If you have been sent this letter as a 2023 Noteholder or as a person who has, or has held, an interest in the 2023 Notes and you have assigned, sold or otherwise transferred all or part of your interests in the 2023 Notes, or you intend to do so before the Scheme Meeting, you are requested to forward a copy of this letter to the person(s) to whom you intend to or have assigned, sold or otherwise transferred such interests. Any such holder of an interest in the 2023 Notes (or person(s) to whom such interest in the 2023 Notes is assigned, sold or otherwise transferred) at the Record Time will be a Scheme Creditor.

1.7 This letter contains a summary of the key terms of the proposed Scheme and the Amendments (as defined below). This letter is not intended to create any legally binding obligations on any person including, without limitation, the Company, any other member of the Group (as defined below) or the 2023 Noteholders. In particular, any terms of the Scheme and/or the Amendments summarised in this letter are for information purposes only and may be subject to clarification or amendment.

2. THE SCHEME OF ARRANGEMENT

2.1 A scheme of arrangement is a statutory procedure allowing a company to enter into a compromise or arrangement with its creditors (or any class of them), which is provided for under Part 26 of the Act. A scheme of arrangement will take effect between a company and its creditors (or any class of them) and become binding on all the creditors to whom it applies if:

- (a) at each meeting of the scheme creditors convened to consider the scheme, the scheme is approved by a majority in number (more than 50 per cent.) representing at least 75 per cent. in value of the creditors (or each class of creditors) present and voting, either in person or by proxy;
- (b) at the sanction hearing, the scheme is subsequently sanctioned by the Court under section 899 of the Act; and
- (c) a copy of the order sanctioning the scheme is delivered to the Registrar of Companies for England and Wales.

2.2 The Company is proposing the Scheme in order to amend the terms of the 2023 Notes (the “**Amendments**”, which are set out more fully in Section 6 below) and, in particular, to effect the extension by eight months of the final redemption date (the “**Maturity Date**”) under each of the February 2023 Notes Trust Deed and the April 2023 Notes Trust Deed, being 13 February 2023 and 26 April 2023 (the “**Original Maturity Dates**”), respectively.

2.3 If the Scheme becomes effective, all of the Scheme Creditors (irrespective of whether or not they voted in favour of the Scheme) will be bound by the terms of the Scheme and the Scheme will alter the rights of the Scheme Creditors.

2.4 The Scheme Creditors can find details of the manner in which the Scheme is proposed to affect their rights and claims against the Company in Sections 6 and 7 of this letter. Further information in relation to the steps to be taken and the conditions to be satisfied for the Scheme to become effective and the Amendments to be implemented are set out in Section 10 of this letter.

3. SCHEME CONVENING HEARING

- 3.1 The Company intends to apply to the Court for permission to convene the Scheme Meeting at a hearing (the “**Scheme Convening Hearing**”) that is expected to take place on or after 20 December 2022.
- 3.2 The precise date, time and location of the Scheme Convening Hearing will be confirmed by announcement via the Scheme Website, the Company’s website, the Clearing Systems, the Irish Stock Exchange and the Luxembourg Stock Exchange (the exchanges on which the 2023 Notes are listed) prior to the Scheme Convening Hearing. If the Court determines that the Scheme Convening Hearing will be held remotely, Scheme Creditors will need to request access details from the Court. Further details on how to do so will be provided prior to the Scheme Convening Hearing.

4. BACKGROUND TO THE GROUP AND THE AMENDMENTS

- 4.1 The Company was established as a private company with limited liability under the laws of the Netherlands on 29 June 2009. The registered office and principal place of business of the Company is in Amsterdam, in the Netherlands.
- 4.2 The Company is a direct, wholly owned subsidiary of VEON Amsterdam B.V., a private company with limited liability incorporated under the laws of the Netherlands, which is in turn a direct, wholly owned subsidiary of VEON Ltd., an exempted company limited by shares registered in Bermuda. The ordinary shares of VEON Ltd. are listed on Euronext Amsterdam (symbol: VEON) and American Depositary Securities issued by VEON Ltd. are traded on the NASDAQ Capital Market in New York. The Company, together with its parent companies and its direct and indirect subsidiaries from time to time, are referred to in this letter as the “**Group**”.
- 4.3 The Group is a leading multinational provider of connectivity and internet services, with operations in Russia, Ukraine, Bangladesh, Pakistan, Kazakhstan, Kyrgyzstan and Uzbekistan under the “Beeline”, “Kyivstar”, “Banglalink” and “Jazz” brands. The Group services more than 200 million customers worldwide, including approximately 75 million customers in Pakistan, 24 million in Ukraine and 37 million in Bangladesh. It is the leading mobile service provider in Pakistan, Ukraine, and Kazakhstan (in terms of number of customers) and its presence in these markets continues to grow. The Group has approximately 43,000 employees.
- 4.4 The Group generates its revenue from the provision of voice, data and other telecommunication services through a range of wireless, fixed and broadband internet services, as well as selling equipment, infrastructure and accessories.
- 4.5 The Company is an intermediate holding company in the Group. Its material assets are:
- (a) its (direct and indirect) shareholdings in its subsidiaries, operating in Russia (PJSC VimpelCom (“**VimpelCom**”)), Pakistan (Pakistan Mobile Telecommunications Limited), Ukraine (JSC Kyivstar), Kazakhstan (Kar-Tel LLP), Uzbekistan (Unitel LLC), Bangladesh (Banglalink Digital Communications Limited) and Kyrgyzstan (Sky Mobile LLC);
 - (b) receivables owing from other Group companies; and
 - (c) its cash balances including investments in money market funds.
- 4.6 The Company also conducts the treasury operations for the Group. Specifically, it accesses capital markets to raise funding for the Group’s operations (in addition to any facilities that the

operating subsidiaries may have entered into with local banks to meet their operational working capital requirements).

4.7 The Company is the issuer of the 2023 Notes, which are senior unsecured obligations of the Company. The 2023 Notes are not guaranteed by any member of the Group.¹

4.8 In addition to the 2023 Notes, the Company is also the issuer of:

- (a) USD 900,000,000 4.950 per cent. notes due 16 June 2024 pursuant to a trust deed dated 16 June 2017;
- (b) USD 1,000,000,000 4.00 per cent. notes due 9 April 2025 pursuant to a trust deed dated 9 October 2019, as supplemented by a supplemental trust deed dated 22 January 2020;
- (c) RUB 20,000,000,000 6.30 per cent. notes due 18 June 2025 pursuant to a trust deed dated 16 April 2020 in respect of the USD 6,500,000,000 global medium term note programme, as amended and restated on 7 September 2021 (the “**MTN Programme Trust Deed**”), and amended and restated final terms dated 7 January 2021;
- (d) RUB 10,000,000,000 6.50 per cent. notes due 11 September 2025 pursuant to the MTN Programme Trust Deed and amended and restated final terms dated 7 January 2021;
- (e) RUB 20,000,000,000 8.125 per cent. notes due 16 September 2026 pursuant to the MTN Programme Trust Deed and final terms dated 14 September 2021; and
- (f) USD 1,250,000,000 3.375 per cent. notes due 25 November 2027 pursuant to the MTN Programme Trust Deed, and final terms dated 23 November 2020,

(together, the “**Later Dated Notes**”). The Later Dated Notes are also senior unsecured obligations of the Company and are not guaranteed by any member of the Group.

4.9 The Company is the borrower under a USD 1,250,000,000 multicurrency revolving facility under a facility agreement dated 9 March 2021 with Citibank Europe plc, UK Branch as Agent, the commitments under which have been reduced to USD 1,055,000,000, all of which is drawn as at the date of this letter. The Company is also the guarantor of certain bank facilities entered into by certain Group companies.

4.10 The Scheme does not propose to compromise the claims of the holders of the Later Dated Notes or the lenders under the multicurrency revolving credit facility referred to above.

The Group’s financial position and the background to the Amendments

4.11 The Scheme and the Amendments are being proposed as a result of the unprecedented political and Sanctions-related issues that the Group is facing (as explained in more detail below). The Group and its advisers have considered multiple different potential transaction structures, and

¹ The February 2023 Notes were originally guaranteed by VimpelCom. Following a notice dated 22 June 2017 from the Company to, among others, BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee under the February 2023 Notes Trust Deed, the guarantee provided by VimpelCom was terminated in accordance with the terms of the February 2023 Notes. Further, GTH Finance B.V. was originally party to the April 2023 Notes Trust Deed as issuer, and the Company was party as guarantor. GTH Finance B.V. was transferred and subsequently merged with the Company, where the Company was the surviving entity, and, as a result, the Company became the issuer of record for the April 2023 Notes and the guarantee ceased to have effect.

have concluded that a short-term extension of the maturity of the 2023 Notes represents the best option available to the Group and its stakeholders in these unprecedented circumstances.

- 4.12 More specifically, over the past nine months, the Group has successfully strengthened its liquidity position, and this will remain a key priority in the near term. However, despite the resilient performance of its underlying operating companies, which are considered largely self-sustaining, the Group's ability to upstream cash for debt service is currently impaired by currency and capital controls in two of its major markets (Ukraine and Russia) and other geopolitical/FX pressures affecting emerging markets generally, including the countries in which the Group has operations.
- 4.13 In addition, the conflict between Russia and Ukraine and developments since February 2022 with respect to Sanctions laws and regulations have resulted in unprecedented challenges for the Group, limiting access to the international debt capital markets in which the Group has traditionally refinanced maturing debt and so hampering its ability to refinance indebtedness. Without a change in the status quo, the situation is likely to remain challenging in the near term, including as a result of the withdrawal of the Group's credit ratings by rating agencies due to the Group's current exposure to Russia.
- 4.14 As a result of Sanctions laws and regulations imposed on Russia, cash payments of both interest and principal amounts that either have already been made or will be made by the Company under the 2023 Notes and the Later Dated Notes (together, the "**Notes**") through Euroclear and Clearstream do not reach the beneficial owners of the Notes that are held directly or indirectly (through the chain of Russian depositaries) via the Russian National Settlement Depository (the "**NSD**"). The Company understands that such cash payments are instead being blocked by Euroclear and Clearstream, as Euroclear and Clearstream are not making payments to the NSD, due to the European Union's targeting of the NSD, and possibly in response to United States and United Kingdom Sanctions targeting Russia more broadly.
- 4.15 Further, on 5 July 2022, the President of the Russian Federation issued Decree 430, which states that "*Russian legal entities with obligations related to Eurobonds are required to ensure the fulfilment of obligations to holders of Eurobonds whose rights are recorded by Russian depositaries.*"
- 4.16 Although the Notes have been issued by the Company and VimpelCom is neither a co-obligor nor a guarantor under the Notes, on 20 September 2022, VimpelCom received correspondence from the Russian Ministry of Finance (the "**Russian MinFin**") in which the Russian MinFin stated that it "*consider[s] it appropriate that PJSC VimpelCom ensure the fulfilment of obligations under [the Notes] ... to holders of Eurobonds whose rights are recorded by Russian depositaries*". In addition, the Russian MinFin requested VimpelCom to provide information on payments made with respect to the Notes. Certain Russian holders of the Notes have also commenced legal proceedings in Russia against VimpelCom requesting VimpelCom to pay under certain Notes. The Group is currently assessing the potential impact of any obligation that may be imposed on VimpelCom as a matter of Russian law to assume direct responsibility for the discharge of the Notes held through Russian depositaries and potential solutions to the same.
- 4.17 In the event that VimpelCom were to make payments directly to beneficial owners of the Notes that are held through Russian depositaries, the Company has no comfort that Euroclear and/or Clearstream would recognise the payment by VimpelCom as being good discharge of the Company's payment obligations (and the 2023 Notes Trust Deeds do not otherwise make provision for recognising such payments). Accordingly, as matters stand, it is possible that VimpelCom and the Company could both be required to make material payments in respect of the same amounts of interest and principal due on the 2023 Notes held through Russian depositaries.

- 4.18 Given the Company believes a significant proportion of the 2023 Notes are held through the NSD and other Russian depositaries, any maturity payments made by the Company on the Original Maturity Dates in respect of the 2023 Notes are expected to result in an inefficient use of material sums of liquidity, due to the cash remaining blocked in Euroclear and Clearstream and the possibility that the principal amount of the 2023 Notes held through Russian depositaries may be repaid by both the Company and VimpelCom.

The VimpelCom Disposal

- 4.19 The Group has announced on the date of this letter that it has reached an agreement for the sale of its Russian subsidiary, VimpelCom (<https://www.veon.com/media/media-releases/2022/veon-ltd-press-release-24-11-2022/>) (the “**VimpelCom Disposal**”). The VimpelCom Disposal is expected to be completed in early June 2023 (subject to receipt of required regulatory approvals and satisfaction of customary closing conditions). Under the sale agreement for the VimpelCom Disposal, the Group will receive total consideration of RUB 130 billion (approximately USD 2.1 billion²). Subject to receipt of the necessary licences and/or approval from competent sanctions authorities, it is expected that the total consideration will be paid primarily by VimpelCom taking on and discharging certain of the Notes, thus significantly deleveraging the Group’s balance sheet.

The proposal of the Amendments

- 4.20 The Scheme represents the culmination of six months of discussions between the Group and its advisers during which they have considered multiple different potential transaction structures.
- 4.21 In addition, in October 2022, VEON Ltd. began engaging in confidential discussions with certain 2023 Noteholders with respect to proposals for the Amendments.
- 4.22 If the status quo were to continue, the options available to it would be significantly constrained by the current and evolving political situation, international Sanctions laws and Russian regulations. In these circumstances, the Group considers that a short-term extension of the maturity of the 2023 Notes represents the best option available to the Group and its stakeholders, as it will provide the Group with additional time to pursue a number of strategic transactions (and, in particular, the VimpelCom Disposal). The directors of the Company (the “**Directors**”) have therefore concluded that it is appropriate and in the best interests of the Company and its stakeholders to take steps now to propose the Scheme and implement the Amendments.
- 4.23 The Scheme forms an integral part of the Amendments as it will amend the terms of the 2023 Notes as described in this letter. The Directors recommend to the Scheme Creditors that are entitled to vote on the Scheme that they should vote in favour of and approve the Scheme.

5. OVERVIEW OF THE AMENDMENTS

Key features of the Amendments

- 5.1 The key features of the proposed Amendments (if implemented) are: (i) the Maturity Dates under the February 2023 Notes and the April 2023 Notes will each be extended by eight months to 13 October 2023 and 27 December 2023, respectively (the “**Extended Maturity Dates**”); (ii) certain of the voting provisions, consent thresholds and quorum requirements that apply to any modifications to, or waivers or consents under, the 2023 Notes will be amended; and (iii) an amendment fee will be paid to the 2023 Noteholders on the respective Extended Maturity Dates of an amount equal to 0.75 per cent. of the principal amount then outstanding of the

² USD/RUB rate of 60.5043, source: Central Bank of Russia fx rate as of 24 November 2022.

relevant series of 2023 Notes (the “**Amendment Fee**”). Further details on the proposed Amendments are set out in Section 6 below.

- 5.2 The Company is proposing the Scheme in order to implement the Amendments. No component of the Amendments will be implemented if the Scheme is not approved by the Scheme Creditors at the Scheme Meeting and sanctioned by the Court at the sanction hearing (the “**Sanction Hearing**”). Other than the arrangements described in paragraph 6.6 below, even if the Scheme is approved by the Scheme Creditors and sanctioned by the Court, the Amendments will only be implemented if and when the Amendment Conditions (as defined below) are satisfied or waived (in accordance with the Scheme). In particular, the Scheme will provide that the Amendments may be implemented only after receipt of all the Required Licences (as defined below) (unless determined not to be required).

Required licences

- 5.3 The Company is continuously evaluating required steps to ensure continued compliance with its obligations under applicable Sanctions laws and regulations. As such, the Company may determine in its absolute discretion that authorisation from competent Sanctions authorities may be required in connection with, and to implement, the Amendments and that certain licences may be required in advance of the Scheme Meeting (collectively referred to as the “**Required Licences**”).

Objectives of the Amendments

- 5.4 The primary objective of the Amendments is to provide the Group with additional time to effect the VimpelCom Disposal, which is currently expected to be completed in early June 2023. The Group considers that the VimpelCom Disposal represents the single-most material deleveraging action available to the Group, which will at the same time increase the prospect of future access to international debt capital markets, which are currently not available to the Group.
- 5.5 By providing time to effect the VimpelCom Disposal (which, subject to receipt of required regulatory approvals and satisfaction of customary closing conditions, is expected to involve VimpelCom taking on and discharging certain of the Notes), the Amendments are also expected to mitigate the inefficient use of cash that would result from the payments on the NSD-held portion of the 2023 Notes being trapped in Euroclear and Clearstream, and the possibility of the principal amount of the 2023 Notes held through Russian depositaries being repaid by both the Company and VimpelCom, due to the European Union’s Sanctions targeting the NSD, and possibly in response to United States and United Kingdom Sanctions laws and regulations targeting Russia more broadly.
- 5.6 The Amendments will also provide short-term stability and further optionality to implement the asset monetisation strategy underpinning the Group’s objectives to further reduce leverage and maximise its stakeholders’ returns.
- 5.7 Subject to the Amendments being successfully implemented, and completion of the VimpelCom Disposal, the Group currently intends to use excess liquidity to redeem financial liabilities to deleverage and reduce its interest obligations.

Consequences of a failure to implement the Amendments

- 5.8 The Directors will continue to assess the Company’s solvency up to the Original Maturity Dates of each of the 2023 Notes. Based on matters as at the date of this letter, the Directors consider that, in the event that the Amendments are not implemented, their most likely course of action would be to repay the 2023 Notes on their respective Original Maturity Dates. However, as the VimpelCom Disposal and consequent discharging of certain of the Notes will not have been

effected by the Original Maturity Dates, this would result in payments on the NSD-held 2023 Notes being trapped in Euroclear and Clearstream and an inefficient use of the Company's cash which the Company would prefer to avoid (as outlined at paragraph 4.18 above).

- 5.9 In addition, the Directors are conscious that, if the Scheme is not approved, they will need to make a determination on whether to repay the 2023 Notes on their respective Original Maturity Dates and the facts at that time may be significantly different to the position today due to the evolving political environment. The extension would afford the Company more time to effect the VimpelCom Disposal and the sale of other assets, which would further improve its liquidity position and ability to raise debt. The Company is therefore of the view that the additional runway provided by the Scheme is a prudent way to address some of the current uncertainty it is facing.
- 5.10 As the Amendments would provide additional runway to effect the VimpelCom Disposal and the sale of other assets, which would maximise the Company's chances to avoid the inefficient use of its cash and further improve its liquidity position and ability to raise debt, the Company considers that it is appropriate and in the best interests of its stakeholders to propose the Scheme and the Amendments. Further, the Company considers that the Scheme will be in the best interests of the 2023 Noteholders in particular as, in addition to addressing the issues noted above, it will entitle the 2023 Noteholders to the Amendment Fee and additional coupon payments on the 2023 Notes prior to, and as a result of, the Extended Maturity Dates.

6. THE PROPOSED SCHEME

- 6.1 The purpose of the Scheme is to facilitate the implementation of the Amendments. It will do so by, among other things:
- (a) binding all of the Scheme Creditors (and each of their successors and assigns) to the Amendments;
 - (b) effecting the amendments to the 2023 Notes, the 2023 Notes Trust Deeds and the global note certificates in respect of the 2023 Notes (as described below);
 - (c) granting authority to the Company and the relevant parties to execute the documents required to implement the Amendments (the "**Implementation Documents**") on behalf of, among others, the Scheme Creditors, including amendments to each of the 2023 Notes Trust Deeds; and
 - (d) effecting the full and absolute satisfaction, waiver and release of the Scheme Creditors' past, present and future claims against the Company and certain other parties (collectively the "**Released Parties**"), arising out of or in connection with:
 - (i) the preparation, negotiation, sanction, execution or implementation of, among other things, the Scheme, the Implementation Documents and/or the Amendments, including any acts of any Released Party or otherwise in carrying out the steps and transactions contemplated in the Scheme or the Implementation Documents in accordance with their terms; and/or
 - (ii) any failure by the Company to make any principal payment in respect of the 2023 Notes on the Original Maturity Dates (this would be relevant in the event that the Amendment Effective Date (as defined below) has not occurred before such Maturity Date because the Required Licences (if any) have not been obtained (see paragraph 5.3 above)),(each, a "**Relevant Event**").

- 6.2 The detailed terms of the Scheme will be included within the Scheme Documents (as defined below).

Amendments to the 2023 Notes

- 6.3 The 2023 Notes shall remain on the same terms and conditions as the February 2023 Notes Trust Deed and the April 2023 Notes Trust Deed, respectively, save for the following amendments:

- (a) *Maturity dates:* Each of the Maturity Dates under the 2023 Notes will be amended as follows:
 - (i) the Maturity Date under the February 2023 Notes will be extended from 13 February 2023 to 13 October 2023; and
 - (ii) the Maturity Date under the April 2023 Notes will be extended from 26 April 2023 to 27 December 2023;
- (b) *Amendments, waivers or consents:* The consent thresholds and quorum requirements that apply to any modifications to, or waivers or consents under, the 2023 Notes will be amended as follows:
 - (i) subject to the quorum requirement below, a resolution may be sanctioned at a meeting by a majority of the votes cast on the resolution;
 - (ii) the necessary quorum for any meeting will be one or more persons holding or representing more than half (or, at any adjourned meeting, any amount) of the aggregate principal amount of the February 2023 Notes or the April 2023 Notes (as applicable) then outstanding, provided however that, if the resolution includes any Reserved Matter (as defined in the relevant 2023 Notes Trust Deed), the necessary quorum will be one or more persons present holding or representing not less than two-thirds (or, at any adjourned meeting, not less than one third) of the aggregate principal amount of the February 2023 Notes or the April 2023 Notes (as applicable) then outstanding; and
 - (iii) a resolution may be passed in writing or by electronic consents through the Clearing Systems by holders of not less than a majority in aggregate principal amount of the February 2023 Notes or the April 2023 Notes (as applicable) then outstanding, provided however that, if the resolution includes any Reserved Matter (as defined in the relevant 2023 Notes Trust Deed), the resolution may be passed by holders of not less than two-thirds in aggregate principal amount of the February 2023 Notes or the April 2023 Notes (as applicable) then outstanding;
- (c) *Voting:* Each of the 2023 Notes will be amended to provide that, for the purposes of voting, quorum, written resolutions and any other vote or request of the 2023 Noteholders, any person who is the target of applicable Sanctions laws or regulations that prohibit them from dealing with the 2023 Notes shall be deemed not to be a 2023 Noteholder and any 2023 Notes which are for the time being held by or on behalf of such person shall be deemed not to be outstanding; and
- (d) *Amendment Fee:* The Amendments will require the Company to pay:
 - (i) on 13 October 2023 (being the new Maturity Date of the February 2023 Notes if the Amendment Effective Date occurs) or, if not a Business Day, on the next succeeding Business Day (as defined in the February 2023 Notes Trust Deed), an

amount equal to 0.75 per cent. of the aggregate principal amount of the February 2023 Notes then outstanding to the holders of the February 2023 Notes; and

- (ii) on 27 December 2023 (being the new Maturity Date of the April 2023 Notes if the Amendment Effective Date occurs) or, if not a Business Day, on the next succeeding Business Day (as defined in the April 2023 Notes Trust Deed), an amount equal to 0.75 per cent. of the aggregate principal amount of the April 2023 Notes then outstanding to the holders of the April 2023 Notes.

- 6.4 Final drafts of the documents implementing the Amendments will be made available for review by the Scheme Creditors through the Scheme Website following the Scheme Convening Hearing.

Scheme Standstill Period

- 6.5 The Company is aware that a number of the relevant licensing authorities are not responding in short order to applications for licences. Accordingly, it is possible that, prior to one or both of the Original Maturity Dates of the 2023 Notes, the Required Licences (if any) may not have been obtained (other than the licence(s) that will need to be obtained prior to the occurrence of the Scheme Meeting in order to allow certain persons to vote at the Scheme Meeting) so as to enable the Company to implement the Amendments. The Company considers it is in the best interests of the Scheme Creditors and its other stakeholders to ensure that no action can be taken against the Company if any Required Licence is not received prior to the Original Maturity Dates (such that the Amendments cannot then take effect) and it does not pay the February 2023 Notes and/or the April 2023 Notes (as applicable) on their respective Original Maturity Dates (as applicable).

- 6.6 Accordingly, if the Scheme is sanctioned by the Court at the Sanction Hearing and filed with the Registrar of Companies for England and Wales at a time when any Required Licence has not been received (and has not otherwise been determined by the Company not to be required), the Scheme will:

- (a) until the earlier of (A) the date on which all of the Amendment Conditions have been satisfied or waived (in accordance with the Scheme) and the Amendments are implemented (the “**Amendment Effective Date**”), (B) the date on which the Company confirms via notice to the Information Agent that it has determined (in its sole discretion) that the Scheme cannot be implemented in compliance with applicable laws, including, without limitation, Sanctions laws and regulations, and (C) 13 October 2023 (the “**Standstill Period**”), provide that the principal amount of the 2023 Notes shall be treated for all purposes as if it has not fallen due for payment and impose a standstill with respect to the 2023 Noteholders (the “**Scheme Standstill**”), which would restrict any 2023 Noteholder during the Standstill Period from:

- (i) taking any of the following actions (each an “**Enforcement Action**”):
 - (1) the acceleration of any sum payable under the 2023 Notes Trust Deeds or the making of any declaration that any sum payable under the 2023 Notes Trust Deeds is due and payable or payable on demand;
 - (2) the making of any demand in respect of the 2023 Notes, or against the Company under any guarantee or surety provided under the 2023 Notes Trust Deeds;

- (3) the suing for, commencing or joining of any legal or arbitration proceedings against the Company to recover any sums payable under the 2023 Notes Trust Deeds;
- (4) exercising (or causing the 2023 Notes Trustee to exercise) any other enforcement remedies set forth in the 2023 Notes Trust Deeds;
- (5) exercising (or causing the 2023 Notes Trustee to exercise) any other enforcement remedies at law or in equity with respect to the 2023 Notes; and
- (6) petitioning for, applying for, or voting for any insolvency proceeding in respect of the Company,

except that the taking of any action falling within paragraphs (1) to (6) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of the 2023 Notes, including the registration of such claims before any court, relevant arbitral institution or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods, shall not constitute Enforcement Action;

- (ii) directing or encouraging any other person to take any Enforcement Action; or
- (iii) voting, or allowing any proxy to vote or instruct another relevant person to vote (to the extent it is legally entitled to instruct that person to vote), in favour of any Enforcement Action,

in respect of any or all rights and/or remedies which any Scheme Creditor may have in respect of any Relevant Event; and

- (b) provide an acknowledgement and agreement by the Scheme Creditors and the Trustee that during the Standstill Period:
 - (i) each and every Relevant Event is waived; and
 - (ii) the occurrence of any Relevant Event shall not constitute a breach of, or give rise to a default or Event of Default under, the terms of the 2023 Notes or the 2023 Notes Trust Deeds.

Waiver

6.7 If each of the Amendment Conditions are satisfied or waived (in accordance with the Scheme) and the Amendments are implemented, the Scheme will then provide an acknowledgement and agreement by the Scheme Creditors and the Trustee that:

- (a) each and every Relevant Event is fully and finally waived;
- (b) each and every right of any Scheme Creditor or the Trustee to take any action in respect of a Relevant Event is fully and finally released; and
- (c) the occurrence of any Relevant Event shall not constitute a breach of, or give rise to a default or Event of Default under the terms of, the 2023 Notes or the 2023 Notes Trust Deeds.

Voting on the Scheme

- 6.8 The Company considers that the 2023 Noteholders, being the ultimate beneficial owners of the 2023 Notes and persons with a right (in certain circumstances) to request that the Company issue a definitive note in respect of their interests in the 2023 Notes, are contingent creditors of the Company and therefore constitute creditors of the Company for the purposes of Part 26 of the Act.
- 6.9 The 2023 Noteholders at the Record Time, as the beneficial owners of the 2023 Notes, will be entitled to vote at the Scheme Meeting in respect of the Scheme, except where any 2023 Noteholder is prohibited from voting their 2023 Notes by applicable law or regulation (including as a result of being a Sanctions Disqualified Person (as defined below)).
- 6.10 It is not expected that the 2023 Notes Trustee, the Registered Holders or the Depositaries will exercise any voting rights to which they may be entitled at the Scheme Meeting. Accordingly, 2023 Noteholders will be the only persons that will vote at the Scheme Meeting.
- 6.11 Any Scheme Creditors wishing to vote on the Scheme must complete (or, in respect of Scheme Creditors holding their 2023 Notes through the DTC, procure that their account holder in DTC (a “**DTC Participant**”) completes on their behalf) a Voting and Proxy Form (as defined below) on the Scheme Website and submit it via the Scheme Website or by sending a scanned pdf to the Information Agent at veon@is.kroll.com by no later than 5.00 pm London time on the date that is approximately three business days before the Scheme Meeting (the “**Voting Instructions Deadline**”)³ in order to:
- (a) evidence their claims in respect of the Scheme; and/or
 - (b) vote, or appoint a proxy to vote on their behalf, at the Scheme Meeting (and give the necessary confirmations, including as to eligibility and that the representative and/or proxy is not a Sanctions Disqualified Person, in order to vote).
- 6.12 In order to be eligible to vote at the Scheme Meeting, each Scheme Creditor will be required to, among other things, provide certain confirmations as to their eligibility. In particular, each Scheme Creditor will be required to confirm, among other things, that they are not a person who:
- (a) is the target of any applicable Sanctions laws or regulations (including, without limitation, by reason of ownership, control or agency (in accordance with applicable Sanctions laws or regulations) by or with any person that is the target of any applicable Sanctions laws or regulations) that (A) prohibit them from dealing with the 2023 Notes or being offered, or otherwise accepting or receiving, any applicable related fees, or (B) prohibit them from otherwise engaging in any transaction in respect of the Scheme; or
 - (b) holds any direct or indirect interest in the 2023 Notes through an Account Holder, custodian or other member or participant in the Clearing Systems that is described in paragraph (a) above such that the Account Holder, custodian or other member or participant in the Clearing Systems would be subject to the same prohibitions as those described in paragraph (a) above, except (subject to obtaining any relevant Required Licences) in circumstances where the dealing and/or other engagement in respect of the 2023 Notes in connection with the Scheme or the Amendments are not required to be

³ The precise date and time of the Voting Instruction Deadline will be confirmed by announcement via the Scheme Website, the Company’s website, the Clearing Systems, the Irish Stock Exchange and the Luxembourg Stock Exchange (the exchanges on which the 2023 Notes are listed).

conducted through that Account Holder, custodian or other member or participant in the Clearing Systems,

(a “**Sanctions Disqualified Person**”), from the time of receipt of their Voting and Proxy Form to the date of the Scheme Meeting.

7. WHO WILL BE AFFECTED BY THE SCHEME?

- 7.1 From the date on which the Scheme becomes effective, the Company and all Scheme Creditors (and each of their successors and assigns) (irrespective of whether or not they voted in favour of the Scheme) will be bound by the terms of the Scheme.
- 7.2 Certain third parties will also execute undertakings pursuant to which they will undertake and agree, among other things, to perform those actions that they are required to perform in accordance with the terms of the Scheme and, where necessary, be bound by the terms of the Scheme as sanctioned by the Court.

8. CLASS OF SCHEME CREDITORS

- 8.1 Under the provisions of Part 26 of the Act, a scheme of arrangement must be agreed by a majority in number, representing at least 75 per cent. in value, of each class of scheme creditors present and voting, either in person or by proxy, together as a class at the relevant scheme meeting ordered to be convened by the Court for the purposes of considering the Scheme.
- 8.2 For the purposes of voting on the Scheme, if the rights of creditors are so different or would be affected so differently by the Scheme as to make it impossible for them to consult together with a view to their common interest, they must be divided into separate classes and a separate meeting must be held for each class of creditor.
- 8.3 Under the terms of the Practice Statement, it is the responsibility of the Company to formulate the class or classes of creditors for the purpose of convening properly constituted meetings to consider and, if thought fit, vote in favour of and approve the Scheme.
- 8.4 The Company has considered the present rights of the 2023 Noteholders against the Company, how they are to be varied under the Scheme, and the new rights that the 2023 Noteholders would have against the Company following implementation of the Amendments. For the reasons set out below, the Company has concluded that the Scheme Creditors constitute a single class for the purposes of the Scheme.

Maturity dates

- 8.5 In conducting its analysis, the Company has made particular reference to the different Maturity Dates of each series of the 2023 Notes.
- 8.6 The Company considers that it is appropriate for the 2023 Notes to vote as a single class because the existing maturity differences in respect of the 2023 Notes are very small and do not make it impossible for the 2023 Noteholders to consult together in their common interest. Moreover, the Scheme will maintain the difference in Maturity Dates by extending each series of the 2023 Notes by a uniform period of eight months. If the Maturity Dates of the 2023 Notes are so extended, they will still mature in the calendar year before the earliest maturing of the Later Dated Notes.
- 8.7 The rights conferred by the Scheme would therefore maintain the existing relative contractual rights of the 2023 Noteholders as between themselves (and also in relation to the Later Dated Notes) as they pertain to temporal seniority.

Consent thresholds and quorum requirements

- 8.8 The Company considers that the differences in the consent thresholds and quorum requirements under the February 2023 Notes and the April 2023 Notes are not so material so as to require the holders of the February 2023 Notes to be placed into a separate class from the holders of the April 2023 Notes. The Company further notes that the consent thresholds and quorum requirements under the February 2023 Notes and the April 2023 Notes will be aligned with each other under the terms of the Scheme.

Coupon

- 8.9 The Company has made reference to the following difference in coupons on each of the 2023 Notes, which are not being amended pursuant to the Scheme:
- (a) the coupon on the February 2023 Notes is 5.95 per cent.; and
 - (b) the coupon on the April 2023 Notes is 7.25 per cent.
- 8.10 The Company is of the view that the differences in these rights are not so material so as to require the holders of the February 2023 Notes to be placed into a separate class from the holders of the April 2023 Notes.
- 8.11 Further, the Company considers that it is appropriate for the 2023 Notes to vote as a single class because the Scheme does not propose to amend the existing coupon rates under the 2023 Notes and will therefore maintain the existing relative contractual rights of the 2023 Noteholders as they pertain to the coupon rates.

Legal and regulatory restrictions

- 8.12 The Company has considered whether the fact that certain 2023 Noteholders are precluded by applicable Sanctions law or regulation from voting on the Scheme will fracture the class. In principle, any such 2023 Noteholders have the same legal rights as other 2023 Noteholders to cast votes on the Scheme. It is their personal characteristics which make it unlawful for them to do so. The Company notes that the identity of such persons can change at any time, including before or after the Scheme Meeting.
- 8.13 The Company has therefore concluded that the fact that certain 2023 Noteholders are not permitted to vote on the Scheme as a consequence of applicable Sanctions law or regulations will not fracture the class. In reaching this conclusion, the Company has considered the Court's decision in *Nostrum Oil and Gas Plc* [2022] EWHC 1646 (Ch).
- 8.14 **IMPORTANT: If any Scheme Creditor has comments as to the constitution of the Scheme Meeting that is proposed, or any other issues which they consider should be raised with the Court, they should in the first instance contact the English legal counsel to the Company, Akin Gump LLP, using the contact details set out in Section 14 below.**

9. JURISDICTION

- 9.1 The Company considers that the Court has jurisdiction to sanction the Scheme on the basis that:
- (a) the Company is liable to be wound up under the Insolvency Act 1986 and is therefore a “company” within the meaning of section 895(2) of the Act; and
 - (b) the Scheme is a “compromise or arrangement” between the Company and the Scheme Creditors.

- 9.2 The Company further considers that it has a sufficient connection to England and Wales for the Court to exercise its discretion to sanction the Scheme because the terms and conditions of the 2023 Notes are governed by, and are to be construed in accordance with, English law.
- 9.3 Based on advice from an independent expert, the Company expects that the Scheme and the Amendments will be recognised and given effect to in the Netherlands, the jurisdiction in which the Company is incorporated.
- 9.4 Consequently, the Company considers that the Court has jurisdiction to sanction the Scheme.
- 9.5 The Scheme Creditors should be aware that any issues affecting the jurisdiction of the Court to convene the Scheme Meeting and to sanction the Scheme should be raised and considered at the Scheme Convening Hearing. Please see Section 11 for further detail.

10. CONDITIONS TO THE EFFECTIVENESS OF THE SCHEME

- 10.1 Even if the Scheme Creditors approve the Scheme by the requisite majorities and the Scheme is sanctioned by the Court, the Amendments will only be implemented if and when each of the conditions are satisfied or waived, including (but not limited to) the following (the “**Amendment Conditions**”):
- (a) a certificated copy of the order of the Court sanctioning the Scheme being filed with the Registrar of Companies for England and Wales;
 - (b) confirmation being received from HM Revenue & Customs that the order of the Court sanctioning the Scheme is not subject to stamp duty; and
 - (c) all relevant regulatory approvals which the Company determines in its sole discretion are required for the Company to implement the Amendments being obtained (or otherwise waived or confirmed that they are not required by the Company in its sole discretion), including the Required Licences (if any).
- 10.2 As described in paragraphs 6.5 and 6.6 above, it is anticipated that the Scheme Standstill would take effect if Amendment Conditions (a) and (b) are satisfied but Amendment Condition (c) (which is outside the control of the Company) remains outstanding. However, the Amendments would not take effect until all of the Amendment Conditions are satisfied or waived (in accordance with the Scheme).

11. SCHEME CREDITOR ISSUES

- 11.1 As noted above, the Scheme Convening Hearing is expected to take place on or after 20 December 2022, at which the Company will draw any issue raised by Scheme Creditors to the Court’s attention. The Scheme Creditors have the right to attend the Scheme Convening Hearing in person or through counsel (unless otherwise precluded from doing so by applicable Sanctions law or regulation or other applicable law or regulation) and make representations at the Scheme Convening Hearing, the precise time, date and location of which, as stated above, will be notified to the Scheme Creditors by announcement via the Scheme Website, the Company’s website, the Clearing Systems, the Irish Stock Exchange and the Luxembourg Stock Exchange (the exchanges on which the 2023 Notes are listed) prior to the Scheme Convening Hearing. If the Court determines that the Scheme Convening Hearing will be held remotely, Scheme Creditors will need to request access details from the Court. Further details on how to do so will be provided prior to the Scheme Convening Hearing.
- 11.2 This letter is intended to provide the Scheme Creditors with sufficient notice of, and information regarding, the Scheme and the Amendments insofar as it relates to the 2023 Notes, so that,

should they wish to raise any issues that relate to the jurisdiction of the Court to sanction the Scheme, or argue that the proposal outlined above for convening the Scheme Meeting is inappropriate, or to raise any other issue in relation to the constitution of the Scheme Meeting or which might otherwise affect the conduct of such Scheme Meeting, they may attend and be represented before the Court at the Scheme Convening Hearing, although no Scheme Creditor is obliged to do so.

- 11.3 The Scheme Creditors should be aware that the Court has indicated that issues which may arise as to the constitution of the Scheme Meetings or which otherwise affect the conduct of those meetings or which affect the jurisdiction of the Court to sanction the scheme (the “**Scheme Issues**”), should be raised at the Scheme Convening Hearing. By virtue of this letter, the Scheme Creditors are afforded an opportunity to raise any Scheme Issues. If they do not do so, while the Scheme Creditors will still be able to appear and raise objections at the Sanction Hearing, the Court is likely to expect them to show good reason why they did not previously raise the Scheme Issues. The Scheme Creditors are therefore strongly encouraged to raise any Scheme Issues prior to or at the Scheme Convening Hearing.
- 11.4 It is important to note that Scheme Creditors are also able to raise other issues at the Scheme Convening Hearing but, consistent with the Court’s usual approach, issues relating to fairness of the Scheme will likely only be considered by the Court at the Sanction Hearing in due course if the Scheme is approved by the requisite majority of Scheme Creditors who vote in favour of the Scheme at the Scheme Meeting.
- 11.5 If the Court orders the Scheme Meeting to be convened at the Scheme Convening Hearing, the Scheme Creditors will have the opportunity to raise objections at the Sanction Hearing, at which the Court will decide whether to exercise its discretion to sanction the Scheme (assuming that the Scheme is approved at the Scheme Meeting by the requisite majorities of Scheme Creditors). In this case, the Sanction Hearing is anticipated to be held on 30 January 2023. Further details will be made available to the Scheme Creditors by announcement via the Scheme Website, the Company’s website, the Clearing Systems, the Irish Stock Exchange and the Luxembourg Stock Exchange (the exchanges on which the 2023 Notes are listed).
- 11.6 The 2023 Noteholders should take advice from their legal and other professional advisers if they have any concerns in relation to the matters set out in this letter. The Explanatory Statement is expected to be circulated to the 2023 Noteholders following the Scheme Convening Hearing and will include further details in relation to the Scheme.
- 11.7 If any Scheme Creditor wishes to raise any Scheme Issues, they should write to Akin Gump LLP, English legal counsel to the Company, setting out their concerns as soon as practicable and in advance of the Scheme Convening Hearing using the contact details below.

12. COMMUNICATIONS IN RESPECT OF THE SCHEME

- 12.1 The Information Agent has set up a website for the Scheme accessible via by the Scheme Creditors via <https://deals.is.kroll.com/veon> (the “**Scheme Website**”) to disseminate information about the Scheme and to facilitate the implementation of the Scheme.
- 12.2 Information and documents relating to the Scheme will be available on the Scheme Website. The Scheme Creditors (excluding Sanctions Disqualified Persons) will be able to view, print and download the Scheme Documents (as defined below) from the Scheme Website once they have registered online.
- 12.3 Any Scheme Creditors wishing to register online should do so via the Scheme Website and should contact the Information Agent using the details set out at Section 14 below if they have any queries about the registration process.

13. NEXT STEPS

- 13.1 As noted above, the Company anticipates that the Scheme Convening Hearing will take place on or after 20 December 2022. Scheme Creditors will be notified in advance if there is a change to the proposed dates.

Scheme Documents

- 13.2 If the Court gives permission to convene the Scheme Meeting to vote on the Scheme, the Company will notify the Scheme Creditors in accordance with the direction of the Court of the time, date and venue of the Scheme Meeting, set out how the Scheme Creditors may vote at that meeting and provide further detail of the terms of the proposed Scheme. In particular, the Scheme Creditors should expect to receive the following documents, subject to compliance with applicable Sanctions laws and regulations:

- (a) a notice convening the Scheme Meeting;
 - (b) the Explanatory Statement relating to the Scheme, which will provide a more detailed explanation of the Scheme, the Amendments and the voting process;
 - (c) the Scheme, which will be included in the Explanatory Statement;
 - (d) a voting and proxy form (a “**Voting and Proxy Form**”) containing, among other things, the forms and documents that the Scheme Creditors will need to (or their DTC Participant on their behalf needs to) complete in order to vote at or to appoint a proxy to attend the Scheme Meeting; and
 - (e) any documentation which may accompany the foregoing,
- (together, the “**Scheme Documents**”).

- 13.3 The Scheme Documents will be made available to the Scheme Creditors by the Information Agent, including via the Scheme Website (the access to and registration for which is explained in Section 12 above). If any amendments or modifications are made to the Scheme Documents, then such amended or modified documents will also be made available to Scheme Creditors on the Scheme Website.

Scheme Meeting

- 13.4 Assuming that the Court orders that the Scheme Meeting be convened by the Company and the Company receives any Required Licence(s) necessary for the Scheme Meeting, the Scheme Meeting is proposed to be held on or after 24 January 2023.
- 13.5 As soon as it has been scheduled, the date and time of the Scheme Meeting will be confirmed by announcement via the Scheme Website, the Company’s website, the Clearing Systems, the Irish Stock Exchange and the Luxembourg Stock Exchange (the exchanges on which the 2023 Notes are listed).
- 13.6 It is expected that the Scheme Meeting will take place via webinar. Any Scheme Creditor wishing to attend the Scheme Meeting should submit a validly completed Voting and Proxy Form and, following confirmation that the Voting and Proxy Form has been validly completed and, if the Scheme Creditor is a body corporate, upon the Information Agent being satisfied that its representative has provided evidence of their authority to represent that Scheme Creditor at the Scheme Meeting, the Information Agent will provide access details in respect of the Scheme Meeting.

- 13.7 As explained above, the Company is of the view that the Scheme is necessary to implement the Amendments and maximise value for all of its stakeholders. All Scheme Creditors are therefore encouraged to support the Scheme.

Anticipated process and timeline

Key date⁴	Steps
20 December 2022	Scheme Convening Hearing
On or after 20 December 2022	Distribution of the Explanatory Statement and, subject to receipt of any Required Licences, invitation to submit Voting and Proxy Forms, and notice of the time and date of the Scheme Meeting
On or after 24 January 2023	Scheme Meeting*
On or after 30 January 2023	Sanction Hearing*

**Subject to receipt of any Required Licences.*

14. CONTACT DETAILS

If you have any questions in relation to this letter or the Scheme, please contact the Information Agent and/or the English legal counsel to the Company, Akin Gump LLP, using the contact details below:

Kroll Issuer Services Limited, as information agent of the Company
The Shard, 32 London Bridge Street
London, England, SE1 9SG
Telephone: + 44 20 7704 0880
Email: veon@is.kroll.com
Scheme Website: <https://deals.is.kroll.com/veon>
Attention: Paul Kamminga

Akin Gump LLP, as English legal counsel to the Company
Ten Bishops Square
Eighth Floor
London, E1 6EG
Email: AkinProjectVerona@akingump.com

Yours faithfully



Jochem Postma

Authorised Signatory of the Company

⁴ Final dates subject to Court availability and confirmation.