SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported) – March 11, 2008

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE	**0-24341**	**54-18652710**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Two Bala Plaza, Suite 300
Bala Cynwyd, Pennsylvania **19004**
(Address of Principal Executive Offices) **(Zip Code)**

(610) 660-7817
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On March 11, 2008, Central European Distribution Corporation (the "Company") and certain of its affiliates entered into a Share Sale and Purchase Agreement (the "SPA") and certain other agreements with White Horse Intervest Limited, a British Virgin Islands Company ("Seller"), and certain of Seller's affiliates, relating to the Company's acquisition from Seller of 85% of the share capital of Copecresto Enterprises Limited, a Cypriot company ("Copecresto"). After the consummation of certain reorganization transactions contemplated by the SPA (the "Reorganization Transactions"), Copecresto will hold various beverage production and distribution assets in Russia, including the "Parliament" and "999,9" vodka brands.

Pursuant to these agreements, on March 13, 2008 the Company acquired 85% of the share capital of Copecresto for $180,335,257 in cash (the "Cash Consideration") and 2,238,806 shares of common stock, par value $0.01, of the Company (the "Share Consideration"). The delivery of 250,000 shares of the Share Consideration and $15,000,000 of the Cash Consideration was deferred pending the consummation of certain of the Reorganization Transactions. In connection with this acquisition, the Company entered into a Shareholders Agreement, dated March 13, 2008, with Seller and Copecresto, pursuant to which the parties set out their rights, duties and obligations with respect to Copecresto and certain matters relating to the business, financing, conduct and management of Copecresto. The Company also granted Direct Financing Limited, a British Virgin Island Company and affiliate of Seller ("Direct Financing"), certain registration rights with regard to the Share Consideration and entered into certain supplemental agreements which are meant to govern the business relationship of the parties in the production and distribution of vodka products prior to the final consummation of all of the Reorganization Transactions.

Each of the material agreements relating to these transactions is summarized in greater detail below.

Share Sale and Purchase Agreement

On March 11, 2008, the Company entered into the SPA, by and among the Company, Seller, William V. Carey, Chairman, President and Chief Executive Officer of the Company, and Bols Sp. z o.o. ("Bols"), a Polish limited liability company and wholly-owned subsidiary of the Company. Under the terms of the SPA, on that same date the Company acquired 85% of the share capital of Copecresto for an aggregate consideration of $180,335,257 and the Share Consideration, though delivery of 250,000 shares of the Share Consideration and $15,000,000 of the Cash Consideration was deferred pending the consummation of certain of the Reorganization Transactions. In addition, pursuant to the SPA, the parties agreed to undertake the Reorganization Transactions and the Company granted to Seller the right to nominate one director to the Company's board of directors. The SPA contains customary representations, warranties and covenants for a transaction of this type. A copy of the SPA is attached as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Shareholders Agreement

In connection with the execution of the SPA, the Company, Bols, Seller and Copecresto also entered into a Shareholders Agreement dated March 13, 2008 (the "Shareholders Agreement"). The Shareholders Agreement governs the future management of Copecresto and the rights and responsibilities of the Company and Seller as the joint owners of Copecresto's share capital. Copecresto will be managed by five directors. Seller will be entitled under the Shareholders Agreement to appoint two directors and CEDC will be entitled to appoint three directors and to name the chairman.

Under the Shareholders Agreement, certain actions may not be taken by Copecresto without the approval of the Seller-appointed directors, including, but not limited to, entering into voluntary liquidation, entering into agreements that will cause certain expenditures of Copecresto to exceed certain prescribed amounts, acquiring any interest in the share capital of any other company and entering into any agreements with any shareholder. Furthermore, the Shareholders Agreement requires the vote of Seller for Copecresto to take certain other actions, including, but not limited to, amending its Articles of Association or Memorandum of Association, disposing of a material part of its business, entering into a merger transaction, carrying out any restructuring or creating any shares or securities and increasing the number of directors or changing the number of directors that may be appointed pursuant to the Shareholders Agreement.

Pursuant to the Shareholders Agreement, the Company has the right to acquire from Seller all shares of Copecresto's capital stock held by Seller for a fixed price (the "Call Right") during the period commencing on the seven-year anniversary of the execution of the Shareholders Agreement and ending upon the earlier of (1) the ten year anniversary of the final consummation of the Reorganization Transactions and (2) the delivery of a notice of default under the Shareholders Agreement or a delivery of notice of Seller's exercise of the Put Right (described below). Seller also has the right to cause the Company to acquire all shares of Copecresto's capital stock held by Seller at a fixed price (the "Put Right") during the period commencing on the three-year anniversary of the execution of the Shareholders Agreement and ending upon the earlier of (1) the ten year anniversary of the final consummation of the Reorganization Transactions and (2) the delivery of a notice of default under the Shareholders Agreement or a delivery of notice of the Company's exercise of the Call Right.

Under the Shareholders Agreement, the parties have agreed to certain restrictions on the transfer of the capital stock of Copecresto. Except for transfers to certain affiliates, no shareholder may transfer any share of Copecresto's capital stock prior to the ten-year anniversary of the final consummation of the Reorganization Transactions (the "Lock-Up Date"). In addition, the non-transferring shareholders have a right of first refusal on any transfers occurring after the Lock-Up Date. Furthermore, Seller has tag-along rights in any transfer of shares held by CEDC after the Lock-Up Date. A copy of the Shareholders Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Registration Rights Agreement

The disclosure required in connection with this agreement is included in Item 3.02 and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets

To the extent required by Item 2.01 of Form 8-K, the information contained in Item 1.01 of this Current Report is hereby incorporated by reference herein.

Item 3.02 Unregistered Sale of Equity Securities

In connection with, and as consideration for, the transactions contemplated by the SPA, the Company has issued the Share Consideration to Seller, less 250,000 shares, the delivery of which was deferred pending the consummation of certain of the Reorganization Transactions. The Share Consideration was negotiated between the Company and Seller in connection with the negotiation of the SPA. The offering of the Share Consideration was made only to persons who are not "U.S. Persons" as defined in Rule 902 under Regulation S ("Regulation S") under the Securities Act of 1933, as amended (the "Securities Act"). The Share Consideration has not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States in the absence of an effective registration statement or an exemption from the registration requirements of the Securities Act. The Company relied on the exemption from the registration requirements of the Securities Act set forth under Regulation S and the rules and regulations promulgated thereunder.

In connection with the offering of the Share Consideration, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement"), dated March 13, 2008, with Direct Financing, pursuant to which the Company granted Direct Financing certain registration rights with respect to the Share Consideration. A copy of the Registration Rights Agreement is attached as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

After the closing of the transactions described above, the board of directors of the Company elected Mr. Sergey Kupriyanov, a stockholder of Seller and Direct Financing, to serve as a director effective March 13, 2008. For his service as a director, Mr. Kupriyanov will receive fees pursuant to the compensation arrangements provided to the Company's other directors, which include a March 13, 2008 grant of options to purchase 5,000 shares of the Company's common stock at an exercise price of $54.89 (the closing share price of the Company's common stock on the day before the grant), which options will vest in two years and have a ten-year term. Mr. Kupriyanov also has been named one of five directors of Copecresto, for which he will receive no compensation. In addition, it is expected that Mr. Kupriyanov will enter into an employment agreement with OOO Parliament Distribution ("Distribution"), a wholly-owned subsidiary of Copecresto, to serve as Distribution's general director. Pursuant to this employment agreement, for his services as Distribution's general director, it is expected that Mr. Kupriyanov will receive an annual salary of 12,500,000 Russian Rubles, which has a value of approximately $531,000 based on current exchange rates. Mr. Kupriyanov is a resident of Moscow, Russia and has been involved in the production and distribution of alcohol products through affiliates of the Seller since 1991. To the extent required by Item 5.02 of Form 8-K, the information contained in Item 1.01 of this Current Report is hereby incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
2.1	Share Sale and Purchase Agreement, dated March 11, 2008, by and among White Horse Intervest Limited, William V. Carey, Central European Distribution Corporation, and Bols Sp. z o.o.
4.1	Registration Rights Agreement, dated March 13, 2008, by and between Central European Distribution Corporation and Direct Financing Limited.
10.1	Shareholders Agreement, dated March 13, 2008, among White Horse Intervest Limited, Bols Sp. z o.o., Central European Distribution Corporation and Copecresto Enterprises Limited.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Central European Distribution Corporation has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

By: /s/ Chris Biedermann
Chris Biedermann
Vice President and Chief Financial Officer

Date: March 17, 2008

EXHIBIT INDEX

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Exhibit 2.1

DATED 11 MARCH, 2008

WHITE HORSE INTERVEST LIMITED

WILLIAM V. CAREY

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

and

BOLS SP. Z O.O.

SHARE SALE AND PURCHASE AGREEMENT

CONTENTS

THIS AGREEMENT (the "**Agreement**") is made on 11 March, 2008

BETWEEN:

(1) **WHITE HORSE INTERVEST LIMITED**, a British Virgin Islands company, whose registered office is at P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands (the "**Seller**");

(2) **WILLIAM V. CAREY**, a citizen of the United States of America with passport number Z8058131 having an address of 11002 Cottage Wood Drive, Brandon, Florida, 33510, USA (on the basis set out in clause 9.5 only and not for any further or different basis) (together with such other person entitled to vote such shares as he beneficially owns in CEDC from time to time, the "**Shareholder**");

(3) **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**, a Delaware corporation, whose registered office is at 2 Bala Plaza, Suite 300, Bala Cynwyd, Pennsylvania, 19004, USA ("**CEDC**"); and

(4) **BOLS SP. Z O.O.**, a limited liability company incorporated under the laws of the republic of Poland whose registered office is at ul. Kowanowska 48, 64-600 Oborniki Wielkopolskie, Poland ("**Bols**" and, together with CEDC, the "**Purchasers**")

WHEREAS the Seller has agreed to sell, and the Purchasers have together agreed to purchase, 85 per cent. of the share capital of the Company (as defined below) for the consideration set out under, and otherwise on the terms and subject to the conditions set out in, this Agreement;

WHEREAS as a condition to the consummation of the transactions contemplated by this Agreement, and in exchange for the direct and indirect benefits conferred on the Purchasers and the Shareholder by such transactions, the parties have agreed to set out certain agreed matters relating to the appointment, nomination and election of a director specified by the Seller to the board of directors of CEDC; and

WHEREAS CEDC, as an inducement to the Seller to enter into this Agreement, has agreed to enter into the Registration Rights Agreement (as defined below).

WHEREBY IT IS AGREED that in consideration of the foregoing premises, the mutual obligations set out in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. INTERPRETATION

1.1 In this Agreement, unless otherwise specified:

1.1.1 capitalised terms shall have the meanings set out in Annex A;

1.1.2 references to clauses, sub-clauses, paragraphs, sub-paragraphs, Schedules and Exhibits are references respectively to clauses, sub-clauses, paragraphs and sub-paragraphs of, and to Schedules and Exhibits to, this Agreement;

1.1.3 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted except to the extent that any amendment or modification made or coming into effect of any statute or statutory provision after the date of this Agreement would increase or alter the Liability of a party under this Agreement or any of the other Transaction Documents (other than the Company Shareholders' Agreement);

1.1.4 headings to clauses and Schedules are for convenience only and do not affect the interpretation of this Agreement;

1.1.5 the Schedules and the Exhibits form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include a reference to the Schedules and to the Exhibits;

1.1.6 references to this Agreement, any of the other Transaction Documents or any other document, or to any specified provision of this Agreement, any of the other Transaction Documents or any other document, are to this Agreement, such other Transaction Document, that document or provision as in force for the time being, as amended, modified, supplemented, varied, assigned or novated, from time to time;

1.1.7 references to a "**company**" shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established, together with its successors and assigns;

1.1.8 references to a "**person**" shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality), together with its successors and assigns;

1.1.9 words importing the singular include the plural and vice versa, words importing a gender include every gender;

1.1.10 reference to "include" "includes" and "including" will be deemed to be followed by ", without limitation," unless the context requires otherwise;

1.1.11 references to a "**party**" or "**parties**" means a party or the parties to this Agreement;

1.1.12 references to "**indemnify**" and "**indemnifying**" any person against any matter or circumstance include indemnifying and keeping that person harmless from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments, costs or expenses made or incurred by that person as a consequence of or which would not have arisen but for that matter or circumstance;

1.1.13 references to writing shall include any modes of reproducing words in a legible and non-transitory form;

1.1.14 references to "**US dollars**," "**dollars**" or to "**US$**" shall be construed as references to the lawful currency for the time being of the United States of America;

1.1.15 references to times of the day are to Moscow time;

1.1.16 general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things;

1.1.17 where any statement or Warranty is qualified by "**so far as the Seller is aware**" or "**to the Seller's knowledge**" or any similar expression or otherwise refers to the knowledge or awareness of the Seller, that statement shall be deemed to be made only on the basis of the actual knowledge of the Seller having made due and careful enquiry of Alexei Youriev, Sergei Kuprianov, Valery Gorbatenkov and Yuri Maximov; and

1.1.18 where any statement or Warranty is qualified by "**so far as the Purchasers are aware**" or "**to the Purchasers' knowledge**" or any similar expression or otherwise refers to the knowledge or awareness of the Purchasers (or either of them), that statement shall be deemed to be made only on the basis of the actual knowledge of the Purchasers having made due and careful enquiry of William V. Carey, Chris Biedermann and Evangelos Evangelou.

2. SALE AND PURCHASE

2.1 Subject to the terms and conditions of this Agreement, at Closing the Seller shall sell and the Purchasers shall purchase the Shares free from any Encumbrances.

2.2 Title to, beneficial ownership of, and any risk attaching to, the Shares shall pass on Closing. Following Closing, the Purchasers shall together be entitled to exercise all rights attached or accruing to the Shares including voting rights and the right to receive all dividends, distributions or any return of capital declared, paid or made on or after the Closing Date.

3. CONDITIONS PRECEDENT

3.1 Closing and the obligations of the Seller and the Purchasers thereat shall be conditional upon each of the Conditions Precedent being satisfied or waived in accordance with this Agreement.

3.2 The Conditions Precedent are as follows:

3.2.1 the FAS Consent having been obtained;

3.2.2 the lawful existence of each of the Target Companies, each having the required legal capacity in accordance with applicable legislation;

3.2.3 the Seller having complied in full with its obligations set out in clauses 4.1, 4.2, 4.4, 4.9, 4.11 and 4.12; and

3.2.4 except with respect to the Moscow City Accreditation, the receipt by DistCo of all authorisations and licenses as are necessary when conducting the Business for the purchase, storage and supply of alcoholic products in Russia.

3.3 The Purchasers will use all reasonable endeavours to fulfil or procure the fulfilment of the Condition Precedent set out in clause 3.2.1 as soon as possible and in any event before the

Long Stop Date. The Seller shall provide to the Purchasers all reasonable assistance, cooperation, information and data as is reasonably requested by the Purchasers in connection therewith. In particular, and without limitation:

3.3.1 prior to or as soon as reasonably practicably following the date hereof, the Purchasers (or one of them) shall submit to the FAS all documents (in due form and substance) required for a valid and proper application for the FAS Consent. The relevant Purchaser shall provide the Seller with a copy of such application upon submission thereof;

3.3.2 the relevant Purchaser shall promptly deliver to the Seller copies of all correspondence or notices that are sent to or received from the FAS with respect to the relevant Purchaser's application for the FAS Consent as soon as any such correspondence or notice is sent or received by the relevant Purchaser;

3.3.3 the relevant Purchaser shall deliver a copy of the FAS Consent (certified as a true and correct copy of the original by a duly authorised representative of the relevant Purchaser) to the Seller promptly upon receipt of the FAS Consent; and

3.3.4 if the relevant Purchaser receives a notice from the FAS that its application for the FAS Consent has been rejected by the FAS for any reason, the relevant Purchaser shall promptly notify the Seller and deliver a copy of such notice to the Seller.

3.4 The Seller will use all reasonable endeavours to fulfil or procure the fulfilment of each of the Conditions Precedent (save for the Condition Precedent set out in clause 3.2.1) as soon as possible and in any event before the Long Stop Date. The Purchasers shall provide to the Seller all reasonable assistance, cooperation, information and data as is reasonably requested by the Seller in connection therewith.

3.5 Each of the Seller and the Purchasers undertakes to keep each other reasonably informed as to its progress towards the satisfaction of the Conditions Precedent and in particular (but without limitation) to disclose in writing to the others anything which will or may prevent any of the Conditions Precedent from being satisfied by midnight on the Long Stop Date, promptly upon becoming aware of the same.

3.6 The Purchasers may together waive in whole or in part all or any of the Conditions Precedent (other than those Conditions Precedent set out in clauses 3.2.1 and 3.2.2 which shall not be capable of being waived) or extend the period in which any of the Conditions Precedent are to be satisfied (but, in the case of the Condition Precedent set out in clause 3.2.1, such period may only be extended only jointly with the Seller). The Seller may not waive any of the Conditions Precedent or (save as specified above) the period in which any of the Conditions Precedent are to be satisfied.

3.7 If:

3.7.1 anything that will prevent any of the Conditions Precedent from being satisfied by the Long Stop Date comes to the knowledge of either Purchaser; or

3.7.2 any of Conditions Precedent is not fulfilled or (where so permitted by this Agreement) waived by the Purchasers by the Long Stop Date;

either Purchaser may terminate this Agreement by notice in writing to the Seller.

4. PRE-CLOSING UNDERTAKINGS

4.1 The Seller will procure that, except with respect to the Real Property, title to which will transfer upon registration with Federal Registration Chamber of the Russian Federation as provided in clause 11.9, as of Closing, the applicable Target Companies shall own the Pre-Closing Committed Russian Assets (which assets shall be transferred pursuant to and in accordance with the Pre-Closing Russian Asset Purchase Agreements, free of any Encumbrances (other than the Bank Pledges)).

4.2 The Seller will use its best endeavours to procure that as of Closing the Target Companies shall own the Pre-Closing Best Efforts Russian Assets (which assets shall be transferred pursuant to and in accordance with the Pre-Closing Russian Asset Purchase Agreements, free of any Encumbrances (other than the Bank Pledges)).

4.3 At least one day prior to Closing, the Seller will deliver to the Purchasers written notice of the Pre-Closing Best Efforts Russian Assets that, despite the Seller's best endeavours, will not have been transferred to a Target Company prior to Closing. If the Seller shall not deliver to the Purchasers such written notice one day prior to Closing, there shall be deemed to be no Pre-Closing Best Efforts Russian Assets that, despite the Seller's best endeavours, will not have been transferred to a Target Company prior to Closing.

4.4 The Seller will procure that as of Closing the applicable Target Companies shall own the Pre-Closing Non-Russian Assets (which assets shall be transferred pursuant to and in accordance with the Pre-Closing Non-Russian Asset Purchase Agreements, free of any Encumbrances (other than the Bank Pledges)).

4.5 Notwithstanding any provision contained herein or in the Pre-Closing Purchase Agreements to the contrary, the applicable member of the Seller's Group may, in lieu of any asset required to be transferred under a Pre-Closing Purchase Agreement, transfer an asset of substantially similar value, but only to the extent that:

4.5.1 such asset is generic and being capable of being used in the same way and manner, and to the same effect and with the same or better efficacy, as the asset otherwise required to be transferred under a Pre-Closing Purchase Agreement; or

4.5.2 the Purchaser otherwise consents in writing.

4.6 The Seller will procure that OOO Trading House Urozhay and ZAO Firm Urozhay use reasonable endeavours to cause all of the Employees to enter into Employment Agreements with DistCo or ProductionCo, as applicable, prior to Closing. The Seller confirms and warrants to each of the Purchasers that those Employees as so indicated on Schedule 9 have, as at the date of this Agreement, entered into Employment Agreements with DistCo or ProductionCo, as applicable.

4.7 The Seller will procure that as of Closing no Target Companies shall have any third party, related party, or bank debt owed to or by any person, other than with respect to accounts payable, accrued short-term liabilities, tax payables, and other than owed to another Target Company.

4.8 The Seller undertakes that it will not, between the time of this Agreement and Closing or this Agreement being terminated, carry out the matters listed below without the prior consent in writing of the Purchasers, such consent not to be unreasonably withheld or delayed, other than as set out in or required by this Agreement, the Disclosure Letter or any of the other Transaction Documents:

4.8.1 dispose of or agree to dispose of, or grant or agree to grant any option in respect of, any of the assets of any Target Company or any of the Pre-Closing Non-Russian Assets or the Pre-Closing Russian Assets (or, in substitution for any such asset, any asset of substantially similar value transferred to a Target Company as permitted under clause 4.5) or any interest in any of them except in the ordinary and usual course of business and on normal arm's length terms;

4.8.2 discontinue or cease to operate all or a material part of the Business;

4.8.3 knowingly do or (to the extent reasonably within its control) permit any action which the Seller is aware will or is reasonably likely (in its determination) to materially and adversely affect the goodwill attaching to the Business;

4.8.4 pass any resolutions of any of the Target Companies in general meeting or by way of shareholders' written or other resolution, other than such resolutions as are contemplated by the Transaction Documents;

4.8.5 take any steps to terminate the contract of employment between a Target Company and any Employee (including any Senior Employee) before Closing nor give or make or permit to be given or made to any Employee (including any Senior Employee) any notice, communication, statement or representation that may concern or affect his employment with a Target Company after Closing otherwise than to the extent necessary to comply with the Seller's obligations under applicable law;

4.8.6 permit any Target Company to engage any person as, or make any variation to the terms and conditions of employment of, an Employee (including any Senior Employee) with a Target Company other than salary increases in the ordinary course and at normal market rates;

4.8.7 enter into any material contract (which includes, amongst other things, any agreement, arrangement or commitment) affecting or relating to the Business or any materially unusual or abnormal or onerous contract, or vary materially the terms of any of the Contracts;

4.8.8 create, grant or issue, or agree to create, grant or issue, any mortgages, charges (other than liens arising by operation of law), debentures or other securities over any of the assets of any of the Target Companies, any Pre-Closing Non-Russian Asset or any Pre-Closing Russian Asset (or, in substitution for any such asset, any asset of substantially similar value transferred to a Target Company as permitted under clause 4.5);

4.8.9 fail to take or procure to be taken any action required to maintain any of its insurances relating to any of the assets of the Target Companies, any Pre-Closing Non-Russian Asset or any Pre-Closing Russian Asset (or, in substitution for any such asset, any asset of substantially similar value transferred to a Target Company as permitted under clause 4.5) or (so far as is carried on by the Target Companies) the Business in force or knowingly do anything to make any such policy of insurance void or voidable;

4.8.10 engage in any third-party litigation in relation to the Target Companies or any assets thereof, or any Pre-Closing Non-Russian Asset or any Pre-Closing Russian Asset (or, in substitution for any such asset, any asset of substantially similar value transferred to a Target Company as permitted under clause 4.5);

4.8.11 enter into any licence, sub-licence, assignment or other agreement in respect of or affecting any of the Intellectual Property used in the Businesses (including for the avoidance of doubt the ISF IP Rights and the Modus IP Rights);

4.8.12 enter into any agreement, tenancy or licence or grant any permission, consent or approval in respect of or affecting any of the Properties;

4.8.13 dispose of or agree to dispose of, or grant or agree to grant any option in respect of, any Property or any interest therein;

4.8.14 grant or agree to grant any rights over or create any restriction, covenant or encumbrance affecting any Property; and

4.8.15 contract or otherwise agree to take any of the foregoing actions.

4.9 Promptly after Closing, and in any event within 20 Business Days after Closing, the Seller and the Purchasers shall cause the Company to adopt the Amended and Restated Memorandum and Articles of Association.

4.10 If the Seller so elects, it may require that the purchasers under the Pre-Closing Russian Asset Purchase Agreements pay more than the Russian Component Price. In such case (a) the Seller shall contribute 15 per cent. of such additional amount to the Company as share capital, (b) the Seller shall pay 85 per cent. of such additional amount to Bols' account in accordance with clause 5.3, (c) Bols shall contribute such amount as received in subclause (b) above to the Company as share capital promptly (and in any event within three Business Days of its receipt), (d) the Purchasers (with the co-operation of the Seller) will cause such additional amounts to be paid to the respective sellers under the Pre-Closing Russian Asset Purchase Agreements, and (e) the seller and purchaser under such agreement, as applicable, will restate such agreement to reflect the consideration so increased.

4.11 The Seller undertakes to the Purchaser to cause the purchase and installation of SAP by the Company before the Closing.

4.12 The Seller undertakes to the Purchaser to cause the purchase and installation of 1C by the Company as soon as practically possible and in any event before the Closing.

5. CONSIDERATION

5.1 The consideration for the purchase of the Shares shall be: (a) the Cash Consideration, and (b) the Consideration Shares (collectively, the "**Consideration**").

5.2 If any payment is made by the Seller to the Purchasers or either of them (or any permitted assignee of a Purchaser's rights hereunder) in respect of any Claim, the Consideration shall so far as permitted by law be deemed to have been reduced by the amount of such payment.

5.3 Wherever in this Agreement provision is made for the payment of monies by one person to another, such payment shall be effected by electronic transfer for same day value to the account specified in writing by the party entitled to the payment at least three Business Days prior to such payment being due or otherwise to such account as is specified herein for such purpose.

6. CLOSING

6.1 Closing shall take place on the fifth Business Day after the last Condition Precedent is satisfied or waived in accordance with clause 3, or (subject to clause 18) on such later date as is mutually agreed in writing between the Seller and the Purchasers (the "**Closing Date**").

6.2 Closing shall take place at the offices of the Seller's Solicitors, at which the Seller and the Purchasers shall take the actions set out in Schedule 4 in the order listed therein.

6.3 Subject to the terms and conditions hereof, Bols shall at Closing pay to the Seller the Cash Consideration and CEDC shall at Closing issue to Direct Financing Limited (for and on behalf of the Seller) the Consideration Shares, less the Holdback Shares, all as set out in Schedule 4.

6.4 At Closing, all of the actions and transactions contemplated by Schedule 4 shall and shall be deemed to occur simultaneously.

7. WORKING CAPITAL ADJUSTMENT

7.1 No later than 5:00 p.m. on the date that is 20 Business Days after Closing, the Seller shall deliver to the Purchasers a statement (the "**Estimated Working Capital Adjustment**"), setting out the Seller's good faith estimation of the amount of the Working Capital. For such purpose, the Purchasers shall provide to the Seller such documents and reasonable access to the books and records and relevant personnel of the Target Companies as the Seller shall reasonably require.

7.2 The Estimated Working Capital Adjustment will be subject to review by or on behalf of the Purchasers. For such purpose, the Seller shall provide to the Purchasers and their accountants such documents and reasonable access to the books and records and relevant personnel of the Seller and relevant members of the Seller's Group as the Purchasers or their accountants shall reasonably require. Within 45 Business Days after the Purchasers' receipt of the Estimated Working Capital Adjustment, the Purchasers will notify the Seller in writing whether, based on such review; they have any objections to the Estimated Working Capital Adjustment (the "**Objections Statement**").

7.3 If neither Purchaser so delivers an Objections Statement, the Estimated Working Capital Adjustment shall be the Final Working Capital Adjustment and shall be final and binding on the Seller and the Purchasers for the purposes hereof.

7.4 If a Purchaser does so deliver an Objections Statement, then the Seller and the Purchasers will negotiate in good faith with a view to resolving the issues in dispute and accordingly to agree on the Working Capital within 35 Business Days following receipt of the Objections Statement. If the Seller and Purchasers reach agreement on the Working Capital within such period of 35 Business Days, the Estimated Working Capital Adjustment (as adjusted in accordance with the agreement so reached) shall be the Final Working Capital Adjustment and shall be final and binding on the Seller and the Purchasers for the purposes hereof.

7.5 If the Seller and Purchasers do not reach agreement on the Working Capital within such period of 35 Business Days, then the Purchasers and the Seller will endeavour to refer the matters still in dispute to a mutually agreed upon member firm of the network of independent firms known as PricewaterhouseCoopers, KPMG, Ernst & Young or Deloitte (the "**Expert**") within 50 Business Days following receipt of the Objections Statement. The Expert shall be instructed (as an expert and not for the avoidance of doubt as an arbitrator) to determine the amount of the Working Capital as soon as reasonably practicable and to notify the Seller and the Purchasers of its determination in writing. For such purpose, the Seller shall provide to the Expert such documents and reasonable access to the books and records and relevant personnel of the Seller and relevant members of the Seller's Group, and Purchasers shall provide to

the Expert such documents and reasonable access to the books and records and relevant personnel of the Target Companies, in each case as the Expert shall reasonably require. The fees and expenses of the Expert shall be borne as to one half between the Seller and as to one half by the Purchasers or otherwise as the Expert shall determine. The Estimated Working Capital Adjustment (as adjusted in accordance with the determination of the Expert) shall be the Final Working Capital Adjustment and shall be final and binding on the Seller and the Purchasers for the purposes hereof.

7.6 If the Seller and Purchasers do not reach agreement on the Expert within 20 Business Days following the date of falling 50 Business Days following receipt of the Objections Statement, or if the Expert cannot or will not make a decision in the manner provided in clause 7.5, the Purchasers and/or the Seller shall refer such matter to and it shall be resolved by arbitration under clause 32.2; provided, however, the tribunal shall consist of a single arbitrator chosen by the Seller and the Purchaser (the "**Arbitrator**"). If agreement cannot be reached between the Seller and the Purchasers as to the Person to serve as Arbitrator, on application by either of (or both of) the Purchasers and/or the Seller, the London Court of International Arbitration shall appoint the arbitrator. The Arbitrator shall be instructed to determine the amount of the Working Capital as soon as reasonably practicable and to notify the Seller and the Purchasers of its determination in writing. For such purpose, the Seller shall provide to the Arbitrator such documents and reasonable access to the books and records and relevant personnel of the Seller and relevant members of the Seller's Group, and Purchasers shall provide to the Arbitrator such documents and reasonable access to the books and records and relevant personnel of the Target Companies, in each case as the Arbitrator shall reasonably require. The fees and expenses of the Arbitrator shall be borne as to one half between the Seller and as to one half by the Purchasers or otherwise as the Arbitrator shall determine. The Estimated Working Capital Adjustment (as adjusted in accordance with the determination of the Arbitrator) shall be the Final Working Capital Adjustment and shall be final and binding on the Seller and the Purchasers for the purposes hereof.

7.7 If the Final Working Capital Adjustment as agreed or determined as set out above shows a Working Capital amount in excess of US$8,000,000, Bols shall promptly (and in any event within five Business Days) pay Seller the difference.

7.8 If the Final Working Capital Adjustment as agreed or determined as set out above shows a Working Capital amount of less than US$8,000,000: (a) the Seller shall promptly (and in any event within five Business Days) contribute 15 per cent. of the difference to the Company as share capital, (b) the Seller shall pay 85 per cent. of the difference to Bols' account in accordance with clause 5.3, and (c) Bols shall contribute such amount received in subclause (b) above to the Company as share capital promptly (and in any event within five Business Days of its receipt).

8. CEDC BOARD MATTERS AND ACKNOWLEDGMENT

8.1 Immediately following Closing, if there shall exist an unfilled directorship in the Board, in accordance with the Certificate of Incorporation and the Bylaws, CEDC shall nominate Sergei Kuprianov to fill one such directorship, and the Shareholder agrees to vote its shares in CEDC held at the relevant time accordingly (if necessary).

8.2 Immediately following Closing, if there shall not exist an unfilled directorship in the Board, in accordance with the Certificate of Incorporation and the Bylaws, CEDC shall cause an increase in the number of directors to the Board by creating a new directorship (and the Shareholder agrees to vote its shares in CEDC held at the relevant time accordingly (if necessary)), and CEDC shall nominate Sergei Kuprianov to fill such newly created directorship promptly following its creation.

8.3 For so long as the Sufficient Share Criteria are met, CEDC agrees to cause the Designee to be nominated as a Director, and the Shareholder agrees to vote its shares in CEDC held at the relevant time (if necessary) to elect the Designee as a Director, in accordance with the Certificate of Incorporation and the Bylaws, including with respect to the Designee's nomination and election at the annual meeting of the shareholders of CEDC.

8.4 If at any time the Designee ceases to be a Director for any reason whatsoever (including by way of resignation, removal, death or incapacitation), Direct Financing Limited may specify another individual to be the Designee and each of CEDC and the Shareholder agrees to cause such replacement Designee to be nominated as a Director, and the Shareholder agrees to vote its shares of CEDC held at the relevant time (if necessary) to elect such replacement Designee as a Director, as soon as reasonably practicable following receipt of written notice of his specification by the Direct Financing Limited for such purpose.

8.5 The Seller acknowledges that the Designee, once appointed as a Director, will owe fiduciary and other duties to CEDC and its shareholders and such other duties and obligations as are imposed on the Directors under generally applicable law or securities regulation, the Certificate of Incorporation and the Bylaws.

8.6 CEDC shall pay, provide and reimburse to such Designee appointed as a Director such director's fees, directors' and officers' liability insurance coverage, and expenses, in each case as are paid, provided and reimbursed generally to members of the Board from time to time.

8.7 For so long as the Sufficient Share Criteria are met, the Shareholder and CEDC severally agree to, and CEDC additionally agrees to procure that the Shareholder shall, take no action to remove a Designee as a Director in the absence of fraudulent or criminal conduct of such Director or conduct requiring the removal of such Director under applicable United States laws or securities regulations or otherwise when required in the exercise of the fiduciary duties of the officers and/or Directors of CEDC, and (at the sole expense of CEDC) to do, execute and perform (and to procure that all third parties directly or indirectly under their respective Control do, execute and perform) all such further deeds, documents, acts, assurances and things as may reasonably be required to carry out the provisions and intent of clause 8.

8.8 If the Sufficient Share Criteria cease to be met at any time, the Seller shall and shall procure that Direct Financing Limited and each of its permitted transferees shall, on or prior to such cessation, together procure the resignation of each Director appointed pursuant to this clause 8.

8.9 The Purchasers and the Shareholder acknowledge and agree that:

8.9.1 the sole purpose of the Shareholder in entering into this Agreement is to give the covenants expressed to be undertaken by the Shareholder in this clause 8, and not for any other purpose;

8.9.2 obligations in this Agreement to be undertaken or assumed by the Shareholder are to be construed as requiring the Shareholder to apply reasonable efforts to exercise all voting rights and other then existing powers of corporate, trust, or contractual control over the affairs of any other person that the Shareholder is able to exercise in order to secure performance of such obligation; and

8.9.3 the Shareholder shall have no right, and irrevocably waives any and all rights, to bring a claim against or to the Seller or Direct Financing Limited arising out of or in connection with any of the Transaction Documents or transactions contemplated hereby or thereby or referred to herein or therein howsoever arising hereunder, save to the extent that the Shareholder is (or was) himself subject to a claim hereunder brought.

8.10 The Purchasers and the Shareholder acknowledge and agree to the valuations set out in Schedules 5-12 (inclusive) (which have been prepared solely by or on behalf of the Seller) and none shall have any claim against any person in respect of an inaccuracy thereof, save in the event of fraud, bad faith or knowing misstatement.

9. SELLER'S WARRANTIES AND ACKNOWLEDGMENTS

9.1 The Seller warrants to each of the Purchasers in the terms set out in Schedule 2 as at the date of this Agreement and (by reference to the facts then existing) at the Closing Date. Save in relation to fraud, the Purchasers' rights to make a Claim, and the Seller's Liability in respect of any Claim, shall be limited and/or excluded as set out in Part A of Schedule 3.

9.2 The Warranties are separate and independent and shall not be limited by reference to or inference from any other Warranty, or any other term of this Agreement or any document referred to in it.

9.3 A breach of any of the warranties expressly made by either Purchaser or the Shareholder shall not entitle the Seller to rescind or terminate this Agreement, or any part of it, whether before or after Closing.

9.4 The Seller acknowledges and agrees that:

9.4.1 neither the Shareholder nor the Purchasers have made any representations or warranties regarding the Shareholder, the Purchasers or the Purchasers' Group in connection with the transactions contemplated hereby, other than the warranties expressly made by the Purchasers and set out in this Agreement. The Seller acknowledges that (except for the warranties made by the Purchasers and set out in this Agreement), no person has been authorised by the Purchasers or the Shareholder to make any representation or warranty regarding the Shareholder, the Purchasers or the Purchasers' Group in connection with the transactions contemplated hereby and, if made, such representation or warranty may not be relied upon as having been authorised by the Purchasers or the Shareholder;

9.4.2 the Seller (i) has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Shareholder, the Purchasers and the Consideration Shares, and (ii) has conducted such investigations of the Shareholder and the Purchasers as the Seller deems necessary to satisfy itself as to the status, operations and conditions thereof, and will rely solely on such investigations and inquiries and the express warranties of the Purchasers set out herein; and

9.4.3 save in relation to fraud, the Seller will not at any time assert any claim against the Shareholder, the Purchasers or any of their present or former Affiliates, or with effect from Closing the each Target Company, or any of its or their respective present or former directors, officers, managers, partners, shareholders, employees, agents, consultants, investment bankers, attorneys, advisors or representatives, or attempt to hold the Shareholder, the Purchasers or any such person liable, for any inaccuracies, misstatements or omissions with respect to the information furnished

by the Shareholder, the Purchasers or any such persons concerning the Shareholder, the Purchasers and/or the Consideration Shares or in connection with any reliance (if any) on such persons in its agreeing to any term of this Agreement or any of the other Transaction Documents or entering into this Agreement or any of the other Transaction Documents, save to the extent that the same constitutes a claim against CEDC under applicable securities laws or the warranties expressly made by the Purchasers and set out in this Agreement.

9.5 The Seller:

9.5.1 acknowledges and agrees that the sole purpose of the Shareholder in entering into this Agreement is to give the covenants expressed to be undertaken by the Shareholder in clause 8, and not for any other purpose; and

9.5.2 acknowledges and agrees that the Shareholder is under no obligation to keep or maintain any holding of shares in CEDC which he shall be free to dispose of or otherwise deal with at his discretion, and further acknowledges and agrees that any Person to whom such shares may be transferred will not be bound by the provisions of clause 8 so far as the same apply to the Shareholder; and

9.5.3 (notwithstanding anything to the contrary in this Agreement or in any of the other Transaction Documents) irrevocably waives any and all rights which the Seller (or any member of the Seller's Group) may have against the Shareholder hereunder to the extent such rights are inconsistent with this clause 9.5.

9.6 The Seller acknowledges and agrees that the liability and obligations of CEDC and Bols hereunder shall be joint and several, save where specifically stated otherwise.

10. PURCHASERS' WARRANTIES AND ACKNOWLEDGEMENTS

10.1 Save in relation to fraud, the Seller's rights to make a Seller Claim, and the Purchasers' Liability in respect of any Seller Claim, shall be limited and/or excluded as set out in Part B of Schedule 3.

10.2 CEDC warrants to the Seller (and, in respect of itself and only in respect of the statements set out in clauses 10.2.1 to 10.2.6 (inclusive), Bols also warrants to the Seller) as at (unless otherwise specified below) the date of this Agreement and (by reference to the facts then existing) the Closing Date that:

10.2.1 each Purchaser has the requisite capacity, power and authority to enter into and perform its respective obligations under this Agreement and the other Transaction Documents to which it is a party;

10.2.2 if applicable, each Purchaser has taken all necessary corporate action required by its constitutional or organisational documents to permit it to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party;

10.2.3 this Agreement constitutes and the other Transaction Documents to which each Purchaser is a party will, when executed, constitute binding obligations of that Purchaser, as applicable, in accordance with their respective terms;

10.2.4 the execution and delivery by each Purchaser of this Agreement, the other Transaction Documents to which it is a party and the performance by each such Purchaser of its obligations under this Agreement the other Transaction Documents to which it is a party will not (or with the giving of notice or lapse of time would not):

10.2.4.1 result in a breach of any provision of the constitutional or organisational documents of that Purchaser;

10.2.4.2 result in a breach of any order, judgment or decree of any court or governmental agency to which that Purchaser is a party or by which that Purchaser is bound or any contractual commitment to which that Purchaser is bound.

10.2.5 as at the date of this Agreement, and so far as the Purchasers are aware, there are no facts or circumstances which would give rise to a Claim and the Seller does not intend to bring any Claim against any member of the Seller's Group;

10.2.6 Bols will have at Closing the necessary cash resources to meet its obligation to pay the Cash Consideration at Closing under this Agreement;

10.2.7 CEDC owns directly 100 per cent. of the equity securities of Bols;

10.2.8 as at the date of this Agreement, the authorised capital stock of CEDC consists of 80,000,000 shares of common stock, of which 40,331,821 shares are issued and outstanding and 246,037 shares are held in treasury;

10.2.9 at Closing, all of Consideration Shares, less the Holdback Shares, and as of the date of issuance of the Holdback Shares pursuant to clause 11.9, the Holdback Shares (A) will have been duly authorised, are validly issued, fully paid, and non-assessable, (B) will have been issued in compliance with all applicable state and federal securities laws, and (C) will not have been issued in breach of any obligation under an agreement relating to the issue of such Consideration Shares. Except as described in the CEDC SEC Documents and save for the Transaction Documents, no obligation to issue any share or shares in the capital of CEDC which will (or which may, following the giving of notice) be triggered by the issue of the Consideration Shares will exist at Closing or as of the date of issuance of the Holdback Shares pursuant to clause 11.9. Save for the Transaction Documents and the organizational documents of CEDC, there are no agreements with respect to the voting or transfer of the Consideration Shares, and CEDC is not obligated to redeem or otherwise acquire any of its outstanding capital stock;

10.2.10 CEDC owns or is entitled and authorised to issue the Consideration Shares free from any Encumbrances;

10.2.11 CEDC has furnished or made available to the Seller true and complete copies of all reports or registration statements it has filed with the SEC under the Securities Act and the Exchange Act, for all periods subsequent to 2004, all in the form so filed (collectively the "**CEDC SEC Documents**");

10.2.12 as of their respective filing dates, the CEDC SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and none of the CEDC SEC Documents filed under the Exchange Act contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed document with the SEC;

10.2.13 CEDC's financial statements, including the notes thereto, included in the CEDC SEC Documents (the "**CEDC Financial Statements**") comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP consistently applied (except as may be indicated in the notes thereto) and present fairly CEDC's consolidated financial position at the dates thereof and of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal audit adjustments);

10.2.14 since the date of the most recent CEDC SEC Document, CEDC has not effected any change in any method of accounting or accounting practice, except for any such change required because of a change in GAAP;

10.2.15 all material Taxation that has been assessed against the Purchaser Group has been or will be so paid prior its due date;

10.2.16 neither CEDC nor any subsidiary of CEDC is, or has ever been, a United States real property holding corporation within the meaning of Section 897 (c) (2) of the Internal Revenue Code;

10.2.17 so far as either Purchaser is aware, in connection with obtaining and payment of the Consideration in any respect, neither it, nor any of its Affiliates, has been engaged or involved in receiving, transferring, transporting, retaining, using, structuring, diverting, or hiding the proceeds of any criminal activity, nor so far as either Purchaser is aware in any act of omission, commission or assistance to another person, or so far as either Purchaser is aware in aiding or abetting another person, in such activity; and

10.2.18 there have been no Restructuring Events since 1 July 2007.

10.3 Each Purchaser acknowledges and agrees that:

10.3.1 the Seller has not made any representations or warranties regarding the Seller's Group or any Target Company, the Business, the assets or operations of the Seller's Group, any Target Company or otherwise in connection with the transactions contemplated hereby, other than the Warranties. Each Purchaser acknowledges that (except for the Warranties), no person has been authorised by the Seller or any Target Company to make any representation or warranty regarding the Seller's Group any Target Company, the Business, the assets or operations of any Target Company or otherwise in connection with the transactions contemplated hereby and, if made, such representation or warranty may not be relied upon as having been authorised by the Seller or any Target Company;

10.3.2 it (i) has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Seller's Group, any Target Company and the Business, and (ii) has conducted such investigations of the Seller's Group, any Target Company and the Business as it deems necessary to satisfy itself as to the status, operations and conditions thereof, and will rely solely on such investigations and inquiries and on the Warranties; and

10.3.3 save in relation to fraud, it will not at any time assert any claim against the Seller or any of its present or former Affiliates or any of its or their respective present or former directors, officers, managers, partners, shareholders, employees, agents, consultants, investment bankers, attorneys, advisors or representatives (save insofar as the same are or become directors, officers, managers, partners, shareholders,

employees, agents, consultants, investment bankers, attorneys, advisors or representatives of any Target Company or any other member of the Purchasers' Group), or attempt to hold the Seller or any such person liable, for any inaccuracies, misstatements or omissions with respect to the information furnished by the Seller or such persons concerning the Seller, the Seller's Group, any Target Company or the Business or in connection with any reliance (if any) on such persons in its agreeing to any term of this Agreement or any other Transaction Document or entering into this Agreement or any other Transaction Document, save to the extent that the same constitutes a Claim under the Warranties.

10.4 A breach of Warranty by the Seller shall not entitle either Purchaser to rescind or terminate this Agreement, or any part of it, whether before or after Closing.

11. UNDERTAKINGS APPLICABLE POST-CLOSING

11.1 Immediately after Closing, Bols will pay to the Seller's Account an amount equal to (a) 85 per cent. of the Enhancements Amount and (b) 50 per cent. of the 1C Amount, in accordance with clause 5.3 (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amount to the Seller's Account).

11.2 To the extent any of the Pre-Closing Best Efforts Russian Assets have not been transferred to a Target Company prior to Closing under the Pre-Closing Russian Asset Purchase Agreements, the Seller will use all reasonable endeavours to procure that such assets are transferred to a Target Company pursuant to the terms of such Pre-Closing Russian Asset Purchase Agreements free of any Encumbrances as soon as reasonably possible following Closing.

11.3 The Seller will procure that, except with respect to (a) liabilities specifically assumed by the Target Companies under the Pre-Closing Purchase Agreements, which liabilities are set out in Schedule 13 and (b) the Post-Closing Russian Component Price Obligations to be paid pursuant to the Pre-Closing Purchase Agreements, no Target Company shall have any obligation arising under the Pre-Closing Purchase Agreements or otherwise on account of the preparation, negotiation or execution of such agreements.

11.4 Following Closing, the Purchasers shall procure that each relevant Target Company fully satisfies each Post-Closing Russian Component Price Obligation attributable to each Pre-Closing Best Efforts Russian Asset promptly upon transfer of such Pre-Closing Best Efforts Russian Asset to it pursuant to the terms of a Pre-Closing Purchase Agreement.

11.5 Prior to the completion of each of the transactions contemplated by the Post-Closing Purchase Agreements, Bols shall (a) pay to the Seller the Dollar Equivalent of the VAT receivables to be created as a result of the payment of the Post-Closing VAT Amount applicable to the relevant transaction, (b) pay to the Seller 15 per cent. of the sum of (x) the consideration to be paid in respect of the relevant transaction, and (y) VAT amounts to be paid in respect of the relevant transaction, in each case pursuant to the relevant Post-Closing Purchase Agreement, (c) pay and contribute as share capital 85 per cent. of the amount described in subclause (x) and (y) above to the Company as share capital. Upon Seller's receipt of 15 per cent. of the amount described in subclause (x) and (y) above, the Seller shall immediately contribute an equal amount so received to the Company also by way of share capital.

11.6 Following the expiry of the period commencing on the Closing Date and ending on the first anniversary of such date, upon the delivery to CEDC of the certificates representing the Consideration Shares in the name of the Direct Financing Limited, CEDC shall reissue to Direct Financing Limited the certificates representing the Consideration Shares so that the legends referred to in clauses 4.1.6(a) and 4.1.6(b) of Schedule 2 are no longer included on such certificates.

11.7 White Horse (with the cooperation of the Company, CEDC and Bols) undertakes to CEDC to use reasonable endeavours to cause DistCo and ProductionCo, as applicable, to enter into Employment Agreements with all of the Final Closing Employees prior to the Final Closing. CEDC undertakes to White Horse to cooperate fully in such actions as White Horse may reasonably request of it, as a Shareholder or through the board members appointed by it in accordance with the terms hereof, to enable White Horse to cause DistCo and ProductionCo, as applicable, to enter into Employment Agreements with all of the Final Closing Employees as aforesaid.

11.8 If the Seller so elects, it may require that the purchasers under the Post-Closing Purchase Agreements pay more than the consideration payable thereunder. In such case (a) the Seller shall contribute 15 per cent. of such additional amount to the Company as share capital, (b) the Seller shall pay 85 per cent. of such additional amount to Bols' account in accordance with clause 5.3, (c) Bols shall contribute such amount as received in subclause (b) above to the Company as share capital promptly (and in any event within three Business Days of its receipt), (d) the Purchasers (with the co-operation of the Seller) will cause such additional amounts to be paid to the respective sellers under the Post-Closing Purchase Agreements, and (e) the seller and purchaser under such agreement, as applicable, will restate such agreement to reflect the consideration so increased.

11.9 The Seller shall procure the full, absolute and unconditional release of the Bank Pledges within two Business Days of the Closing, and shall deliver to the Purchasers such documents and documentary and other evidence as CEDC may reasonably require in connection with such released Bank Pledges; PROVIDED THAT, for purposes of this Agreement in relation to the Real Property, such release shall be deemed to have occurred without the prior registration with Federal Registration Chamber of the Russian Federation as provided in clause 11.10.

11.10 The Seller shall, on first Business Day that is (a) a Friday and (b) at least three Business Days following the Closing, after procuring the full, absolute and unconditional release of the Bank Pledges, and deliver the Real Property Title Documents for registration with Federal Registration Chamber of the Russian Federation. Upon registration of the ownership by the applicable Target Company of the Real Property as certified by one or more certificates of registration issued by the relevant branch of the Federal Registration Chamber of the Russian Federation, which shall be delivered to CEDC by the Seller, CEDC will, within one Business Day of such delivery, issue the Holdback Shares in certificated form free of any Encumbrances to Direct Financing Limited in accordance with clause 5 and delivery to White Horse (x) documentary evidence of such share issuance issued by CEDC's transfer agent and (y) a certificate signed by the secretary of CEDC describing all Restructuring Events that have occurred, if any, during the period occurring on or after Closing and ending on the date of such issuance.

11.11 Promptly after (and in any event within ten Business Days following) Closing, the Seller shall prepare, execute and (where so required and in the manner so required) certify or authenticate or cause to be prepared, executed and certified or authenticated the following:

11.1.1 form ABC-243 (Corporate Questionnaire of the California Department of Alcoholic Beverage Control) for the Seller;

11.1.2 form ABC-211-A (License Transfer Request ("Sign off") of the California Department of Alcoholic Beverage Control) for Luxury; and

11.1.3 form ABC-227-A (Notice of Intended Transfer of the California Department of Alcoholic Beverage Control) for Luxury.

together with in each case all information and supporting documentation reasonably requested by the Purchasers in order to obtain or maintain the Federal and state alcoholic beverage licenses required by Luxury to carry on its business, all of which shall be provided to the Purchasers in order that they may submit the same to the appropriate authorities following Closing.

11.12 White Horse (with the cooperation of the Company, CEDC and Bols) undertakes to CEDC to use reasonable endeavours to cause DistCo to obtain the Moscow City Accreditation as soon as reasonably practicable after Closing.

11.13 Bols will pay to White Horse the Cash Holdback Amount immediately upon the Final Closing.

12. CONDUCT OF CLAIMS

12.1 Upon either Purchaser or any Target Company becoming aware of any claim, action or demand against it for damages, a portion or all of which (in the reasonable opinion of the Purchaser) is reasonably likely to be a Third Party Claim against the Seller pursuant to this Agreement, the relevant Purchaser shall or as the case may be shall procure that the relevant Target Company shall:

12.1.1 promptly, and in any event within ten Business Days of becoming so aware, notify the Seller in writing of such Third Party Claim;

12.1.2 in circumstances where the Litigation Criteria shall apply to such Third Party Claim (but not otherwise), and at the written request of the Seller, allow the Seller to take the sole conduct of such actions as the Seller may so request in connection with any such Third Party Claim in the name of the relevant Purchaser or the relevant Target Company and in that connection the Purchasers shall give or cause to be given to the Seller all such reasonable assistance as the Seller may reasonably require in avoiding, disputing, resisting, settling, compromising, defending or appealing any such Third Party Claim. The Seller shall:

12.1.2.1 keep the Purchasers fully and promptly informed of the progress of the Third Party Claim and its defence as so undertaken by the Seller in the name of the relevant Purchaser or Target Company;

12.1.2.2 provide the relevant Purchaser or Target Company (as the case may be) with copies of all documentation relating to the Third Party Claim; and

12.1.2.3 give the relevant Purchaser or Target Company (as the case may be) reasonable opportunity to make representations regarding the conduct of the Third Party Claim and its defence, and to consider in good faith all such requests as are so made;

12.1.3 in circumstances where the Litigation Criteria shall apply to such Third Party Claim (but not otherwise), at the sole cost of the Seller, give such information and access to relevant personnel, premises, chattels, documents and records of the relevant Purchaser or Target Company (as the case may be) as relate to (and to the extent relating to) the Third Party Claim or its defence to the Seller and its professional advisers as the Seller may reasonably request in writing;

12.1.4 take all such reasonable action in order to avoid, dispute, resist, mitigate, settle, compromise, defend or appeal the Third Party Claim; and

12.1.5 in circumstances where the Litigation Criteria shall apply to such Third Party Claim (but not otherwise), make no admission of Liability, agreement, settlement or compromise in relation to any Third Party Claim or any claim, action or demand against the relevant Purchaser or Target Company, without the prior written consent of the Seller.

12.2 If the Seller does not take sole conduct of a Third Party Claim pursuant to clause 12.1.2, the relevant Purchaser shall or as the case may be shall procure that the relevant Target Company shall:

12.2.1 keep the Seller reasonably informed of the progress of the Third Party Claim and its defence as so undertaken by the Purchaser;

12.2.2 subject to legal privilege and relevant duties of confidentiality or other restrictions, provide the Seller with copies of all material documentation relating to the Third Party Claim; and

12.2.3 give the Seller reasonable opportunity to make representations regarding the conduct of the Third Party Claim and its defence, and to consider in good faith all such requests as are so made.

13. BASIS OF RECOVERY

13.1 The Seller shall be liable for any and all amounts due to the Purchasers pursuant to a Claim, which amounts, for the avoidance of doubt, are (to the extent they apply) subject to the limitations set out in Part A of Schedule 3.

13.2 Save to the extent already taken into account pursuant to paragraph 11 of Part A of Schedule 3, where any payment is made pursuant to a claim for breach of this Agreement or under an indemnity given under this Agreement and the Losses incurred in relation to the claim give rise to a Relief in the hands of any member of the Seller's Group or the Purchasers' Group (as the case may be), then to the extent that such Relief results in an actual saving of Tax, the Seller or the Purchasers (as the case may be) shall pay or procure that the relevant member of the Seller's Group or the Purchasers' Group (as the case may be) shall pay, on the date on which the Tax so saved would otherwise first have become due and payable, an amount equal to the Tax so saved to the party originally making such payment pursuant to a claim for breach of this Agreement or under an indemnity given under this Agreement.

14. EFFECT OF CLOSING

Any provision of this Agreement or any other Transaction Document which is capable of being performed after (but which has not been performed at or before) Closing, and all Warranties and other undertakings contained in or entered into pursuant to this Agreement or any other Transaction Document, shall remain in full force and effect notwithstanding Closing.

15. REMEDIES AND WAIVERS

15.1 No delay or omission on the part of any party to this Agreement in exercising any right, power or remedy provided under this Agreement or any other documents referred to herein shall impair such right, power or remedy, or operate as a waiver thereof.

15.2 The single or partial exercise of any right, power or remedy provided under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

16. NO REPRESENTATIONS

No party shall be liable (in equity or tort, under the Misrepresentation Act 1967 or in any other way) in respect of any misrepresentation made in connection herewith or in connection with any of the other Transaction Documents or any other document which is entered into by the parties or any of them in connection with this Agreement save to the extent that the same constitutes a Claim under the Warranties or as the case may be the warranties expressly made by the Purchasers and set out in clause 10.

17. ASSIGNMENT

17.1 No party shall assign, or purport to assign, all or any part of the benefit of, or its rights or benefits under, this Agreement (including the Warranties and any causes of action arising in connection with any of them), no party shall make a declaration of trust in respect of or enter into any arrangement whereby it agrees to hold in trust for any other person all or any part of the benefit of, or its rights or benefits under, this Agreement (including the Warranties and any causes of action arising in connection with any of them) and no party shall sub-contract or enter into any arrangement whereby another person is to perform any or all of its obligations under this Agreement, in each case without the prior written consent of the other parties.

17.2 Except as expressly permitted by this clause 17, any assignment of this Agreement, or any right or obligation arising under it, shall be void.

18. TERMINATION

18.1 This Agreement:

18.1.1 may be terminated at any time by mutual written consent of the Seller and the Purchasers; and

18.1.2 shall terminate upon written notice by any party to be given to each other party if Closing shall not have occurred on or prior to the fifth Business Day after the Long Stop Date on such later date as is mutually agreed in writing between the Seller and the Purchasers in accordance with clause 6.1.

18.2 If this Agreement terminates in accordance with clause 18.1, and without limiting any party's right to claim damages (or such other remedies as may be available at law or in equity) in respect of antecedent breaches, all obligations of the parties under this Agreement shall end (except for the provisions of clauses 21, 22, 23, 24, 25 and 31), but (for the avoidance of doubt) all rights and liabilities of the parties which have accrued before termination shall continue to exist.

19. FURTHER ASSURANCES

19.1 Each of the parties shall from time to time at its own cost (or in the case of the Shareholder, at the sole cost of CEDC) , on being required to do so by any other party, now or at any time in the future, do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form reasonably satisfactory to the party concerned as they may reasonably consider necessary to transfer the Shares to the Purchasers and otherwise give full effect to this Agreement and each of the other Transaction Documents.

19.2 Without limitation to clause 19.1 but subject always to clause 23, each of the Seller and the Purchasers agrees that it shall, upon a request from any other party or from any Competent Authority, promptly co-operate with and provide all necessary information reasonably requested by any such Competent Authority in respect of its proper and lawful enquiries in connection with this Agreement and the arrangements relating thereto (including in relation to the satisfaction of the Conditions Precedent or any of them) from any such Competent Authority.

20. VARIATION

This Agreement may only be varied in writing signed by each of the parties.

21. NOTICES

21.1 Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing.

21.2 Any such notice or other communication shall be addressed as provided in clause 21.3 and, if so addressed, shall be deemed to have been duly given or made as follows:

21.2.1 if sent by personal delivery, upon delivery at the address of the relevant party;

21.2.2 if sent by international courier, upon receipt of a confirmation of delivery; and

21.2.3 if sent by facsimile, upon receipt of a confirmation of transmission,

PROVIDED THAT if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside Working Hours, such notice or other communication shall be deemed to be given or made at the start of Working Hours on the next Business Day (or at the start of Working Hours on that day if the relevant notice or other communication would otherwise be deemed to have been given before Working Hours on a Business Day).

21.3 The relevant addressee and facsimile number of each party for the purposes of this Agreement, subject to clause 21.4, are:

Name of party:	*For the attention of:*	*Facsimile No.:*
Seller	Sergei Kuprianov	+7-495-702-6215
CEDC	Chris Biedermann	+48-22-375-1810
Bols	Chris Biedermann	+48-22-375-1810
Shareholder	William V. Carey	+48-22-375-1810

The addresses of the Seller, the Purchasers and the Shareholder are as set out at the commencement of this Agreement.

Any notice or other communication to the Seller shall be addressed as above, with a copy to:

Akin Gump Strauss Hauer & Feld LLP
Ducat Place II
7 Gasheka Street
Moscow 123056 Russia
Attn: Andrei Danilov
Facsimile No.: +7-495-783-7701

Any notice or other communication to the Purchasers or either of them shall be addressed as above, with a copy to:

Dewey & LeBoeuf
One Minster Court
Mincing Lane
London EC3R 7YL
United Kingdom
Attn: Stephen J. Horvath III
Facsimile No.: +44-20-7459-5099

Any notice or other communication to the Shareholder shall be addressed as above, with a copy to CEDC and to:

Dewey & LeBoeuf
One Minster Court
Mincing Lane
London EC3R 7YL
United Kingdom
Attn: Stephen J. Horvath III
Facsimile No.: +44-20-7459-5099

21.4 A party may notify the other parties to this Agreement of a change to its name, relevant addressee, address or fax number for the purposes of clause 21.3 PROVIDED THAT such notification shall only be effective on:

21.4.1 the date specified in the notification as the date on which the change is to take place; or

21.4.2 if no date is specified or the date specified is less than five clear Business Days after the date on which notice is given, the date falling five clear Business Days after notice of any such change has been given.

22. ANNOUNCEMENTS

22.1 Subject to clause 22.2, no announcement concerning the sale of the Shares or any ancillary matter shall be made by any party (and each of the Seller and the Purchasers shall procure that no member of their respective Groups shall make any such announcement) without the prior written approval of the other parties, such approval not to be unreasonably withheld or delayed.

22.2 Any party may make an announcement, or permit or allow any other member of its Group to make an announcement, concerning the sale of the Shares or any ancillary matter if and to the extent required by:

22.2.1 the law of any relevant jurisdiction;

22.2.2 any securities exchange or regulatory or governmental body to which such party or Group member is subject or submits, wherever situated, whether or not the requirement for information has the force of law;

in which case the party concerned (except where such party is CEDC) shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the others before making (or as the case may be permitting or allowing) such announcement.

22.3 The restrictions contained in this clause 22 shall continue to apply after the termination of this Agreement or Closing for a period of three years.

23. CONFIDENTIALITY

23.1 Subject to clause 23.2, each party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to:

23.1.1 the provisions of this Agreement or any of the other Transaction Documents;

23.1.2 the negotiations relating to this Agreement or any of the other Transaction Documents;

23.1.3 the subject matter of this Agreement or any of the other Transaction Documents; or

23.1.4 any other party.

23.2 Notwithstanding clause 23.1, any party may disclose Confidential Information if and to the extent that:

23.2.1 it is required by the law of any relevant jurisdiction;

23.2.2 it is required by any securities exchange or regulatory or governmental body to which it is subject or submits, wherever situated, whether or not the requirement for information has the force of law;

23.2.3 it is disclosed on a strictly confidential basis to the professional advisers, auditors and bankers of that party;

23.2.4 the information has come into the public domain through no fault of that party or any of its Affiliates;

23.2.5 each other party has given its prior written approval to the disclosure; or

23.2.6 such disclosure is required to enable that party to enforce its rights under this Agreement;

PROVIDED THAT (unless contrary to law or the direction of any governmental authority) any such information disclosed by the Seller, the Shareholder or Bols pursuant to clauses 23.2.1 or 23.2.2 shall be disclosed only after notice to and consultation with the other parties, to the extent that such notice and consultation is reasonably practicable in the circumstances.

23.3 Each of the parties hereby agrees that they shall not use Confidential Information for any purpose other than the performance of their obligations under this Agreement (and the transactions contemplated hereby) or in connection with the Business or their evaluation of the same, or in connection with the enforcement of their rights hereunder.

23.4 The restrictions contained in this clause 23 shall continue to apply after the termination of this Agreement or Closing for a period of three years.

24. GUARANTEE

24.1 CEDC unconditionally and irrevocably guarantees to White Horse as a continuing primary obligation, the proper and punctual performance by Bols of all its obligations under or pursuant to each Transaction Document to which it is or becomes a party.

24.2 The Liability of the CEDC under clause 24.1 shall not be discharged or impaired by:

24.2.1 any amendment to or variation of the relevant Transaction Document, or any waiver of or departure from its terms, or any assignment of it or any part of it, or any document entered into under or pursuant to it;

24.2.2 any release of, or granting of time or other indulgence to, Bols or any third party, or the existence or validity of any other security taken by the Seller in relation to the relevant Transaction Document or any enforcement of or failure to enforce or the release of any such security;

24.2.3 any winding up, dissolution, reconstruction, arrangement or reorganisation, legal limitation, incapacity or lack of corporate power or authority or other circumstances of, or any change in the constitution or corporate identity or loss of corporate identity by, Bols; or

24.2.4 any other act, event, neglect or omission whatsoever (whether or not known to the Seller, the Purchasers, or the Shareholder) which would or might (but for this clause) operate to impair or discharge the Liability of CEDC under clause 24.1 or any obligation of Bols under the relevant Transaction Document or to afford Bols any legal or equitable defence.

25. COSTS AND EXPENSES

Save for the Shareholder, each party shall pay its own costs and expenses in relation to the preparation, negotiation and execution of this Agreement and all other Transaction Documents and the negotiations leading up to the same, and each party shall be responsible for the costs and expenses of its own advisors. The Shareholders' costs and expenses in relation to the preparation, negotiation and execution of this Agreement and all other Transaction Documents and the negotiations leading up to the same, and the costs and expenses of the Shareholders' advisors (if any) shall be borne by CEDC.

26. INVALIDITY

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any competent jurisdiction, such provision shall not affect or impair:

26.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

26.2 the legality, validity or enforceability under the law of any other jurisdiction of such provision or any other provision of this Agreement.

27. THIRD PARTY RIGHTS

27.1 Subject to clause 27.2, the parties to this Agreement do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise, by any person who is not a party to this Agreement.

27.2 The parties to this Agreement acknowledge that the provisions of clauses 8, 9.4.3, and 10.3.3 confer (or potentially confer, or permit) a benefit on the persons specifically referred to in those clauses and intend that those provisions should be enforceable (subject to clause 27.3) by such persons, notwithstanding their not being a party to this Agreement, by virtue of the Contracts (Rights of Third Parties) Act 1999.

27.3 Notwithstanding clause 27.2, this Agreement may be varied in accordance with clause 20 or otherwise without the consent and without reference to persons entitled to enforce terms of this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

28. COUNTERPARTS

This Agreement may be executed in counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but the counterparts shall together constitute but one and the same instrument.

29. ENTIRE AGREEMENT

This Agreement and the other Transaction Documents (and all other documents which are entered into by the parties or any of them in connection with this Agreement) contain the whole agreement between the parties relating to the subject matter of this Agreement, the other Transaction Documents and such other documents at the date hereof. Each party acknowledges that it has not been induced to enter this Agreement by, and in agreeing to enter into this Agreement it has not relied on, any representation or warranty except as expressly stated or referred to in this Agreement, another Transaction Document and/or any such other document and, so far as permitted by law (and except in the case of fraud) the parties hereby waive any remedy in respect of (and acknowledges that no other party nor any of its agents, directors, officers or employees have given) any such representations or warranties which are not expressly stated or referred to in this Agreement, another Transaction Document and/or any such other document.

30. CURRENCY

For the avoidance of doubt, all payments made pursuant to this Agreement and the other Share Purchase Agreement shall be denominated in US dollars.

31. LANGUAGE

All portions of this Agreement other than Schedules 5-12 (inclusive) are prepared in the English language only. Schedules 5-12 (inclusive) have been prepared in English and Russian counterparts. In the event of an inconsistency between such two counterparts, the Russian counterpart will prevail. The Seller has provided to the Purchasers a certified translation of Schedules 5-8 and 11-12 (inclusive) into the English language prior to the date hereof which, so far as the Seller is aware, is an accurate translation.

32. CHOICE OF GOVERNING LAW AND ARBITRATION

32.1 This Agreement shall be governed by and construed in accordance with the laws of England without giving effect to applicable conflict of laws provisions.

32.2 Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, or termination, shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration (the "**LCIA Rules**"), which rules are deemed to be incorporated by

reference into this Agreement. There shall be three arbitrators, and the parties agree that one arbitrator shall be nominated by each of the Seller and CEDC. The third arbitrator, who shall act as the chairman of the tribunal, shall be nominated by agreement of the two party-nominated arbitrators within fourteen days of the confirmation of the appointment of the second arbitrator, or in default of such agreement, appointed by the LCIA Court. The seat or place of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction.

32.3 Nothing in this agreement shall prevent the parties or any of them seeking interim relief or conservatory measures in aid of the arbitration proceedings or for the enforcement of any arbitral award, PROVIDED THAT the parties agree that they may only seek, and shall only be entitled to, such relief as is consistent with clause 32.2. Without prejudice to such provisional remedies that may be granted by a national court in aid of arbitration, the arbitral tribunal shall have full authority to grant interim or conservatory measures, to order a party to seek modification or vacation of interim or conservatory measures issued by a national court, and to award damages or give other appropriate relief for the failure of any party to respect the arbitral tribunal's orders to that effect.

32.4 The parties hereby waive their rights to apply or appeal under Sections 45 and 69 of the Arbitration Act 1996.

ANNEX A

DEFINITIONS

In this Agreement, the Schedules and the Exhibits to it:

"**1C Amount**"	means the aggregate expenses actually incurred by the Seller's Group prior to Closing in respect of 1C, as supported by such reasonable documentary evidence as the Purchasers or either of them shall reasonably require, PROVIDED ALWAYS THAT the 1C Amount shall in all cases be in conformity with a budget and payment plan as has been agreed in advance in writing between the Seller and the Purchasers;
"**1C**"	means the software and hardware more particularly described in Schedule 14;
"**Accounts**"	means the balance sheet of each of Luxury prepared in accordance with GAAP, ISF prepared in accordance with IFRS, and DistCo prepared in accordance with Russian Accounting Standards, in each case prepared as of September 30, 2007;
"**Accounts Date**"	means September 30, 2007;
"**Adverse Disclosure Requirement**"	means a disclosure requirement under Regulation 14A or 14C of the Exchange Act of (1) any bankruptcy proceeding involving such potential Designee; (2) any criminal proceeding involving such potential Designee; (3) any order, judgment or decree limiting in any way such potential Designee's right to engage in any type of business practice, including, but not limited to, investment advisor, underwriter, broker, dealer or any other business practice regulated by the United States Commodity Futures Trading Commission or any other activity in connection with the purchase or sale of any security or commodity; (4) any violation of any securities or commodities law involving such potential Designee; (5) any violation of Section 16(a) of the Exchange Act involving such potential Designee; (6) any instance of fraud involving such potential Designee, or (7) any matter contemplated by Item 401(f) of Regulation S-K under the Exchange Act;
"**Affiliate**"	means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is

under common control with, the person specified, where **"control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, through the ownership of voting securities, by contract, as trustee, executor or otherwise. In the case of the Seller, **"Affiliate"** includes the direct or indirect ultimate beneficial holders of shares of Seller and any person controlled by such holders;

"**Amended and Restated Memorandum and Articles of Association**" means the Memorandum and Articles of Association of the Company amended and restated to provide for, except where such amendment would not be permitted under applicable law of the Republic of Cyprus, each of the rights and obligations set out in the Company Shareholders' Agreement;

"**Arbitrator**" shall have the meaning ascribed to such term in clause 7.6;

"**Asset Purchase Agreement (Final Closing)**" means the Asset Purchase Agreement between ZAO Firm Urozhay and ProductionCo having terms substantially the same as those set out in Exhibit A and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which ProductionCo will, subject to the terms thereof, purchase the Final Closing Assets from ZAO Firm Urozhay;

"**Asset Purchase Agreement (First Interim Period)**" means each of the following:

(a) the Asset Purchase Agreement between ZAO Firm Urozhay and ProductionCo having terms substantially the same as those set out in Exhibit B and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which ProductionCo will, subject to the terms thereof, purchase the First Interim Period Assets designated for sale by ZAO Firm Urozhay after Closing;

(b) the Asset Purchase Agreement between MC Parliament Group and DistCo having terms substantially the same as those set out in Exhibit B and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which DistCo will, subject to the terms thereof, purchase the First Interim Period Assets designated for sale by MC Parliament Group after Closing; and

(c) the Asset Purchase Agreement between Modus

and DistCo having terms substantially the same as those set out in Exhibit B and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which DistCo will, subject to the terms thereof, purchase the First Interim Period Assets designated for sale by Modus after Closing;

"**Asset Purchase Agreement (Second Interim Period)**" means the Asset Purchase Agreement between ZAO Firm Urozhay and ProductionCo having terms substantially the same as those set out in Exhibit C and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which ProductionCo will, subject to the terms thereof, purchase the Second Interim Period Assets after Closing;

"**Bank Pledges**" means the Encumbrances set forth on Schedule 17;

"**Basic Permit Application**" means the application to be submitted to the Alcohol and Tobacco Tax and Trade Bureau (a division of the United States Department of Treasury) by each of Seller and Purchasers upon the change of control of Luxury;

"**Board**" means the board of directors of CEDC from time to time;

"**Bols Component Amount**" means an amount equal to 85 per cent. of the sum of: (a) the Non-Russian Component Price and (b) the Russian Component Price;

"**Business**" means the business conducted at Closing by the Target Companies and includes management and operation of the alcoholic beverages production and sale business related to the "Parliament" and "999,9" brands;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are generally open for business in Moscow, Warsaw and New York;

"**Bylaws**" means the Amended and Restated Bylaws of CEDC dated May 1, 2006, as amended from time to time;

"**Cash Consideration**" means an amount equal to US$180,000,000, less the sum of (a) the Dollar Equivalent of the Russian

Component Price calculated as of Closing, (b) the Dollar Equivalent of the Non-Russian Component Price calculated as of Closing, (c) the Dollar Equivalent of 283,071,772 Russian Rubles calculated as of Closing, and (d) the Cash Holdback Amount;

"**Cash Holdback Amount**" means the positive difference, if any, of $15,000,000, less the Dollar Equivalent of 283,071,772 Russian Rubles calculated as of Closing;

"**CEDC Financial Statements**" shall have the meaning ascribed to such term in clause 10.2.13;

"**CEDC SEC Documents**" shall have the meaning ascribed to such term in clause 10.2.11;

"**Certificate of Incorporation**" means the Amended and Restated Certificate of Incorporation of CEDC dated May 1, 2006, as amended from time to time;

"**Claim**" means any claim made by the Purchasers or either of them or any permitted assignee of a Purchaser's rights hereunder, as applicable, against or to the Seller arising out of or in connection with any of the Transaction Documents (other than the Interim Period Production Agreement and the Company Shareholders' Agreement) or transactions contemplated hereby or thereby or referred to herein or therein howsoever arising;

"**Closing**" means the completion of the sale and purchase of the Shares in accordance with this Agreement;

"**Closing Date**" shall have the meaning ascribed to such term in clause 6.1;

"**Company**" means Copecresto Enterprises Limited, a company formed under the laws of Cyprus, further details of which are set out in Schedule 1;

"**Company's Account**" means:

Bank: ING Bank (Suisse) S.A. Address: 30 avenue de Frontenex-CH-1211 Geneva 6 Beneficiary: Copecresto Enterprises Limited

Account Number: 6387112
IBAN USD: CH68 0864 0638 7112 0010 3
IBAN EUR CH25 0864 0638 7112 0010 1;

"**Company Shareholders' Agreement**" means the Company Shareholders' Agreement in the form attached hereto as Exhibit D;

"**Competent Authority**" means any court of law or tribunal, any government, governmental or quasi-governmental agency, department, authority or regulatory body, any Tax Authority and any local authority, in each case within the Russian Federation;

"**Conditions Precedent**" means each of the conditions precedent set out in clause 3.2;

"**Confidential Information**" means confidential information as described in clause 23.1;

"**Consideration**" shall have the meaning ascribed to such term in clause 5.1;

"**Consideration Shares**" shall mean 2,238,806 shares of common stock of CEDC issued by CEDC. In the event that a Restructuring Event takes place between the date of this Agreement and the Closing, the number of Consideration Shares, less the Holdback Shares, shall be adjusted as if such Consideration Shares, less the Holdback Shares, had been issued on the date of this Agreement and not at Closing.

"**Current Assets**" means, with respect to the Target Companies, without duplication, the following: inventory, accounts receivable (including trade receivables), short term investments, cash and cash equivalents, tax receivables (including, for purposes of this definition, the VAT receivables to be created as a result of the payment of the Pre-Closing VAT Amount and any other VAT receivables);

"**Current Liabilities**" means, with respect to the Target Companies, without duplication, the following: accounts payable, accrued short-term liabilities, future payment reserves, tax payables, interest payable, third party, related party, shareholder and bank debt and any other accruals, and

including specifically all Taxation which is liable to be (but has not yet) been assessed against the Target Companies or any of them in respect of any period ending on or before the Closing;

"**Data Room**" means the data room information provided during the course of, or in relation to, due diligence or in the process of negotiations of the Transaction Documents, an agreed-upon electronic (CD-ROM) copy of which was provided to the Purchasers and to the Seller upon execution of this Agreement;

"**Designee**" means, at any given time, the person most recently designated by Direct Financing Limited to be a director of CEDC; PROVIDED, HOWEVER, THAT, unless a designee shall have vacated a directorship in such year, Direct Financing Limited may not make such designation more than twice in any calendar year; provided, further, that such person shall satisfy the minimal requirements for a Director under applicable United States securities regulations; PROVIDED FURTHER, THAT prior to or simultaneously with Direct Financing Limited making any such designation, Direct Financing Limited and the potential Designee shall provide to CEDC all information pertaining to the potential Designee that CEDC may reasonably request, including, but not limited to, any and all information pertaining to such potential Designee that would be required to be disclosed in a proxy statement filed by CEDC with the SEC pursuant to Regulation 14A or 14C promulgated under the Exchange Act, and CEDC shall have the right, acting in good faith, to reject any potential Designee within 5 days of such designation if CEDC determines that the presence of such potential Designee on the Board would trigger an Adverse Disclosure Requirement;

"**Direct Financing Limited**" means Direct Financing Limited, a British Virgin Islands company, whose registered office is at P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands and an Affiliate of the Seller;

"**Director**" means a director of CEDC;

"**Disclosed**" means fairly disclosed (irrespective of its language), in writing, in the Disclosure Letter or in the Data Room by or on behalf of a member of the Seller's Group (including the Target Companies) or contemplated by the Transaction Documents;

"**Disclosure Letter**"	means the letter dated the same date as this Agreement from the Seller to the Purchasers setting out, amongst other things, certain exceptions to the Warranties;
"**DistCo**"	means OOO Parliament Distribution, a company formed under the laws of the Russian Federation and wholly owned by the Company, further details of which are set out in Part II of Schedule 1;
"**Dollar Equivalent**"	means, with respect to any date, and save where otherwise specified, the US Dollar amount obtained by dividing: (a) with respect to Russian Rubles, the relevant amount of Russian Rubles divided by the exchange rate designated for US Dollars by the Central Bank of the Russian Federation on the prior Business Day or (b) with respect to Euros, the relevant amount of Euros multiplied by the Euro foreign exchange reference rate designated for US Dollars by the European Central Bank on the prior Business Day;
"**Employees**"	means the individuals designated as "Employees" (and not as "Final Closing Employees") who are employees of OOO Trading House Urozhay and ZAO Firm Urozhay having the positions set out in, and whose names are set out in, Schedule 9;
"**Employment Agreements**"	means agreements with terms substantially the same as those set out in Exhibit H and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers;
"**Encumbrance**"	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, option, assignment, security interest or other third party right or encumbrance of any kind whatsoever, or any right conferring a preference or priority of payment in respect of any obligation of any person;
"**Enhancements Amount**"	means the aggregate expenses actually incurred by the Seller's Group prior to Closing in respect of SAP, the Other Enhancements, and the New Production Facilities, in each case separately identified and supported by such reasonable documentary evidence as the Purchasers or either of them shall reasonably

require, PROVIDED ALWAYS THAT, in respect of SAP and the New Production Facilities, such Enhancements Amount shall in all cases be in conformity with a budget and payment plan as has been agreed in advance in writing between the Seller and the Purchasers;

"**Environment**" means soil, atmosphere, land surface or subsurface strata, waters (including, navigable ocean, stream, pond, reservoirs, drainage, basins, wetland, ground, and drinking), sediments, and all other environmental media or natural resources;

"**Environmental Laws**" means all applicable statutes and other laws in force and binding on the Target Companies that relate to pollution or protection of the Environment, including those relating to the manufacture, processing, treatment, handling, use, possession, supply, receipt, sale, purchase, import, export, transportation, disposal, release, spillage, deposit, escape, discharge, leak, emission or presence of Hazardous Material, and excluding, for the avoidance of doubt, any of the foregoing relating to zoning or town and country planning;

"**Environmental Permits**" means any permit, licence, consent or authorisation required by Environmental Laws in relation to the operation of the Business;

"**Estimated Working Capital Adjustment**" shall have the meaning ascribed to such term in clause 7.1;

"**Expert**" shall have the meaning ascribed to such term in clause 7.5;

"**Exchange Act**" means the United States Securities Exchange Act of 1934;

"**FAS**" means the Federal Antimonopoly Service of the Russian Federation, or any successor thereto, including any applicable territorial administration thereof;

"**FAS Consent**" means the consent of the FAS to the Purchasers' acquisition of the Shares;

"**Final Closing**"	means the closing of the transactions contemplated by the Asset Purchase Agreement (Final Closing);
"**Final Closing Asset Amount**"	means 114,887,901 Russian Rubles;
"**Final Closing Assets**"	means the assets more particularly described in Schedule 8;
"**Final Closing Employees**"	means the individuals designated as "Final Closing Employees" who are employees of OOO Trading House Urozhay and ZAO Firm Urozhay having the positions set out in, and whose names are set out in, Schedule 9;
"**Final Closing Enhancements**"	means the assets or services procured by a member of the Seller's Group prior to the Final Closing, as supported by such reasonable documentary evidence as the Purchasers or either of them shall reasonably require, PROVIDED ALWAYS THAT the procurement of the Final Closing Enhancements shall in all cases be approved by CEDC;
"**Final Closing Enhancements Amount**"	means the aggregate expenses actually incurred by the Seller's Group prior to the Final Closing in respect of the Final Closing Enhancements, as supported by such reasonable documentary evidence as the Purchasers or either of them shall reasonably require;
"**Final Working Capital Adjustment**"	has the meaning ascribed thereto in clauses 7.3, 7.4, 7.5 and 7.6 as applicable;
"**FinanceCo**"	means Lugano Holding Limited, a company formed under the laws of Cyprus and wholly owned by the Company, further details of which are set out in Part II of Schedule 1;
"**First Interim Period Assets**"	means the assets more particularly described in Schedule 6;
"**GAAP**"	means United States generally accepted accounting principles as in effect from time to time;
"**Group**"	means the Purchasers' Group or the Seller's Group (as the case may be);

"**Hazardous Material**"	means anything which alone or in combination with other things is inherently and without outside intervention capable of causing harm to man or to the Environment or any other organism supported by the Environment, other than any finished beverages;
"**Holdback Shares**"	shall mean 250,000 shares of common stock of CEDC issued by CEDC. In the event that a Restructuring Event takes place between the date of this Agreement and the issuance of the Holdback Shares pursuant to clause 11.9, the number of Holdback Shares shall be adjusted as if the Holdback Shares had been issued on the date of this Agreement;
"**IFRS**"	means the standards and interpretations adopted by the International Accounting Standards Board and known as the International Financial Reporting Standards;
"**Intellectual Property**"	means patents, trade marks, signs and service marks, rights in designs, trade or business names or signs, copyrights (excluding rights in off-the-shelf computer software), and database rights (whether or not any of these is registered and including applications for registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may exist anywhere in the world;
"**Interim Period**"	means the period beginning with the date of this Agreement and ending upon the Final Closing;
"**Interim Period Production Agreement**"	means the Interim Period Production Agreement in the form attached hereto as Part 1 of Exhibit E;
"**Internal Revenue Code**"	means the United States Internal Revenue Code of 1986;
"**ISF**"	means ISF GmbH, a limited liability company formed under the laws of the Federal Republic of Germany, further details of which are set out in Part II of Schedule 1;

"**ISF IP Rights**"	means those rights of ISF, as more particularly described in Schedule 11;
"**ISF Shareholders**"	means the holders of all of the ISF Shares;
"**ISF Shares**"	means all of the issued and outstanding shares of ISF;
"**ISF Share Price**"	means 500,000 Euros;
"**LCIA Rules**"	shall have the meaning ascribed to such term in clause 32.2;
"**Liabilities**"	means any and all liabilities, duties and obligations of every description, including interest whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety;
"**Litigation Criteria**"	means with respect to a Third Party Claim (i) the Seller has acknowledged in writing to the Purchasers (in a form reasonably satisfactory to the Purchasers) that pursuant to the terms of this Agreement, it will indemnify (and keep indemnified) the Purchasers and each relevant Target Company, as applicable, for and pay on demand all Losses suffered by them resulting from such Third Party Claim, subject only to the limitations set out in Part A of Schedule 3 (provided that such limitations have not eliminated substantially all of the liability exposure of the Seller arising under this Agreement disregarding such Third Party Claim), (ii) the amount claimed under the Third Party Claim is more than US$10,000,000 and (iii) neither Purchaser has notified the Seller in writing that, in its reasonable opinion, the outcome of the Third Party Claim or its defence is reasonably likely to have a material and potentially adverse impact on the Business in terms of continuing relationships with customers, suppliers or regulators or otherwise is reasonably likely irreparably and materially damage the Business;
"**Long Stop Date**"	means the day falling ten Business Days following the date of this Agreement, or such later date as may be agreed by the Seller and the Purchasers;

"**Losses**"	means all losses, Liabilities, damages, costs, expenses or other liabilities (including all interest, penalties, legal and other professional fees, costs and expenses), charges, expenses, suits, actions, payments, proceedings, claims, enforcement processes and demands;
"**Luxury**"	means Luxury Vodka Distillers, Inc., a corporation formed under the laws of California, further details of which are set out in Part II of Schedule 1;
"**Luxury Shareholder**"	means Edouard Faizoulline, being the holder of all of the Luxury Shares;
"**Luxury Price**"	means the consideration to be paid under the Luxury SPA;
"**Luxury Shares**"	means all of the issued and outstanding shares of Luxury;
"**Luxury SPA**"	means the Stock Purchase Agreement between the Company and the Luxury Shareholder having terms substantially the same as those set out in Exhibit F and, to the extent not substantially the same, as may be reasonably acceptable to the Purchasers, pursuant to which the Company will purchase all of the Luxury Shares from the Luxury Shareholder;
"**MC Parliament Group**"	means Limited Liability Company Managing Company Parliament Group, a limited liability company registered under the laws of the Russian Federation under the main state registration number 1037739846319, having its registered address at Bolshaya Pochtovaya st., 39-1, Moscow, 105082, Russian Federation;
"**MC Parliament Group IP Rights**"	means those rights of MC Parliament Group, as more particularly described in Parts A5 and B5 of Schedule 5;
"**Modus**"	means Limited Liability Company Modus, a limited liability company registered under the laws of the Russian Federation under the main state registration number 1035000704243, having its registered address at Nekrasova st., 8, Moscow region, Balashikha town, 143900, Russian Federation;

"**Modus IP Rights**"	means those rights of Modus as more particularly described in Schedule 12;
"**Moscow City Accreditation**"	means an accreditation issued by the City of Moscow in respect of the distribution of alcoholic products within the City of Moscow;
"**New Production Facilities**"	means the facilities more particularly described in Schedule 16;
"**Non-Production Assets and Liabilities**"	means the rights and obligations of ZAO Firm Urozhay under the contracts, agreements and other arrangements related to the "Parliament" and "999,9" brands, as are more particularly described in Parts A3 and B3 of Schedule 5;
"**Non-Russian Component Price**"	means the sum of (a) the Dollar Equivalent of the ISF Share Price, and (b) the Luxury Price, in each case excluding VAT;
"**Non-U.S. Recipient**"	shall have the meaning ascribed to such term in paragraph 4 of Schedule 2;
"**Objections Statement**"	shall have the meaning ascribed to such term in clause 7.2;
"**OOO Parliament**"	means Limited Liability Company Parliament, a limited liability company registered under the laws of the Russian Federation under the main state registration number 1057748331300, having its registered address at Elektrodnaya st., 2, Moscow, 111524, Russian Federation;
"**OOO Parliament IP Rights**"	means those rights of OOO Parliament, as more particularly described in Parts A6 and B6 of Schedule 5;
"**Other Enhancements**"	means the assets or services procured by a member of the Seller's Group prior to Closing, as supported by such reasonable documentary evidence as the Purchasers or either of them shall reasonably require, PROVIDED ALWAYS THAT the procurement of the Other Enhancements shall in all cases be approved by CEDC;

"**Post-Closing Covenant Claims**"	means any Claim arising out of a breach of a party's obligation, which obligation is effective after Closing;
"**Post-Closing Purchase Agreements**"	means the Asset Purchase Agreement (Final Closing), the Asset Purchase Agreement (First Interim Period), and the Asset Purchase Agreement (Second Interim Period);
"**Post-Closing Russian Component Price Obligations**"	means the obligations arising under the Pre-Closing Russian Asset Purchase Agreements to pay the Post-Closing Russian Component VAT Amount plus that portion of the Russian Component Price attributable to the Pre-Closing Best Efforts Russian Assets not transferred to a Target Company prior to Closing, which portion shall have been determined by adding the prices corresponding to such Pre-Closing Best Efforts Russian Assets as set forth in Schedule 5;
"**Post-Closing Russian Component VAT Amount**"	means 18 per cent. of that portion of the Russian Component Price attributable to the Pre-Closing Best Efforts Russian Assets (other than Real Property) not transferred to a Target Company prior to Closing;
"**Post-Closing VAT Amount**"	means the VAT payable in connection with the transfer of the assets described in Schedules 6-8;
"**Pre-Closing Best Efforts Russian Assets**"	means the Pre-Closing Russian Assets described in Parts B1, B2, B3, B4 and B5 of Schedule 5;
"**Pre-Closing Committed Russian Assets**"	means the Pre-Closing Russian Assets described in Parts A1, A2, A3, A4 and A5 of Schedule 5 and Schedule 12;
"**Pre-Closing Non-Russian Asset Purchase Agreements**"	means the various asset purchase agreements pursuant to which: (a) the Company will acquire the ISF IP Rights from ISF and (b) the Company will acquire the ISF Shares from the ISF Shareholders, the consideration to be paid in exchange for such assets shall be paid at Closing and shall equal the Non-Russian Component Price;

"**Pre-Closing Non-Russian Assets**"	means the ISF IP Rights and the ISF Shares;
"**Pre-Closing Purchase Agreements**"	means the Pre-Closing Russian Asset Purchase Agreements and the Pre-Closing Non-Russian Asset Purchase Agreements;
"**Pre-Closing Russian Asset Purchase Agreements**"	means the various asset purchase agreements pursuant to which: (a) DistCo will acquire the Modus IP Rights from Modus; (b) DistCo will acquire the Urozhay Distribution Assets from ZAO Firm Urozhay; (c) DistCo will acquire the TH Urozhay Distribution Assets from OOO Trading House Urozhay; (d) ProductionCo will acquire the TH Urozhay Production Assets from OOO Trading House Urozhay, (e) ProductionCo will acquire the Non-Production Assets and Liabilities from ZAO Firm Urozhay, (f) DistCo will acquire the MC Parliament Group IP Rights from MC Parliament Group, and (g) DistCo will acquire the OOO Parliament IP Rights from OOO Parliament, the consideration to be paid in exchange for such assets shall be paid at Closing (except with respect to the Post-Closing Russian Component Price Obligations) and shall equal the Russian Component Price plus the Pre-Closing VAT Amount, each prepared on the basis of the forms and models of such agreements delivered to the Purchasers or their counsel prior to the date hereof;
"**Pre-Closing Russian Assets**"	means the Modus IP Rights, the Urozhay Distribution Assets, the TH Urozhay Distribution Assets, the TH Urozhay Production Assets, MC Parliament Group IP Rights, the OOO Parliament IP Rights, and the Non-Production Assets and Liabilities;
"**Pre-Closing Russian Component Price**"	means the Russian Component Price, less that portion of the Russian Component Price attributable to the Pre-Closing Best Efforts Russian Assets not transferred to a Target Company prior to Closing, as determined by adding together the corresponding prices for such Pre-Closing Best Efforts Russian Assets set forth in Schedule 5;
"**Pre-Closing Russian Component VAT Amount**"	means 139,968,172;
"**Pre-Closing VAT Amount**"	means the Pre-Closing Russian Component VAT Amount plus the Post-Closing Russian Component VAT Amount;

"**ProductionCo**"	means OOO Parliament Production, a company formed under the laws of the Russian Federation and wholly owned by the Company, further details of which are set out in Part II of Schedule 1;
"**Properties**"	means those immovable properties of which further description is set out at Schedule 10 or to which the leases set out as Schedule 10 relate;
"**Purchasers' Group**"	means the Purchasers and their respective Affiliates and "**member of the Purchaser's Group**" means any and all of the Purchasers and their respective Affiliates and, for the avoidance of doubt, from and after Closing shall include each Target Company;
"**Real Property**"	means those immovable properties and long-term leases (title to which is subject to state registration under applicable law) located in the Russian Federation of which further description is set out at Schedule 10;
"**Real Property Title Documents**"	means the applications, transfer documents and title documents required in connection with the registration of title to the Real Property in the name of ProductionCo and/or DistCo, as applicable;
"**Registration Rights Agreement**"	means the Registration Rights Agreement in the form attached hereto as Exhibit G;
"**Relief**"	means any loss, allowance, credit, deduction, set-off, relief, exemption or other relief of a similar nature granted by or available in relation to Tax pursuant to any legislation or otherwise and any repayment or right to a repayment of any Tax;
"**Restructuring Event**"	means any issuance of stock by CEDC to its shareholders by way of a stock dividend or bonus issue, a consolidation or stock split of CEDC's share capital or any other action or transaction having substantially similar consequences;

"**Russian Component Price**" means the Dollar Equivalent of 940,296,986 Russian Rubles as of Closing;

"**SAP**" means the software more particularly described in Schedule 15;

"**SEC**" the United States Securities and Exchange Commission;

"**Second Interim Period Assets**" means the assets more particularly described in Schedule 7;

"**Securities Act**" means the United States Securities Act of 1933;

"**Seller Claim**" means any claim made by any member of the Seller's Group, any permitted assignee of the Seller's rights hereunder, or any Affiliate thereof, as applicable, against or to a Purchaser arising out of or in connection with any of the Transaction Documents (other than the Interim Period Production Agreement and the Company Shareholders' Agreement) or transactions contemplated hereby or thereby or referred to herein or therein howsoever arising;

"**Seller's Account**" means:

Bank: ING Bank (Suisse) S.A.
Address: 30 avenue de Frontenex-CH-1211 Geneva 6
Beneficiary: White Horse Intervest Limited

A/c No.:	6387112
SWIFT:	BBRUCHGGXXX
IBAN USD:	CH25 0864 0638 7112 0010 1
IBAN EUR:	CH95 0864 0638 7112 0010 2
IBAN CHF:	CH68 0864 0638 7112 0010 3

Corr. Bank USD:

Account:	04024587
Bank:	Deutsche Bank New York
SWIFT:	BKTRUS33XXX

Corr. Bank EUR:

Account:	1009418419000
Bank:	Deutsche Bank Frankfurt
SWIFT:	DEUTDEFFXXX;

"**Seller's Group**" means the Seller and its Affiliates, and a "**member of the Seller's Group**" means any and all of the Seller and its Affiliates and, for the avoidance of doubt, from and after Closing shall exclude each Target Company;

"**Seller's Solicitors**"	means Akin Gump Strauss Hauer & Feld LLP, located at Ducat Place II, 7 Gasheka Street, Moscow 123056, Russia;
"**Senior Employee**"	means any Employee whose name is designated as such on Schedule 9 or who is otherwise entitled to a basic salary (excluding profit related or other bonuses) at a rate in excess of US$100,000 per annum;
"**Shares**"	means 3,400 ordinary shares in the capital of the Company, each with a nominal value of US$1.00 per share, and being 85 per cent. of the outstanding and issued share capital of the Company;
"**Sufficient Share Criteria**"	means (a) the direct or indirect beneficial shareholders of at least one half of the issued share capital of the Seller and the direct or indirect beneficial shareholders of at least one half of the issued share capital of the Direct Financing Limited being the same, and (b) Direct Financing Limited together with each of its permitted transferees together hold at least 80 per cent. of the Consideration Shares;
"**Target Assets**"	means, collectively, the Pre-Closing Non-Russian Assets, the Pre-Closing Russian Assets, the Luxury Shares, the First Interim Period Assets, the Second Interim Period Assets and the Final Closing Assets;
"**Target Companies**"	means the Company, Luxury, ISF, FinanceCo, ProductionCo, and DistCo;
"**Tax**" or "**Taxation**"	means all governmental, state, community, municipal or regional taxes, levies, imposts, duties, charges, deductions, withholdings and social security contributions of any kind arising in any part of the world including:

(a) corporation tax, advance corporation tax, income tax, capital or chargeable gains tax, inheritance tax, VAT, national insurance contributions, capital duty, stamp duty, stamp duty reserve tax, stamp duty land tax, duties of customs and excise, and all taxes on gross and net income, profits or gains, receipts, sales, use, occupation, franchise, added value, personal property or net worth; and

(b) all fines, penalties, charges, costs and interest included in or relating to any tax, in all cases, wherever and whenever imposed and regardless of whether such taxes, penalties, charges, costs and interest are directly or primarily chargeable against or attributable to the Company, its subsidiaries or any other person and regardless of whether any Target Company has a right of reimbursement against any other person;

"**Tax Authority**" means any revenue, customs or fiscal governmental, state, community, municipal or regional authority, body or person anywhere in the world competent to impose or collect Tax, in each case of the Russian Federation;

"**Tax Warranties**" means the Warranties set out in paragraph 11 of Schedule 2;

"**Third Party Claim**" means a Claim or a Seller Claim by a person other than a member of the Seller's Group, Purchasers' Group, a Target Company, or any Affiliate of any of them) brought after Closing;

"**TH Urozhay Distribution Assets**" means the assets of OOO Trading House Urozhay as more particularly described in Parts A2 and B2 of Schedule 5;

"**TH Urozhay Production Assets**" means the assets of OOO Trading House Urozhay as more particularly described in Parts A4 and B4 of Schedule 5;

"**Title Warranties**" means the Warranties set out in paragraph 1 of Schedule 2;

"**Transaction Documents**" means this Agreement, the Company Shareholders' Agreement, the Interim Period Production Agreement, the Pre-Closing Purchase Agreements, the Post-Closing Purchase Agreements, the Registration Rights Agreement, and any other documents referred to the agreements above to be entered into in connection with the consummation of the transactions contemplated hereby;

"**Urozhay Distribution Assets**" means the assets of ZAO Firm Urozhay as more particularly described in Parts A1 and B1 of Schedule 5;

"**VAT**"	means value added tax payable in accordance with the Tax Code of the Russian Federation and calculated pursuant thereto;
"**VAT Amount**"	means the Pre-Closing VAT Amount plus the Post-Closing VAT Amount;
"**Warranties**"	means the warranties set out in Schedule 2 and "**Warranty**" shall be construed accordingly;
"**White Horse Component Amount**"	means an amount equal to 15 per cent. of the sum of: (a) the Non-Russian Component Price and (b) the Russian Component Price;
"**Working Capital**"	means the amount of the Current Assets less the amount of the Current Liabilities for all Target Companies, calculated on a consolidated basis as of the moment immediately after Closing; and
"**Working Hours**"	means 9.30 a.m. to 5.00 p.m. on a Business Day.

SCHEDULE 2
THE WARRANTIES

1. Ownership of the Shares

1.1 The Seller legally and beneficially owns all of the Shares free from any Encumbrances and all such Shares together represent 85 per cent. of the authorised and issued share capital of the Company. There is no agreement or commitment to give or create Encumbrances on or over the Shares or any of them and, so far as the Seller is aware, no claim has been made by any person to be entitled to any.

1.2 The Shares have been validly issued and allotted and are fully paid up.

1.3 There is no agreement or commitment outstanding which calls for the allotment or issue of, or accords to any person the right to call for the allotment or issue of, any shares or any debentures in or securities of any of the Target Companies.

1.4 The Seller is entitled and empowered to sell and transfer the Shares to the Purchasers on the terms and subject to the conditions set out in this Agreement.

2. Capacity of the Seller

2.1 The Seller has the requisite capacity, power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

2.2 The Seller has taken all necessary corporate action required by its constitutional or organisational documents to permit it to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is a party.

2.3 This Agreement constitutes and the other Transaction Documents to which it is a party will, when executed, constitute binding obligations of the Seller, as applicable, in accordance with their respective terms.

2.4 The execution and delivery by the Seller of this Agreement the other Transaction Documents to which it is a party and the performance by the Seller of its obligations under this Agreement the other Transaction Documents to which it is a party will not (or with the giving of notice or lapse of time would not):

2.4.1 result in a breach of any provision of the constitutional or organisational documents of the Seller;

2.4.2 result in a breach of any order, judgment or decree of any court or governmental agency to which the Seller is a party or by which the Seller is bound or any contractual commitment to which the Seller is bound.

3. Company Structure, etc.

3.1 The information given in Schedule 1 in relation to the Company and its subsidiaries is true, complete and accurate.

3.2 Except as otherwise contemplated by this Agreement, at Closing, the Target Companies shall together have all of the right, title and interest free from any Encumbrances (other than the Bank Pledges) in:

3.2.1 all production and non-production assets and staff as are necessary and required to operate the Business (as operating on the date of this Agreement) in compliance with existing governmental licensing requirements (save with respect to the Pre-Closing Best Efforts Russian Assets and the assets to be transferred under the Post-Closing Purchase Agreements);

3.2.2 all of the Properties;

3.2.3 all intellectual property rights held by the Seller's Group as of the date hereof related to the "Parliament" and "999,9" brands in Russia; and

3.2.4 all distribution rights as are necessary and required to operate the Business as operating on the date of this Agreement.

4. Securities Matters

4.1 Direct Financing Limited is not a U.S. Person (as defined in Rule 902(k) promulgated under the Securities Act) (a "**Non–U.S. Recipient**"). The Seller warrants and covenants as set out below with respect to the Consideration Shares that:

4.1.1 such Non–U.S. Recipient is not a U.S. Person (defined as aforesaid), is not an Affiliate (where used in this paragraph 4, as defined in Rule 501(b) under the Securities Act) of CEDC and is not a corporation that has been formed principally for the purpose of investing in securities not registered under the Securities Act,

4.1.2 such Non–U.S. Recipient is purchasing the Consideration Shares for its own account for the purpose of investment and not (a) with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act or (b) for the account or benefit of, as a nominee or agent for, or on behalf of any U.S. Person;

4.1.3 such Non–U.S. Recipient:

(a) understands that the Consideration Shares are or will be transferred to the Non-U.S. Recipient under Regulation S under the Securities Act or under another exemption from the registration requirements of the Securities Act and under applicable securities laws in such Non–U.S. Recipient's country of residence, and any such Non–U.S. Recipient will not, without the prior written consent of CEDC, during the period commencing on the Closing Date and ending on the first anniversary of such date (such period being the "**Distribution Compliance Period**"), offer, sell, pledge or otherwise transfer the Consideration Shares in the United States, or to a U.S. Person or for the account or benefit of a U.S. Person except as permitted under the federal securities laws; and

(b) has not in the United States, engaged in, and prior to the expiration of the Distribution Compliance Period will not, without the prior written consent of CEDC, engage in, any short selling of any equity security issued by CEDC (including, without limitation, the Consideration Shares) or any hedging transaction with respect to any such equity security, including, without limitation, put, call or other option transaction, option writing and equity swaps, except in compliance with the Securities Act;

4.1.4 such Non–U.S. Recipient has not, and none of its Affiliates or any person acting on behalf of any such Non–U.S. Recipient or any such Affiliates has engaged or

will engage in any directed selling efforts (within the meaning of Regulation S under the Securities Act and to the extent such efforts would disallow the exemption afforded under Regulation S in connection with the issuance of the Consideration Shares) with respect to the Consideration Shares and they, their Affiliates and all Persons acting on their behalf have complied and will comply with the requirements of Regulation S under the Securities Act;

4.1.5 the transactions contemplated by this Agreement have not been pre–arranged with a buyer of the Consideration Shares located in the United States or with a U.S. Person, and are not part of a plan or scheme to evade the registration requirements of the Securities Act; and

4.1.6 such Non–U.S. Recipient understands that the Consideration Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, and may not be transferred or resold except pursuant to an effective registration statement or pursuant to an exemption from registration or pursuant to Regulation S (and, in either such case (A) in accordance with all United States federal or state, European Union and other applicable state and foreign securities laws and (B) the transferor/seller shall (i) have notified CEDC of the proposed transfer/sale and shall have furnished CEDC with a detailed statement of the circumstances surrounding the proposed transfer/sale, provided that such detailed statement is kept confidential and is not disclosed to any other person until prior written consent from the transferor/seller is given which explicitly authorises the disclosure of the information in such detailed statement, or (ii) provide CEDC and CEDC's transfer agent with a legal opinion from independent, internationally recognised legal counsel experienced in such matters, which legal opinion shall be in customary form reasonably acceptable to CEDC and shall state that such transfer/sale is eligible under Rule 144 or is otherwise made in accordance with applicable securities laws) and each certificate representing the Consideration Shares will be endorsed with the following legends:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN OFFERED AND SOLD TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT")) AND WITHOUT REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT IN RELIANCE UPON REGULATION S PROMULGATED UNDER THE SECURITIES ACT. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS WITH REGARD TO THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.";

(b) "SUBSCRIPTIONS MAY BE ACCEPTED ONLY FROM A PERSON THAT, AT ANY TIME THE BUY ORDER FOR THE SECURITIES IS ORIGINATED, IS OUTSIDE THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS, AND IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S), WAS NOT FORMED UNDER THE LAWS OF ANY UNITED STATES JURISDICTION, WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN SECURITIES

NOT REGISTERED UNDER THE SECURITIES ACT, AND IS NOT PURCHASING THE SECURITIES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, WITHIN THE MEANING OF REGULATION S UNDER THE ACT. BY SIGNING THE SHARE PURCHASE AGREEMENT, A PERSON UNDER REGULATION S CERTIFIES TO THE COMPANY THAT IT QUALIFIES AS A NON–U.S. PERSON, IS NOT ACQUIRING THE SECURITIES FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON AND IS THEREFORE ELIGIBLE TO PURCHASE SECURITIES IN THE OFFERING, THAT IT IS NOT PURCHASING THE SECURITIES AS A RESULT OF OR IN CONNECTION WITH ANY ACTIVITY THAT WOULD CONSTITUTE "DIRECTED SELLING EFFORTS" (WITHIN THE MEANING GIVEN SUCH TERM IN REGULATION S) IN THE UNITED STATES, THAT IT WILL NOT BECOME AN AFFILIATE OF THE COMPANY AS A RESULT OF THE PURCHASE OF THE SECURITIES, THAT NO OFFER OR SALE OF THE SECURITIES WAS MADE TO SUCH PERSON IN THE UNITED STATES, AND THAT SUCH PERSON IS NOT PURCHASING THE SECURITIES WITH A VIEW TO THEIR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT."; and

(c) any legend required to be placed thereon by applicable United States federal or state, European Union or other applicable state and foreign securities laws.

5. Insolvency

5.1 No order has been made and no resolution has been passed for the winding up of any of the Target Companies and, so far as the Seller is aware, no petition has been presented for the purpose of winding up any Target Company.

5.2 No administration order has been made and, so far as the Seller is aware, no petition for such an order has been presented in respect of any Target Company.

5.3 So far as the Seller is aware, no receiver (which expression shall include an administrative receiver) has been appointed in respect of any Target Company or all or any of their respective assets.

5.4 So far as the Seller is aware, no voluntary arrangement has been proposed under section 1 Insolvency Act 1986 in respect of any Target Company.

5.5 So far as the Seller is aware, no Target Company is insolvent, or unable to pay its debts within the meaning of section 123 Insolvency Act 1986, or has stopped paying its debts as they fall due.

5.6 Nothing analogous or substantially analogous to any of the foregoing has occurred anywhere in the world.

6. Assets and Liabilities of the Target Companies

6.1 The Target Companies have no Liabilities (save purely as between the Target Companies) other than as set forth in the Accounts and other than with respect to the 1C Amount, the Enhancements Amount and such other amounts as are expressly envisaged or required by the Transaction Documents.

6.2 Except with respect to Target Assets and such accounting-related software and hardware as is due to be replaced by 1C and SAP, the assets comprising the Target Assets are sufficient to operate the Business in the ordinary course and none of the Target Companies makes use of any other material asset in the ordinary course of the Business.

6.3 As of Closing, DistCo will hold all material authorisations and licenses as are necessary when conducting the Business to acquire, store and distribute alcoholic beverages in Russia.

7. Contracts

Except with respect to licenses obtained by a Target Company, customer and supplier agreements made in the ordinary course of business, the Enhancements Amount and as expressly envisaged or required by the Transaction Documents, none of the Company, FinanceCo, ProductionCo and DistCo are, nor have any of them ever been, a party to any contract, agreement or other arrangement. Each material contract, agreement or other arrangement (other than, or as expressly envisaged or required by, the Transaction Documents) to which ISF and Luxury are, or have ever been, a party has been Disclosed.

8. Accounts

8.1 The balance sheets of each of Luxury, ISF, and DistCo comprising the Accounts were prepared in accordance with GAAP, IFRS, and Russian Accounting Standards, respectively, and each gives a true and fair view of the assets and liabilities of Luxury, ISF, and DistCo respectively, in each case of the Accounts Date.

8.2 Since the Accounts Date, no change in the accounting reference period of any Target Company has been made.

8.3 Since the Accounts Date, there has been no material adverse change in the financial position of Luxury, ISF, and DistCo, other than with respect to the 1C Amount, the Enhancements Amount, operational expenses incurred in the ordinary course of operations, and such other amounts as are expressly envisaged or required by the Transaction Documents.

9. Attorneys

No Target Company has given any power of attorney or other written authority which is still effective to any person to enter into any contract or commitment on its behalf (other than to its directors, officers and employees to enter into routine trading contracts in the normal course of their duties).

10. Insurances

A summary of the material insurance policies in respect of which any Target Company has an interest is contained in, scheduled to or delivered with the Disclosure Letter and, so far as the Seller is aware, all such policies are in full force and effect and are not void, and no material claims are outstanding.

11. Taxation

11.1 All Taxation that has been assessed against the Target Companies or any of them prior to Closing has been or will be so paid (or has been reserved for in full by the relevant Target Company in the balance sheets and the Accounts referred to as paragraph 8.1 above) prior to Closing.

11.2 No member of the Seller's Group and no Target Company has received any written notice of

any actual or threatened dispute with, or actual or threatened claim of a material Tax liability of any Target Company from, any Tax Authority, nor, to the Seller's knowledge are any such claims otherwise threatened by any Tax Authority against a Target Company.

11.3 So far as the Seller is aware, the Russian Federation is the only country whose Tax Authorities seek or have sought to charge tax on the profits or gains of a Target Company other than ISF (in respect of which the Russian Federation and the Federal Republic of Germany is the only country whose Tax Authorities seek or have sought to charge tax on its profits or gains), the Company and FinanceCo (in respect of which the Republic of Cyprus is the only country whose Tax Authorities seek or have sought to charge tax on its profits or gains), and Luxury (in respect of which the State of California and the United States of America are the only state and country whose Tax Authorities seek or have sought to charge tax on its profits or gains).

12. Claims

12.1 No Target Company is engaged in any material claim, litigation, arbitration or other dispute resolution process, or administrative or criminal proceeding, whether as claimant, defendant or otherwise.

12.2 No Target Company has received written notice of any actual or threatened litigation, arbitration or other dispute resolution process, or administration or criminal proceeding against any Target Company nor, to the Seller's knowledge is any such litigation, arbitration or other dispute resolution process, or administration or criminal proceeding otherwise threatened against any Target Company.

13. Intellectual Property

13.1 Details of all registered Intellectual Property owned or registered by any Target Company are set out in the Disclosure Letter or the schedules to this Agreement, and all renewal fees due as at the date of this Agreement in respect of the maintenance of those rights have been paid.

13.2 There are no material licences of Intellectual Property granted to or by any Target Company.

13.3 So far as the Seller is aware, no third party is materially infringing any Intellectual Property owned by any Target Company and no third party has challenged the validity of any Intellectual Property owned by any Target Company.

13.4 No Target Company has received written notice of any material infringement by any Target Company of any Intellectual Property owned by a third party.

14. Property

14.1 Each Property is owned or leased as indicated in Schedule 10. Each Property that is not leased is both legally and beneficially owned by the Target Companies, save as otherwise noted in Schedule 10. The Target Companies have a right of occupation under a valid lease in respect of the Properties that are leased. The Properties indicated in Schedule 10 as owned as of the date hereof are the only immovable properties in any part of the world to which the any Target Company has title (be it by virtue of ownership, or lease, or otherwise). The Properties indicated in Schedule 10 are the only immovable properties that are used or occupied by a Target Company or in respect of which a Target Company has any liability.

14.2 Other than with respect to the Bank Pledges, each Property is free from any mortgages or charges, fixed or floating, whether created by a Target Company or otherwise.

14.3 As far as the Seller is aware, no material defects in title to any of the Properties exist.

14.4 So far as the Seller is aware, the current use of each Property is a permitted use under applicable zoning or town and country planning legislation, and no member of the Seller's Group and no Target Company has received any written notice indicating otherwise.

14.5 No Target Company has received written notice that a Property is the subject of any compulsory purchase, notice of entry or any similar resolution or proposal.

15. The Environment

15.1 No Target Company has received any written notice regarding any material violation of applicable Environmental Law, nor, to the Seller's knowledge is a claim of any such material violation otherwise threatened against any Target Company.

15.2 Each Target Company has obtained all material Environmental Permits, and no Target Company has received any written notice of its material non-compliance with any such Environmental Permits, nor, to the Seller's knowledge is a claim of any such material non-compliance otherwise threatened against any Target Company.

16. Employees

16.1 Details of the standard terms on which the Employees are engaged with each Target Company are set out in the Disclosure Letter.

16.2 There is no material dispute between any Target Company and any trade union or with a material number of Employees.

16.3 No Senior Employee has received from a Target Company notice to terminate his employment or service contract and no Senior Employee has given written notice to any Target Company or to any other member of the Seller's Group to terminate his employment with a Target Company.

16.4 No amount due by any Target Company to or in respect of any Employee is in arrears and unpaid other than his salary for the month current at the date of this Agreement or business expenses not yet reimbursed.

16.5 There is no collective bargaining or similar agreement to which any Target Company is a party.

SCHEDULE 3
LIMITATION OF LIABILITY

Part A

1. Application of this Schedule

The parties intend that the provisions of this Part A of Schedule 3 apply to this Agreement.

2. Time Limits

2.1 No Claim shall be made unless the Seller shall have been given written notice by a Purchaser or any permitted assignee of a Purchaser's rights hereunder of such Claim:

2.1.1 prior to the date falling three years following the Closing Date, with respect to Claims arising from breach of the Title Warranties or the Tax Warranties; and

2.1.2 prior to the date falling fifteen months following the Closing Date, with respect to all other Claims other than Post-Closing Covenant Claims,

which notice shall specify in reasonable detail (so far as then known to that Purchaser or as the case may be the permitted assignee of that Purchaser's rights hereunder) the matters subject to the Claim and the amount in respect of which such Claim is made.

2.2 If it has not been previously satisfied, settled or withdrawn, any Claim shall be deemed to have been withdrawn and shall become fully barred and unenforceable (and no new Claim may be made in respect of the facts giving rise to such withdrawn Claim) on the expiry of the period of six months commencing on the date on which notice of the Claim shall be given in accordance with this Agreement, unless by that time proceedings in respect of that Claim shall have been issued and served upon the Seller.

2.3 The Seller shall not be liable to satisfy any Claim if and to the extent that such Claim is based upon a Liability which is contingent only, unless such contingent Liability becomes an actual Liability and is due and payable.

2.4 If any fact or circumstance comes to the notice of a Purchaser which (in the reasonable opinion of that Purchaser) is reasonably likely to constitute or give rise to a Claim (other than a Third Party Claim) that Purchaser shall:

(a) as soon as reasonably practicable, and in any event within ten Business Days, notify the Seller giving, so far as practicable, such material details of the Claim as are then known to that Purchaser; and

(b) keep the Seller reasonably informed of all material developments in relation to the Claim.

PROVIDED THAT any failure to do so shall not impede, limit or otherwise prejudice the relevant Claim, PROVIDED FURTHER THAT the Seller may separately counterclaim for breach of this paragraph 2.4.

2.5 A breach of the Seller's Warranties which is capable of remedy shall not entitle a Purchaser to compensation unless the Seller is given notice of the Claim (in accordance with paragraph 2.1 of this Part A of Schedule 3) and such breach is not fully remedied within thirty Business Days after the date on which such notice is served on the Seller.

3. Limit of aggregate Liability

3.1 The aggregate Liability of the Seller in respect of all Claims shall not in any event exceed the equivalent of:

3.1.1 US$38,250,000 with respect to any Claim, other than a Claim resulting from breach of any of the Title Warranties; and

3.1.2 US$255,000,000 with respect to Claims resulting from breach of any of the Title Warranties.

4. Exclusion of single Claims below stated amount

Neither Purchaser nor any permitted assignee of a Purchaser's rights hereunder, as applicable, shall be entitled to make any Claim (other than a Claim resulting from breach of any of the Title Warranties) against the Seller unless the loss sustained under that Claim shall exceed US$500,000 (or its equivalent) and then only in respect of the excess above US$500,000 (or its equivalent) (such excess for the purposes of this Part A of Schedule 3 shall be referred to as an "**Eligible Claim**").

5. Exclusion of Liability below stated amount

Neither Purchaser nor any permitted assignee of a Purchaser's rights hereunder, as applicable, shall be entitled make any Claim (other than a Claim resulting from breach of any of the Title Warranties) unless the total aggregate amount claimed in respect of all such Claims as are permitted under paragraph 4 above shall exceed US$2,500,000 (or its equivalent), in which event the full amount permitted under paragraph 4 above and not only the excess above US$2,500,000 (or its equivalent) may be claimed.

6. Effect of Disclosures

The Seller shall not be liable to satisfy any Claim to the extent that the circumstances, facts or events giving rise to that Claim were Disclosed to the Purchasers (and/or their respective directors, officers, employees, agents and professional advisors) prior to the execution of the Agreement.

7. Provision made in Accounts

The Seller shall not be liable to satisfy any Claim to the extent that allowance, provision or reserve was made in the Accounts in respect of the matters to which such Claim relates or such matter was taken into account in computing the amount of any such allowance, provision or reserve or such matter was specifically referred to in the notes to the Accounts.

8. Mitigation

Nothing in this Agreement shall obviate any duty of the Purchasers or any permitted assignee of a Purchaser's rights hereunder, as applicable at law to mitigate all and any Losses howsoever arising in respect of any Claim, PROVIDED THAT the Seller acknowledges that there shall be no such duty in relation to any Claim where such Claim is based upon a Liability which is contingent only and such contingent Liability has not become an actual Liability and/or is not due and payable and in respect of which paragraph 2.3 above applies, during the two months immediately prior to the date on which the Claim would otherwise become barred pursuant to paragraph 2.1 above, to the extent of any action or step made or taken in relation to such Claim principally for the purpose of causing such Claim to cease to be so subject to paragraph 2.1 above), and accordingly, the Seller acknowledges that the amount of the Claim will not be reduced or be irrecoverable to the extent that such Claim arose or was in creased by such action or step by reason of any requirement to mitigate.

9. Acts of Purchasers

9.1 The Seller shall not be liable to satisfy any Claim:

(a) if and to the extent resulting from or increased by any legislation not in force at Closing or any change of law, regulation, rule, directive, requirement of administrative practice or any change in rates of Tax or the published practice of any Tax Authority or any change of any Competent Authority's interpretation or application of any legislation, which in each case is not in force or effect at Closing or which takes effect retrospectively;

(b) if and to the extent that the amount of any Claim is increased by any unreasonable delay in a Purchaser making any Claim;

(c) if and to the extent resulting from or increased by any change in the accounting policies or practices of a Purchaser or any member of the Purchasers' Group introduced or having effect after Closing, save insofar as such changes are required to be made under applicable law or regulation in effect at Closing; and

(d) if and to the extent that the relevant Claim for damages would not have arisen but for (or to the extent the same is increased by reason of) a breach by a Purchaser of any of its obligations under this Agreement or the Transaction Documents.

9.2 The Seller shall not be liable in respect of any Claim if and to the extent resulting from or increased by:

(a) any voluntary act, omission, transaction, or arrangement carried out by on the written request of a Purchaser before Closing or under the terms of this Agreement or any of the other Transaction Documents;

(b) any voluntary act, omission, transaction, or arrangement carried out by a Purchaser or by a member of the Purchasers' Group on or after Closing otherwise than in the ordinary course of business of the Target Companies as the same was conducted prior to Closing (other than in relation to a Claim where such Claim is based upon a Liability which is contingent only and such contingent Liability has not become an actual Liability and/or is not due and payable and in respect of which paragraph 2.3 above applies, during the two months immediately prior to the date on which the Claim would otherwise become barred pursuant to paragraph 2.1 above, principally for the purpose of causing such Claim to cease to be so subject to paragraph 2.1 above); or

(c) any admission of Liability made in breach of the provisions of this Part A of Schedule 3 after the date hereof by a Purchaser or on its behalf or by a member of the Purchasers' Group on or after Closing (other than in relation to a Claim where such Claim is based upon a Liability which is contingent only and such contingent Liability has not become an actual Liability and/or is not due and payable and in respect of which paragraph 2.3 above applies, during the two months immediately prior to the date on which the Claim would otherwise become barred pursuant to paragraph 2.1 above, principally for the purpose of causing such Claim to cease to be so subject to paragraph 2.1 above).

10. Double Recovery

10.1 Neither Purchaser nor any permitted assignee of a Purchaser's rights hereunder shall be entitled to recover damages or obtain payment, reimbursement or restitution more than once in respect of any Claim.

10.2 The Seller shall not be liable under any of the Warranties to the extent that a Purchaser or the relevant member of the Purchasers' Group has already recovered in respect of the fact, matter or event that gives rise to a breach thereof.

10.3 Each Purchaser shall, subject to this Part A of Schedule 3, be entitled to bring Claims under one or more applicable Warranties or other provisions of this Agreement in respect of the same matter, fact or circumstance but any Liability in respect of such matter, fact or circumstance shall be calculated without duplication of recovery by reason of such matter, fact or circumstance constituting a breach of more than one Warranty or other provisions of this Agreement.

10.4 No Liability shall attach to the Seller by reason of any breach of any of the Warranties to the extent that the loss the subject of the relevant Claim has been made good or is otherwise compensated for.

11. Tax

In calculating the Liability of the Seller for any breach of the Warranties there shall be taken into account the amount by which any Tax for which the relevant Purchaser or any member of the Purchasers' Group is now or in the future accountable or liable to be assessed is reduced or extinguished as a result of the matter giving rise to the Liability.

12. Claims Against Third Parties

12.1 Where a Purchaser and/or any member of the Purchasers' Group are at any time entitled to recover from some other person (including an insurer) any sum in respect of any matter giving rise to a Claim, that Purchaser shall, and shall procure that the relevant member of the Purchasers' Group shall, undertake all necessary steps to enforce such recovery (save to the extent that, in the reasonable opinion of that Purchaser, to do so would be detrimental to the Business as carried on at Closing or thereafter) and, in the event that that Purchaser or the relevant member of the Purchasers' Group shall recover any amount from such other person, the amount of the Claim against the Seller shall be reduced by the amount recovered, less all reasonable costs (including all legal costs), charges and expenses incurred by that Purchaser and each member of the Purchasers' Group in recovering that sum from such other person or if that sum is greater, the Claim shall be extinguished; provided, however, that that Purchaser shall not be required to commence any legal proceedings where that Purchaser has validly assigned all of its rights in relation to the relevant Claim to the Seller in a manner which entitles the Seller to the same benefits in respect of such rights as that Purchaser had.

12.2 If the Seller pays, at any time, either Purchaser or any permitted assignee of either Purchaser's rights hereunder an amount pursuant to a Claim and a Purchaser or a member of the Purchasers' Group subsequently recovers from some other person (including an insurer) any sum in respect of the matter giving rise to such Claim, the relevant Purchaser shall, or as the case may be shall procure that the permitted assignee of the relevant Purchaser's rights hereunder shall, repay to the Seller so much of the amount so paid by the Seller as does not exceed the sum recovered from such other person less all costs (including all legal costs), charges and expenses incurred by that Purchaser and each member of the Purchasers' Group in recovering that sum from such other person. The Liability corresponding to any such repaid amount shall be deemed not to constitute a Liability for purposes of paragraph 3 of this Part A of Schedule 3.

SCHEDULE 3
LIMITATION OF LIABILITY

Part B

1. Application of this Schedule

The parties intend that the provisions of this Part B of Schedule 3 apply to this Agreement.

2. Time Limits

2.1 No Seller Claim shall be made unless the Purchasers shall have been given written notice by the Seller of such Seller Claim prior to the date falling fifteen months following the Closing Date, with respect to all Seller Claims, which notice shall specify in reasonable detail (so far as then known to that Seller) the matters subject to the Seller Claim and the amount in respect of which such Seller Claim is made.

2.2 If it has not been previously satisfied, settled or withdrawn, any Seller Claim shall be deemed to have been withdrawn and shall become fully barred and unenforceable (and no new Seller Claim may be made in respect of the facts giving rise to such withdrawn Seller Claim) on the expiry of the period of six months commencing on the date on which notice of the Seller Claim shall be given in accordance with this Agreement, unless by that time proceedings in respect of that Seller Claim shall have been issued and served upon the Purchasers.

2.3 The Purchasers shall not be liable to satisfy any Seller Claim if and to the extent that such Seller Claim is based upon a Liability which is contingent only, unless such contingent Liability becomes an actual Liability and is due and payable.

2.4 If any fact or circumstance comes to the notice of the Seller which (in the reasonable opinion of the Seller) is reasonably likely to constitute or give rise to a Seller Claim the Seller shall:

(a) as soon as reasonably practicable, and in any event within ten Business Days, notify the Purchasers giving, so far as practicable, such material details of the Seller Claim as are then known to the Seller; and

(b) keep the Purchasers reasonably informed of all material developments in relation to the Seller Claim.

PROVIDED THAT any failure to do so shall not impede, limit or otherwise prejudice the relevant Seller Claim, PROVIDED FURTHER THAT the Purchaser may separately counterclaim for breach of this paragraph 2.4.

2.5 A breach of the Purchaser's warranties which is capable of remedy shall not entitle the Seller to compensation unless the Purchasers are given notice of the Claim in accordance with paragraph 2.1 of this Part B of Schedule 3) and such breach is not fully remedied within thirty Business Days after the date on which such notice is served on the Seller.

3. Limit of aggregate Liability

The aggregate Liability of the Seller in respect of all Seller Claims shall not in any event exceed the equivalent of US$255,000,000.

4. Exclusion of single Claims below stated amount

The Seller shall not be entitled to make any Seller Claim against a Purchaser unless the loss sustained under that Seller Claim shall exceed US$500,000 (or its equivalent) and then only in respect of the excess above US$500,000 (or its equivalent) (such excess for the purposes of this Part B of Schedule 3 shall be referred to as an "**Eligible Claim**").

5. Exclusion of Liability below stated amount

The Seller shall not be entitled make any Seller Claim unless the total aggregate amount claimed in respect of all such Claims as are permitted under paragraph 4 above shall exceed US$2,500,000 (or its equivalent), in which event the full amount permitted under paragraph 4 above and not only the excess above US$2,500,000 (or its equivalent) may be claimed.

6. Mitigation

Nothing in this Agreement shall obviate any duty of the Seller, as applicable at law to mitigate all and any Losses howsoever arising in respect of any Seller Claim.

7. Acts of Seller

7.1 The Purchasers shall not be liable to satisfy any Seller Claim:

(a) if and to the extent resulting from or increased by any legislation not in force at Closing or any change of law, regulation, rule, directive, requirement of administrative practice or any change in rates of Tax or the published practice of any Tax Authority or any change of any Competent Authority's interpretation or application of any legislation, which in each case is not in force or effect at Closing or which takes effect retrospectively;

(b) if and to the extent that the amount of any Seller Claim is increased by any unreasonable delay in a Seller making any Seller Claim;

(c) if and to the extent resulting from or increased by any change in the accounting policies or practices of the Seller or any member of the Seller's Group introduced or having effect after Closing, save insofar as such changes are required to be made under applicable law or regulation in effect at Closing; and

(d) if and to the extent that the relevant Seller Claim for damages would not have arisen but for (or to the extent the same is increased by reason of) a breach by the Seller of any of its obligations under this Agreement or the Transaction Documents.

7.2 The Purchasers shall not be liable in respect of any Seller Claim if and to the extent resulting from or increased by:

(a) any voluntary act, omission, transaction, or arrangement carried out by on the written request of the Seller before Closing or under the terms of this Agreement or any of the other Transaction Documents;

(b) any voluntary act, omission, transaction, or arrangement carried out by the Seller or by a member of the Seller's Group on or after Closing otherwise than in the ordinary course of business of the Target Companies as the same was conducted prior to Closing (other than in relation to a Seller Claim where such Seller Claim is based upon a Liability which is contingent only and such contingent Liability has not become an actual Liability and/or is not due and payable and in respect of which

paragraph 2.3 above applies, during the two months immediately prior to the date on which the Seller Claim would otherwise become barred pursuant to paragraph 2.1 above, principally for the purpose of causing such Seller Claim to cease to be so subject to paragraph 2.1 above); or

(c) any admission of Liability made in breach of the provisions of this Part B of Schedule 3 after the date hereof by the Seller or on its behalf or by a member of the Seller's Group on or after Closing (other than in relation to a Seller Claim where such Seller Claim is based upon a Liability which is contingent only and such contingent Liability has not become an actual Liability and/or is not due and payable and in respect of which paragraph 2.3 above applies, during the two months immediately prior to the date on which the Seller Claim would otherwise become barred pursuant to paragraph 2.1 above, principally for the purpose of causing such Seller Claim to cease to be so subject to paragraph 2.1 above).

8. Double Recovery

8.1 The Seller shall not be entitled to recover damages or obtain payment, reimbursement or restitution more than once in respect of any Seller Claim.

8.2 The Purchasers shall not be liable under any of the Purchasers' warranties under this Agreement to the extent that the Seller or the relevant member of the Seller's Group has already recovered in respect of the fact, matter or event that gives rise to a breach thereof.

8.3 The Seller shall, subject to this Part B of Schedule 3, be entitled to bring Seller Claims under one or more applicable warranties of the Purchasers under this Agreement or other provisions of this Agreement in respect of the same matter, fact or circumstance but any Liability in respect of such matter, fact or circumstance shall be calculated without duplication of recovery by reason of such matter, fact or circumstance constituting a breach of more than one warranty of the Purchasers under this Agreement or other provisions of this Agreement.

8.4 No Liability shall attach to the Purchasers by reason of any breach of any of the Purchasers' warranties under this Agreement to the extent that the loss the subject of the relevant Seller Claim has been made good or is otherwise compensated for.

9. Tax

In calculating the Liability of the Purchasers for any breach of the Purchasers' warranties under this Agreement there shall be taken into account the amount by which any Tax for which the Seller or any member of the Seller's Group is now or in the future accountable or liable to be assessed is reduced or extinguished as a result of the matter giving rise to the Liability.

10. Seller Claims Against Third Parties

10.1 Where the Seller and/or any member of the Seller's Group are at any time entitled to recover from some other person (including an insurer) any sum in respect of any matter giving rise to a Seller Claim, the Seller shall, and shall procure that the relevant member of the Seller's Group shall, undertake all necessary steps to enforce such recovery (save to the extent that, in the reasonable opinion of the Seller, to do so would be detrimental to the business of the Seller's Group as carried on at Closing or thereafter) and, in the event that the Seller or the relevant member of the Seller's Group shall recover any amount from such other person, the amount of the Seller Claim against the Purchasers shall be reduced by the amount recovered, less all reasonable costs (including all legal costs), charges and expenses incurred by the Seller and each member of the Seller's Group in recovering that sum from such other person

or if that sum is greater, the Seller Claim shall be extinguished; provided, however, that the Seller shall not be required to commence any legal proceedings where the Seller has validly assigned all of its rights in relation to the relevant Seller Claim to the Purchasers in a manner which entitles the Purchasers to the same benefits in respect of such rights as the Seller had.

10.2 If a Purchaser pays, at any time, the Seller an amount pursuant to a Seller Claim and the Seller or a member of the Seller's Group subsequently recovers from some other person (including an insurer) any sum in respect of the matter giving rise to such Seller Claim, the Seller shall repay to the Purchasers so much of the amount so paid by the Purchasers as does not exceed the sum recovered from such other person less all costs (including all legal costs), charges and expenses incurred by Seller and each member of the Seller's Group in recovering that sum from such other person. The Liability corresponding to any such repaid amount shall be deemed not to constitute a Liability for purposes of paragraph 3 of this Part B of Schedule 3.

SCHEDULE 4
CLOSING DELIVERABLES

At Closing, the Seller and the Purchasers shall take the following actions simultaneously but notionally in the order listed below:

1. The Seller will cause the Company to acquire the Luxury Shares from Edouard Faizoulline pursuant to and on the terms of the Luxury SPA.

2. Each Purchaser shall (or in the alternative and as the case may be Bols shall):

2.1 deliver to the Seller a copy of a resolution (certified by a duly appointed officer as true and correct) of the appropriate management body of that Purchaser authorising the execution of and the performance by that Purchaser of its obligations under the Transaction Documents or those of them as it is a party;

2.2 in the case of Bols only, pay to the Seller's Account an aggregate amount equal to the Cash Consideration and the White Horse Component Amount (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amounts to the Seller's Account); and

2.3 in the case of Bols only, contribute the Bols Component Amount to the Company as share capital (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amount to the Company's Account);

3. Subject to the performance by the Purchasers of their respective obligations as set out in paragraph 2 above, the Seller shall contribute an amount equal to the White Horse Component Amount to the Company as share capital (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amount to the Company and to the Purchaser);

4. Subject to the performance by each of the Purchasers and the Seller of their respective obligations as set out in paragraphs 2 and 3 above, respectively, the Purchasers and the Seller shall:

4.1 cause the Company to contribute 653,362,405 Russian Rubles and 284,967,619 Russian Rubles (being an amount in aggregate equal to the Russian Component Price) to ProductionCo and DistCo, respectively, as charter capital (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of 653,362,405 Russian Rubles and 284,967,619 Russian Rubles (being an amount in aggregate equal to the Pre-Closing Russian Component Price plus the Pre-Closing VAT Amount) to ProductionCo and DistCo, respectively);

4.2 cause the Company to fully satisfy its obligations arising under the Pre-Closing Non-Russian Asset Purchase Agreements to pay an aggregate amount equal to Non-Russian Component Price to the applicable members of the Seller's Group at Closing (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amounts); and

4.3 cause the Company to cause ProductionCo and DistCo to fully satisfy their respective obligations (for the avoidance of doubt other than the Post-Closing Russian Component Price Obligations) arising under the Pre-Closing Russian Asset Purchase Agreements to pay an aggregate amount equal to Pre-Closing Russian Component Price plus the Pre-Closing Russian Component VAT Amount to the applicable members of the Seller's Group at Closing (and to the extent reasonably practicable provide copies of documents confirming debit and transfer of such amounts);

5. Subject to the performance by the Purchasers of their respective obligations as set in the paragraphs above, the Seller shall:

5.1 deliver to the Purchasers a copy of a resolution (certified by a duly appointed officer as true and correct) of the appropriate management body of the Seller and each relevant member of the Seller's Group authorising the execution of and the performance by the Seller and by such members of their respective obligations under the Transaction Documents;

5.2 deliver duly executed resignations of directors (other than the general directors of the Target Companies) from the Board of Directors of any of the Target Companies as are requested by either Purchaser by written notice delivered to the Seller at least two Business Days prior to Closing, executed in customary form and, in respect of directors of ISF and Luxury, waiving (to the extent the Seller is able to procure such waiver, having used its reasonable endeavours to do so) any and all rights such directors may have against ISF or Luxury as the case may be save for (specified) unpaid salary, fees and out of pocket expenses (if any);]

5.3 deliver to the Purchasers a copy of the register of members of the Company as at the end of Working Hours on the Business Day immediately prior to the Closing Date evidencing that the Seller is the registered holder of the Shares;

5.4 deliver to the Purchasers:

5.4.1 the Company Shareholders' Agreement (duly executed by each of the parties thereto save for the Purchasers);

5.4.2 the Interim Period Production Agreement (duly executed by each of the parties thereto save for CEDC);

5.4.3 (on behalf of ProductionCo) the Post-Closing Purchase Agreements (duly executed by ZAO Firm Urozhay); and

5.4.4 the Registration Rights Agreement (duly executed by the Seller); and

5.5 deliver to the Purchasers (on behalf of themselves) duly completed and executed instruments of transfer for all of the Shares in the name of the Seller as transferor and the Purchasers, as transferee, such that the Shares shall be transferred as follows:

5.5.1 1,000 Shares (being 29.412 per cent. of the Shares) to CEDC; and

5.5.2 2,400 Shares (being 70.588 per cent. of the Shares) to Bols.

6. Subject to the performance by the Seller of its obligations as set out in paragraph 3 above, CEDC shall:

6.1 issue the Consideration Shares, less the Holdback Shares, to Direct Financing Limited in accordance with clause 5, deliver a share certificate representing such shares, and deliver to White Horse (a) a certificate signed by the secretary of CEDC describing all Restructuring Events, if any, that have occurred during the period beginning on the date hereof and ending as of the Closing, and (b) documentary evidence of such share issuance issued by CEDC's transfer agent; and

6.2 deliver to the Seller:

6.2.1 the Company Shareholders' Agreement (duly executed by the Purchasers);

6.2.2 the Interim Period Production Agreement (duly executed by CEDC);

6.2.3 the Registration Rights Agreement (duly executed by CEDC); and

6.2.4 (on behalf of ZAO Firm Urozhay) the Post-Closing Purchase Agreements (duly executed by ProductionCo).

IN WITNESS whereof the parties have entered this Agreement the day and year first before written.

SIGNED by)
for and on behalf of)
WHITE HORSE)
INTERVEST LIMITED)

/s/ Sergey Kupriyanov
Title: Attorney-in-fact

SIGNED by)
for and on behalf of)
CENTRAL EUROPEAN)
DISTRIBUTION CORPORATION)

/s/ William Carey
Title: Chairman, President and CEO

SIGNED by)
for and on behalf of)
BOLS SP. Z O.O.)

/s/ Christopher Biedermann
Title: Attorney-in-fact

SIGNED by)
WILLIAM V. CAREY)
(on the basis set out in clause 9.5 only)
and not for any further or different basis))

/s/ William Carey

Exhibit 4.1

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated as of 13 March, 2008 (this "**Agreement**"), is between (i) CENTRAL EUROPEAN DISTRIBUTION CORPORATION, a Delaware corporation (the "**Company**"), and (ii) DIRECT FINANCING LIMITED, a British Virgin Islands company.

WHEREAS, on the date hereof, the Shareholder has been issued (or is obligated to issue) the number of shares of common stock, par value $0.01 per share, of the Company ("**Common Stock**") set forth on Schedule A attached hereto, in connection with the Company's purchase from an Affiliate of the Shareholder of certain shares in the capital of Copecresto Enterprises Limited pursuant to that certain Share Sale and Purchase Agreement dated as of 11 March, 2008 (the "**Purchase Agreement**");

WHEREAS, the shares of Common Stock issued (and to be issued) to the Shareholder have not been registered under the Securities Act (as hereinafter defined) or any state securities laws; and the certificates representing such shares of Common Stock bear a legend restricting their transfer; and

WHEREAS, in connection with the foregoing, the Company has agreed, subject to the terms, conditions and limitations set forth in this Agreement, to provide the Shareholder with certain registration rights in respect of shares of Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. Capitalized words and phrases used and not otherwise defined in this Agreement shall have the following meanings:

"**100% Affiliate**" means, with respect to a Shareholder, an Affiliate (i) that directly or indirectly owns one hundred per cent. of the securities of such Shareholder, (ii) one hundred per cent. of whose securities are directly or indirectly owned by such Shareholder, or (iii) one hundred per cent. of whose securities are directly or indirectly owned by an Affiliate that directly or indirectly owns one hundred per cent. of the securities of such Shareholder.

"**Affiliate**" means, with respect to any party, any other party that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first party.

"**Commission**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Control**" means, as to any party, the power to direct or cause the direction of the management and policies of such party, whether through the ownership of voting securities, by contract or otherwise. The terms "Controlled" and "under common Control with" shall be construed accordingly.

"**Demand Registration**" has the meaning set forth in Section 2.1.

"**Equity Interest**" means:

(a) with respect to a company, any and all shares of capital stock;

(b) with respect to a partnership, limited liability company, trust, or similar Person, any and all units, interests or other partnership or limited liability company interests; and

(c) any other direct equity ownership or participation in a Person.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Known Competitor**" means a Person who, at the time of such transfer, the Shareholder knows is a competitor of the Company.

"**Lock–Up Period**" means the period starting on the date hereof and ending on the one–year anniversary of the date hereof.

"**Losses**" has the meaning set forth in Section 6.1.

"**Misstatement/Omission**" has the meaning set forth in Section 6.1.

"**Non-Registration Expenses**" means (a) all overhead and compensation expenses relating to officers, directors, and employees of the Company performing legal or accounting duties, and (b) qualification, filing, printing, messenger and delivery fees and expenses and all reasonable fees and disbursements of legal counsel, accountants, management and other advisors relating to any filings of the Company made with the Commission prior to and following the filing of a registration statement pursuant to this Agreement, whether or not filed in connection with causing the registration of Registrable Securities pursuant to this Agreement, or causing any such registration to be declared effective pursuant to this Agreement, other than such fees and expenses directly relating to supplements or amendments to registration statements filed in connection herewith.

"**Parent**" means, with respect to any Person, any such other Person that owns, directly or indirectly, fifty per cent. or more of the outstanding capital stock or other Equity Interests of such Person, and in the case of the Shareholder, any of the direct or indirect ultimate beneficial holders of shares of the Shareholder and any immediate family member thereof.

"**Person**" means any individual, corporation, partnership, trust or other entity of any nature whatsoever.

"**Piggyback Registration**" has the meaning set forth in Section 3.1.

"**register**", "**registered**", and "**registration**", when used with respect to the capital stock of the Company, mean a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act which has been declared or ordered effective in accordance with the Securities Act.

"**Registrable Securities**" means (i) the shares of Common Stock issued to the Shareholders in connection with the Purchase Agreement, (ii) any Common Stock issued (or issuable upon the conversion or exercise of any warrant, right, option or other convertible security which is issued) as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the Common Stock referred to in clause (i) above, and (iii) any Common Stock issued by way of a stock split of the Common Stock referred to in clauses (i) or (ii) above. Shares of Common Stock shall cease to be Registrable Securities when (A) a registration statement with respect to the sale of such shares of Common Stock shall have

become effective under the Securities Act pursuant to Section 2.1 or 3.1 of this Agreement, (B) such shares of Common Stock shall have been sold or otherwise distributed pursuant to Rule 144 (or any successor provision) under the Securities Act, (C) such securities are eligible for sale or other distribution under Rule 144(k) under the Securities Act, (D) such shares of Common Stock are Transferred in accordance with Section 9.1(b) or are otherwise no longer held by the Shareholders, or (E) such shares of Common Stock shall have ceased to be outstanding.

"**Registration Expenses**" means all registration, qualification, filing, printing, messenger and delivery fees and expenses and all reasonable fees and disbursements of legal counsel, accountants and other advisors relating to the registration of Registrable Securities pursuant to this Agreement, relating to causing such registration to be declared effective pursuant to this Agreement, and relating to causing such registration to remain effective for the time periods set forth in this Agreement, but excluding all underwriting discounts and selling commissions applicable to the registration and sale of Registrable Securities pursuant to this Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Shareholder**" or "**Shareholders**" means individually or collectively, as applicable: (i) Direct Financing Limited, a British Virgin Islands company; (ii) a Person who owns Registrable Securities pursuant to a transfer of such Registrable Securities that meets the terms and conditions set forth in ARTICLE IX hereof and who has agreed to be bound by the terms of this Agreement; (iii) upon the death of such Shareholder, the executor of such Shareholder or such Shareholder's heirs, devisees, legatees or assigns; or (iv) upon the disability of any Shareholder, any guardian or conservator of such Shareholder.

"**Shareholder Indemnified Parties**" has the meaning set forth in Section 6.1.

"**Transfer**" means any transfer, sale, gift, assignment, distribution, conveyance, pledge, hypothecation, encumbrance or other voluntary or involuntary transfer of title or beneficial interest, whether or not for value, including, without limitation, any disposition by operation of law or any grant of a derivative or economic interest therein.

"**Ultimate Parent**" means, in relation to any Person, any Parent of such Person who is not a Subsidiary of another Person.

ARTICLE II

DEMAND REGISTRATION

2.1 Demand Registration. If, at any time after the expiration of the Lock–Up Period, the Shareholders may make a written request to the Company requesting that the Company register under the Securities Act all or any part of the issued and outstanding Registrable Securities (a "**Demand Registration**"), then, subject to the restrictions contained herein, the Company shall endeavor to file a registration statement under the Securities Act with the Commission, and cause such Registrable Securities to be registered under the Securities Act, in accordance with Article V below.

2.2 Number of Demand Registrations. The Shareholders shall be entitled to request one (1) Demand Registration.

2.3 Expenses. With respect to the Demand Registration, the Shareholders shall reimburse the Company for half of all Registration Expenses incurred in connection with such Demand Registration. For the avoidance of doubt the Company shall bear sole responsibility for all Non-Registration Expenses.

2.4 Underwriting. If the Shareholders intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request. In such case, the Shareholders shall negotiate with an underwriter selected by them and approved by the Company, which approval shall not be unreasonably withheld, with regard to the underwriting of such requested registration. The right of the Shareholders to include Registrable Securities in such registration shall be conditioned upon (i) the Shareholders' participation in such underwriting and the inclusion of such Shareholder's Registrable Securities in the underwriting (unless otherwise agreed by a majority in interest of the Shareholders requesting such registration), (ii) the entry of the participating Shareholders (together with the Company and other holders distributing their securities through such underwriting) into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting, and (iii) the completion and execution by the participating Shareholders of all questionnaires, powers of attorney, indemnities and other documents required under the terms of such underwriting arrangements. If any Shareholder of Registrable Securities disapproves of the terms of the underwriting, such Shareholder may elect to withdraw all of its Registrable Securities by written notice to the Company, the managing underwriter and the other Shareholders; provided, that, subject to Section 2.5 hereof, such registration shall be counted as a Demand Registration for the purposes of calculating the remaining number of Demand Registrations to which the Shareholders are entitled pursuant to this Section 2.4. The securities so withdrawn shall also be withdrawn from registration.

2.5 Shareholder Withdrawal. Shareholders may, at any time prior to the effective date of the registration statement in respect of a Demand Registration, revoke such Demand Registration by providing a written notice to the Company to such effect, and such revoked Demand Registration shall not be deemed to be a Demand Registration pursuant to this ARTICLE II; provided, that only one Demand Registration may be revoked pursuant to this Section 2.5.

2.6 Priority. Notwithstanding any other provision of this ARTICLE II, if the managing underwriter (which managing underwriter shall be an internationally recognized financial institution experienced in securities offerings registered under the Securities Act, selected by the Shareholder subject to the Company's reasonable approval) advises the Company that the marketability of the offering would be adversely affected by the number of securities included in such offering, then the Company shall so advise all Shareholders, and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be reduced as required by the underwriter(s), and the Company shall include in such registration the maximum number of Registrable Securities permitted by the underwriter to be included therein, pro rata among the respective Shareholders thereof on the basis of the amount of Registrable Securities requested to be included in such registration by each such Shareholder. The first time the Shareholders are prohibited from registering all of the Registrable Securities requested to be included in such registration because of reductions required by this Section 2.6, the Shareholders shall not be deemed to have exercised a Demand Registration. Any subsequent Demand Registration that is required to be reduced pursuant to this Section 2.6 will, however, be deemed to be a properly exercised Demand Registration.

2.7 Registration on Form S–3. If, at the time of delivery of a request to the Company pursuant to Section 2.1, the Company is a registrant entitled to use Form S–3 or any successor thereto to register shares of Common Stock, then the Company shall use its commercially reasonable efforts to effect the Demand Registration on Form S–3 or any successor thereto.

ARTICLE III

PIGGYBACK REGISTRATION

3.1 Right to Piggyback Registrations. Whenever the Company or another party having registration rights proposes that the Company register any of the Company's equity securities under the Securities Act for any reason (other than a registration on Form S-4 or Form S-8 or any successor forms thereto), whether or not for sale for the Company's own account, the Company will give written notice of such proposed registration to all Shareholders at least 30 days before the anticipated filing date. Such notice shall offer such Shareholders the opportunity to register such amount of Registrable Securities as they shall request (a "**Piggyback Registration**"). The Company shall use commercially reasonable efforts to include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after notice has been given by the Company to the Shareholders. If the registration statement relating to the Piggyback Registration is for an underwritten offering, such Registrable Securities shall be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. The Shareholder shall be permitted to withdraw all or part of the Registrable Securities from a Piggyback Registration prior to the effective time of such Piggyback Registration on one occasion and in exercising such Piggyback Registration the Shareholder shall not be deemed to have exercised its rights under this Section 3.1. The right of any Shareholder to a Piggyback Registration shall be conditioned upon such Shareholder entering into an underwriting agreement in customary form with the managing underwriter or underwriters for such registered offering. No registration pursuant to this ARTICLE III will relieve the Company of its obligations to register Registrable Securities pursuant to a Demand Registration contemplated by ARTICLE II hereof. The rights to Piggyback Registration may be exercised an unlimited number of occasions.

3.2 Priority for Piggyback Registrations. If the underwriter of a Piggyback Registration advises the Company that, in its opinion, the amount of Registrable Securities requested to be included in such Piggyback Registration exceeds the amount which can be sold in such offering without adversely affecting the distribution of the securities being offered, then the Company will allocate the securities to be included in such registration as follows:

(i) first, pro rata among (A) the Company, to the extent the Company proposes to register any securities for its own account, and (B) another party having registration rights causing the Company to effect a registration, to the extent such party proposes to register any securities; and

(ii) second, pro rata to the Shareholders and any others requesting registration of securities of the Company.

ARTICLE IV

PERMITTED DELAYS IN REGISTRATION

4.1 Suspension of Company Obligations. Notwithstanding anything to the contrary set forth in this Agreement, the Company's obligation under ARTICLE II of this Agreement to file any registration statement and to cause Registrable Securities to be registered as provided therein shall be suspended in the event that (i) the Company is currently engaged in an underwritten primary offering, or (ii) a registration statement for a public offering of the Company's securities was declared effective within the previous 180 days. In addition, the Company's obligation under ARTICLE II of this Agreement to file any registration statement, to cause Registrable Securities to be registered, and to

maintain the effectiveness of such registration statement shall be suspended (and, to the extent applicable, the Shareholders shall suspend the disposition of any Registrable Securities pursuant to a then currently effective registration statement) for a period not to exceed 90 days in the event that, in the good faith opinion of the Company's Board of Directors, effecting or maintaining the effectiveness of the registration of Registrable Securities would be detrimental to any financing, acquisition, merger, disposition of assets, disposition of stock or other comparable transaction then being pursued by the Company or would require the Company to make public disclosure of information which could have an adverse effect upon the Company. The Company shall notify the Shareholders in writing of the existence of any suspension event set forth in this Section 4.1, and such notice and all facts and circumstances relating to such suspension event shall be kept confidential by the Shareholders.

ARTICLE V

REGISTRATION PROCEDURES

5.1 Registration Procedures. Whenever the Company is obligated to register the Registrable Securities pursuant to this Agreement, the Company shall use its commercially reasonable efforts to:

(a) prepare and file with the Commission a registration statement with respect to such Shareholder's Registrable Securities in a reasonable amount of time after receiving the appropriate request from the Shareholders, and to include in such registration statement the Registrable Securities which the Company has been requested to register;

(b) cause all such Registrable Securities to be registered under the Securities Act in a reasonable amount of time and, subject to Section 4.1, to cause such registration statement to remain effective until the earlier of (i) the two-year anniversary of such effectiveness, (ii) the completion of the distribution described in the registration statement relating thereto and (iii) the date upon which the securities registered thereunder are eligible for sale or other distribution under Rule 144(k) or are no longer held by the Shareholders;

(c) furnish the Shareholders, their underwriters, if any, and their respective counsel, at such times so as to permit their reasonable review, the opportunity to review the registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto, and to consider in good faith incorporating any comments reasonably requested by the Shareholders, their underwriters, if any, and their respective counsel, provided that the Shareholders', the underwriters', if any, and their respective counsels' review of such documents shall not delay the filing of the registration statement so long as such parties have been provided a reasonable time to review the same;

(d) make available for reasonable inspection by, or give reasonable access to, any underwriter participating in any disposition of Registrable Securities all pertinent financial and other records, pertinent corporate documents and properties of the Company, and to cause its senior management to participate in such management presentations and no more than two roadshows as such underwriters may reasonably request (provided that such managers are given reasonable advanced notice of such presentations and roadshows and that such managers shall only be obligated to participate in no more than two roadshows of reasonably customary duration) and to cause the Company's directors, officers and employees to supply all information reasonably requested by any such underwriter in connection with the offering thereunder;

(e) furnish, without charge, to the Shareholders and to the underwriters of the securities being registered such number of copies of the registration statement, preliminary prospectus, final prospectus and other documents incident thereto as such underwriters and the Shareholders from time to time may reasonably request;

(f) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(g) register or qualify the Registrable Securities covered by such registration statement under such other securities laws or state blue sky laws of such U.S. jurisdictions as shall be reasonably requested by the Shareholders for the distribution of the Registrable Securities covered by the registration statement; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions or to subject itself to taxation in any such states or jurisdictions wherein it would not but for the requirements of this paragraph (g) be required to do so;

(h) enter into customary agreements in form and substance reasonably satisfactory to the Company (including a customary underwriting agreement in form and substance reasonably satisfactory to the Company, if the offering is to be underwritten, in whole or in part);

(i) notify the Shareholders at any time when a prospectus relating thereto covered by such registration statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and, at the request of any Shareholder, promptly prepare and furnish to such Shareholder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; provided that, upon receipt of such notice from the Company, the Shareholders will forthwith discontinue disposition of their Registrable Securities pursuant to the registration statement covering such Registrable Securities until the Shareholders receive the copies of the supplemented or amended prospectus covering such Registrable Securities (and the Shareholders shall return to the Company all copies of the unsupplemented or unamended prospectus covering such Registrable Securities);

(j) list all Registrable Securities covered by such registration statement on the Nasdaq or on such other securities exchange on which shares of Common Stock are then currently listed;

(k) prevent the issuance of any order suspending the effectiveness of a registration statement or suspending the qualification (or exemption from qualification) of any of the Registrable Securities included therein for sale in any U.S. jurisdiction, and, in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending the qualification of any Registrable Securities included in such registration statement for sale in any U.S. jurisdiction, the Company will use commercially reasonable efforts to promptly obtain the withdrawal of such order;

(l) obtain “cold comfort” letters and updates thereof reasonably satisfactory to the managing underwriters from the independent certified public accountants of the Company, addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in “cold comfort” letters in connection with underwritten offerings; and

(m) obtain opinions of independent counsel to the Company reasonably satisfactory to the managing underwriters, addressed to each of the underwriters covering the matters customarily covered in opinions of issuer's counsel requested in underwritten offerings.

ARTICLE VI

INDEMNIFICATION

6.1 Indemnification by the Company. In the event of any registration of any Registrable Securities pursuant to this Agreement under the Securities Act, the Company will indemnify, hold harmless and reimburse each participating Shareholder, each of its directors, officers, employees, managers, stockholders, partners, members, counsel, agents or representatives of such Shareholder and its Affiliates and each Person who controls any such Person, if any, and each other Person who participates as an underwriter for the Shareholders in the offering or sale of such securities and each other Person (including its officers and directors) who controls any such underwriter within the meaning of the Securities Act (collectively, "**Shareholder Indemnified Parties**"), against any Non-Registration Expenses, losses, claims, damages or liabilities, joint or several, to which such participating Shareholder or any such Person, underwriter or controlling person may become subject under the Securities Act or otherwise (collectively "**Losses**"), insofar as such Losses arise out of or are based on any untrue statement or alleged untrue statement of any material fact contained in the registration statement, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (a "**Misstatement/Omission**"), under which such Registrable Securities were registered under the Securities Act, in any preliminary prospectus, final prospectus or summary prospectus contained therein, or in any amendment or supplement thereto, and shall reimburse such Shareholder Indemnified Parties, such Person participating as an underwriter for the Shareholders in the offering or sale of such securities and each other Person (including its officers and directors) who controls any such underwriter within the meaning of the Securities Act for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Losses; provided, however, that the Company shall not be liable in any such case to the extent that any such Losses or expense arises out of or is based upon a Misstatement/Omission made in such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with information furnished to the Company by any participating Shareholder or any other Person who participates as an underwriter in the offering or sale of such securities or any of their controlling persons. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any participating Shareholder or any such underwriter or controlling person and shall survive the transfer of such securities by the Shareholder.

6.2 Indemnification by Participating Shareholders. Each of the participating Shareholders whose Registrable Securities are included or are to be included in any registration statement, as a condition to including Registrable Securities in such registration statement, hereby agrees, to indemnify, hold harmless and reimburse (in the same manner and to the same extent as set forth in Section 6.1) the Company, each of its directors, officers, employees, managers, stockholders, counsel, agents or representatives and the Company's Affiliates and each Person who controls any such Person within the meaning of the Securities Act, and each other Person who participates as an underwriter in the offering or sale of such securities and each other Person who controls any such underwriter within the meaning of the Securities Act with respect to any Losses that arise out of or are based on any Misstatement/Omission, from such registration statement, preliminary prospectus, final prospectus or summary prospectus, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with information furnished to the Company by any participating Shareholder. Notwithstanding the foregoing, the obligation to indemnify will be individual (several and not joint) to each Shareholder and will be limited to the net amount of

proceeds received by such Shareholder from the sale of Registrable Securities pursuant to such registration statement giving rise to such indemnification obligation. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer, or any such underwriter or controlling person and shall survive the transfer of such securities by any participating Shareholder.

6.3 Notices of Claims. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 6.1 or 6.2, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 6.1 or 6.2, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense of such action, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, that the indemnified party may participate in such defense at the indemnified party's expense and provided, further, that all indemnified parties shall have the right to employ one counsel to represent them if, in the reasonable judgment of such indemnified parties, it is advisable for them to be represented by separate counsel by reason of having legal defenses which are different from or in addition to those available to the indemnifying party, and in that event the reasonable fees and expenses of such one counsel shall be paid by the indemnifying party. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for the indemnified parties with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel for the indemnified parties. No indemnifying party shall consent to entry of any judgment or enter into any settlement without the consent of the indemnified party which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. No indemnifying party shall be subject to any liability for any settlement made without its written consent. The indemnifying party's liability to any such indemnified party hereunder shall not be extinguished solely because any other indemnified party is not entitled to indemnity hereunder.

6.4 Survival. The indemnification provided for under this Agreement will (i) remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party, (ii) survive the transfer of securities and (iii) survive the termination of this Agreement.

6.5 Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to

information and opportunity to correct or prevent such untrue statement or omission), as well as any other relevant equitable considerations. The amount paid or payable by a party as a result of the expense, loss, claim, damage or liability referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 6.5 were determined by pro rata allocation or by any other means of allocation, unless such contribution takes into account the equitable considerations referred to in this paragraph. Notwithstanding the provisions of this Section 6.5, a Shareholder shall not be required to contribute any amount in excess of the amount by which (i) the amount at which the securities that were sold by such Shareholder and distributed to the public were offered to the public exceeds (ii) the amount of any damages which such Shareholder has otherwise been required to pay by reason of such Misstatement/Omission or violation. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

ARTICLE VII

INFORMATION BY PARTICIPATING SHAREHOLDERS

7.1 Information Regarding Participating Shareholders. If any Registrable Securities are included in any registration, each participating Shareholder shall promptly furnish to the Company and any applicable underwriter such information regarding such Shareholder and the distribution proposed by such Shareholder as the Company or such underwriter reasonably believes may be required in connection with any registration, qualification or compliance referred to in this Agreement.

ARTICLE VIII

RULE 144 SALES

8.1 Reporting. With a view to making available to the Shareholders the benefits of certain rules and regulations of the Commission which may permit the sale of Registrable Securities to the public without registration or through short form registration forms, the Company agrees to use its commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act; and

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act.

ARTICLE IX

RESTRICTIONS ON TRANSFER

9.1 Restrictions on Transferability.

(a) During the Lock–Up Period, the Registrable Securities held by the Shareholders may not be Transferred without the prior written consent of CEDC, in whole or in part, except in accordance with Section 9.1(b). After the Lock–Up Period, the Registrable Securities held by the Shareholders may be Transferred, in whole or in part, to any Person provided, that:

(i) there is in effect a registration statement under the Securities Act covering such proposed Transfer and such Transfer is made in accordance with such registration statement; or

(ii) such Transfer is eligible under Rule 144 or such Transfer is otherwise made in accordance with applicable securities law, and (A) the Shareholders shall have notified the Company of the proposed Transfer and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed Transfer, provided that such detailed statement is kept confidential and is not disclosed to any other Person until prior written consent from the Shareholder is given which explicitly authorizes the disclosure of the information in such detailed statement, or (B) the Shareholders provide the Company and the Company's transfer agent with a legal opinion from independent, internationally recognized legal counsel experienced in such matters, which legal opinion shall be in customary form reasonably acceptable to the Company and shall state that such Transfer is eligible under Rule 144 or is otherwise made in accordance with applicable securities laws.

(b) The Registrable Securities held by the Shareholders may be transferred at any time, in whole or in part, (i) to any Person that is a 100% Affiliate of an Ultimate Parent, so long as such Person (A) remains a 100% Affiliate of such Ultimate Parent and (B) agrees in writing to be bound by the terms and conditions of this Agreement, (ii) pursuant to a tender offer within the meaning of the Exchange Act for any or all of the shares of Common Stock of the Company, (iii) in connection with any plan of reorganization, restructuring, bankruptcy, insolvency, merger or consolidation, reclassification, recapitalization, or, in each case, similar corporate event of the Company, or (iv) an involuntary transfer pursuant to operation of law.

(c) Any proposed Transfer of any Registrable Securities held by any Shareholder to a Known Competitor of the Company, including the circumstances surrounding such proposed Transfer, shall be disclosed in writing to the Company 10 days before such proposed Transfer is effected.

(d) Each Shareholder is aware of the following Telephone Interpretation in the SEC Manual of Publicly Available Telephone Interpretations (July 1997):

A.65. Section 5

An issuer filed a Form S-3 registration statement for a secondary offering of common stock which is not yet effective. One of the selling shareholders wanted to do a short sale of common stock "against the box" and cover the short sale with registered shares after the effective date. The issuer was advised that the short sale could not be made before the registration statement becomes effective, because the shares underlying the short sale are deemed to be sold at the time such sale is made. There would, therefore, be a violation of Section 5 if the shares were effectively sold prior to the effective date.

9.2 Restrictions on Sales During Registration Periods. In addition to the restrictions set forth in Section 9.1, each Shareholder agrees not to, except with respect to a 100% Affiliate of an Ultimate Parent that (a) remains a 100% Affiliate of such Ultimate Parent and (b) agrees in writing to be bound by the terms and conditions of this Agreement, offer, sell (including pursuant to Rule 144), distribute, sell short, loan, grant an option for the purchase of, enter into any swap or hedge agreement in connection with, or otherwise Transfer any Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock, during the 15 days prior to and the 180 days after the effective date of any

underwritten public offering of the Company's securities, unless the Company's Board of Directors and the underwriters managing such public offering otherwise agree. The Shareholders shall not take any action with respect to any distribution deemed to be made pursuant to any Demand Registration that would constitute a violation of Regulation M under the Exchange Act.

9.3 No Participation in Other Securities Offerings. The rights granted by the Company hereunder shall be the exclusive rights granted to Shareholders with respect to Registrable Securities. Except as otherwise provided herein, the Shareholders shall have no rights to participate in any offering of securities by the Company to third parties, whether such offering is effected pursuant to registration under the Securities Act or pursuant to an exemption from registration thereunder.

ARTICLE X

COVENANTS OF THE SHAREHOLDERS AND THE COMPANY

10.1 Shareholders. Each of the Shareholders hereby agrees (i) to cooperate with the Company and to furnish to the Company all such information regarding such Shareholder, its ownership of Registrable Securities and the disposition of such securities in connection with the preparation of the registration statement and any filings with any state securities commissions as the Company may reasonably request, (ii) to the extent required by the Securities Act, to deliver or cause delivery of the Prospectus contained in the registration statement, any amendment or supplement thereto, to any purchaser of the Registrable Securities covered by the registration statement from the Shareholder, (iii) if requested by the Company, to notify the Company of any sale of Registrable Securities by such Shareholder and (iv) not to sell any of its Registrable Securities held by such holder for a period of 12 months following the date hereof.

10.2 Company. The Company hereby agrees that from and after the date hereof it will not, without the prior written consent of the Shareholders, which consent shall not be unreasonably withheld or delayed, enter into any agreement (or any amendment or waiver of any provision of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are more favorable than those granted to the Shareholders hereunder; provided, that the Company may, without the consent of the Shareholders, enter into any agreement (or any amendment or waiver of any provision of any agreement) with any holder or prospective holder of any securities of the Company that would provide for lock-up restrictions more favorable to such holder than the lock-up restrictions set forth herein.

ARTICLE XI

TERMINATION

11.1 Termination. This Agreement and the rights provided hereunder shall terminate and be of no further force and effect with respect to each Shareholder on the date the Registrable Securities held by such Shareholder cease to be Registrable Securities pursuant to the terms of this Agreement. This Section 11.1 shall not, however, apply to the provisions of ARTICLE VI of this Agreement, which shall survive the termination of this Agreement.

ARTICLE XII

MISCELLANEOUS

12.1 Decisions or Actions of the Shareholders. For the purposes of this Agreement, an action or decision shall be deemed to have taken by all of the Shareholders if such action or decision shall have been made by Shareholders holding a majority of the Registrable Securities.

12.2 Successors and Assigns. Subject to the provisions of Section 9.1, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns and transferees of the parties. If any successor, assignee or transferee of any Shareholder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by all of the terms and provisions hereof.

12.3 Notices. All notices and other communications provided for hereunder shall be in writing and sent by registered or certified mail, return receipt requested, postage prepaid or delivered in person or by courier, telecopier or electronic mail, and shall be deemed to have been duly given on the date on which personally delivered to, or actually received by, the party to whom such notice is to be given at its address set forth below, or at such other address for the party as shall be specified by notice given pursuant hereto:

(a) If to the Company, to:

Central European Distribution Company
Two Bala Plaza
Suite #300
Bala Cynwyd, Pennsylvania 19004
United States of America
Attn: William V. Carey, President

with a copy (which shall not constitute notice) to:

Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, New York 10019
United States of America
Attn: Frank R. Adams, Esq.

(b) If to the Shareholders, to:

Direct Financing Limited
P.O.Box 3321
Drake Chambers,
Road Town, Tortola,
British Virgin Islands

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
Ducat Place II
7 Gasheka Street
Moscow, Russia 123056
Attn: Andrei Danilov

12.4 Governing Law. This Agreement and any controversy or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without giving effect to the principles of conflicts of laws.

12.5 Entire Agreement; Amendments and Waivers. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions whether oral or written, of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

12.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts.

12.7 Severability. In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

12.8 Headings. The headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

12.9 Gender and Other References. Unless the context clearly indicates otherwise, the use of any gender pronoun in this Agreement shall be deemed to include all other genders, and singular references shall include the plural and vice versa.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CENTRAL EUROPEAN DISTRIBUTION CORPORATION

By: /s/ William Carey
Name: William Carey
Title: Chairman, President and CEO

DIRECT FINANCING LIMITED

By: /s/ Sergey Kupriyanov
Name: Sergey Kupriyanov
Title: Attorney-in-fact

Schedule A

Name of Shareholder	Number of Shares of Common Stock
Direct Financing Limited	2,238,806

Exhibit 10.1

SHAREHOLDERS AGREEMENT

AMONG

(1) **WHITE HORSE INTERVEST LIMITED**

and

(2) **BOLS SP. Z O.O.**

and

(3) **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**

and

(4) **COPECRESTO ENTERPRISES LIMITED**

---

relating to

COPECRESTO ENTERPRISES LIMITED

CONTENTS

THIS SHAREHOLDERS AGREEMENT (this "**Agreement**") is entered into on 13 March, 2008 among:

(1) **WHITE HORSE INTERVEST LIMITED**, a company incorporated under the laws of the British Virgin Islands whose registered office is at P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands ("**White Horse**");

(2) **BOLS SP. Z O.O.**, a limited liability company incorporated under the laws of the republic of Poland whose registered office is at ul. Kowanowska 48, 64-600 Oborniki Wielkopolskie, Poland ("**Bols**"); and

(3) **CENTRAL EUROPEAN DISTRIBUTION CORPORATION**, a company incorporated under the laws of the State of Delaware whose registered office is at 2 Bala Plaza, Suite 300, Bala Cynwyd, Pennsylvania, 19004, USA ("**CEDC**" and together with Bols, the "**CEDC Shareholders**"); and

(4) **COPECRESTO ENTERPRISES LIMITED**, a company incorporated under the laws of the Republic of Cyprus whose registered office is at Arch Makariou III, 2-4 Capital Center, 9th floor P.C. 1065, Nicosia, Cyprus (the "**Company**").

WHEREAS, the Company has an authorised share capital of $4,000 divided into 4,000 Shares of $1.00 each, which Shares have been issued and are legally and beneficially owned by White Horse.

WHEREAS, pursuant to and on and subject to the terms and conditions of a share purchase agreement between the CEDC Shareholders, William V. Carey and White Horse dated 11 March, 2008 (the "**SPA**"), the CEDC Shareholders have together agreed to acquire 3,400 of those Shares (being 85 per cent. of the outstanding and issued share capital of the Company) from White Horse.

WHEREAS, the parties are entering into this Agreement for the purpose of setting out:

(a) certain agreed matters relating to the business, financing, conduct and management of the Company and its Subsidiaries; and

(b) their rights, duties and obligations with respect to the Company, its Subsidiaries and each other as shareholders of the Company.

WHEREBY IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement and the Schedules to it the capitalized terms set out in Schedule 1 shall have the meanings therein ascribed thereto.

1.2 Interpretation

In this Agreement, unless otherwise specified:

(a) references to Clauses, sub-Clauses, paragraphs, sub-paragraphs and Schedules are references respectively to clauses, sub-clauses, paragraphs and sub-paragraphs of, and to Schedules to, this Agreement;

(b) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

(c) headings to Clauses and Schedules are for convenience only and do not affect the interpretation of this Agreement;

(d) the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include a reference to the Schedules;

(e) references to this Agreement, or to any other document, or to any specified provision of this Agreement or any other document, are to this Agreement, that document or provision as in force for the time being, as amended, modified, supplemented, varied, assigned or novated, from time to time;

(f) references to a "**company**" shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established, together with its successors and assigns;

(g) references to a "**person**" shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality), together with its successors and assigns;

(h) words importing the singular include the plural and vice versa, words importing a gender include every gender;

(i) references to a "**party**" or "**parties**" means a party or the parties to this Agreement;

(j) references to "**indemnify**" and "**indemnifying**" any person against any matter or circumstance include indemnifying and keeping that person harmless from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments, costs or expenses made or incurred by that person as a consequence of or which would not have arisen but for that matter or circumstance;

(k) references to writing shall include any modes of reproducing words in a legible and non-transitory form;

(l) references to "**US dollars**," "**dollars**" or to "**$**" shall be construed as references to the lawful currency for the time being of the United States of America; and

(m) general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

2. SHAREHOLDER WARRANTIES

Each Shareholder warrants to each of the other parties that:

(a) (unless a natural person) such Shareholder has been duly organised, properly registered as a legal entity and is validly existing under the laws of the jurisdiction of its organisation;

(b) it has full power to enter into and perform its obligations under this Agreement and has taken all necessary corporate and other action to approve and authorise the transactions contemplated by this Agreement;

(c) this Agreement constitutes its valid and binding obligations enforceable in accordance with its terms, subject to general principles of equity and laws affecting creditors' rights generally; and

(d) all relevant consents (if any) to its entering into this Agreement have been obtained and neither the entering into nor the performance by it of its obligations under this Agreement will constitute or result in any breach of any contractual or legal restriction binding on it or on its assets or undertaking.

3. THE BUSINESS OF THE COMPANY, ITS PURPOSE, AND DEALINGS WITH SHAREHOLDERS

3.1 Purpose

The purpose of the Company and the Group shall be to carry on the businesses of the production, marketing, distribution, and sale of alcoholic beverages and matters incidental to or in support of such businesses (the "**Business**").

3.2 Non-Competition, Dealings with Shareholders

(a) White Horse undertakes to the Company that it will not, and that it will procure that none of its Affiliates will, either alone or in conjunction with or on behalf of any other person, during the period that is the shorter of (x) the period in which it (or any of its Affiliates) legally or beneficially own any Shares and (y) the five-year period beginning with the date hereof, unless otherwise approved in writing by CEDC, be engaged or be directly or indirectly interested in carrying on any business in the geographic areas in which the Business is conducted as at the date of this Agreement that competes in any respect with the Business as conducted as at the date of this Agreement (except (i) as the holder of securities listed for public trading if such holding does not permit Control of the issuer of such securities nor constitute more than five per cent. of the issued securities of such issuer and (ii) as the holder of securities not listed for public trading if the issuer of such securities is not engaged in the production of alcohol in Russia to an extent which accounts for more than ten per cent. of the gross revenues of such issuer).

(b) Notwithstanding anything contained to the contrary in this Clause 3.2:

(i) the holding or maintaining of any rights to brands or other intellectual property rights, including the Urozhay Brand; and

(ii) the production, marketing, distribution, or sale by White Horse and all of its Affiliates of no more than 1,000 litres per year of alcoholic beverages per brand,

shall not be deemed a breach of Clause 3.2, PROVIDED THAT White Horse and each of its relevant Affiliates shall use its commercially reasonable efforts to dispose of its intellectual property rights to the Urozhay Brand within the period of 12 months following the date of this Agreement (or, if the sale of the Urozhay Brand reasonably appears to be forthcoming, within the period of 18 months following the date of this Agreement), and, in any event, shall cease and terminate all of its business carried on

thereunder on or before the date falling 12 months following the date of this Agreement (or, if the sale of the Urozhay Brand reasonably appears to be forthcoming, within the period of 18 months following the date of this Agreement, or such longer period as the parties shall agree).

(c) Each undertaking contained in Clause 3.2 shall be construed as a separate undertaking and if one or more of the undertakings is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining undertakings shall continue to be binding.

(d) Any dealings between a Shareholder (or such Shareholder's Affiliate) and a member of the Group shall be undertaken on an arm's-length basis.

4. FUNDING AND DIVIDEND POLICY

4.1 Funding Policy

The Shareholders shall procure that the Directors cause, to the extent lawful and to the extent possible, the overall financial policy of the Group to be as follows:

(a) the activities and any expansion of the Group shall be financed from its own resources (including, where practical and efficient, credit facilities provided by third party lenders, or, subject to the terms hereof, the CEDC Group, funds provided by counterparties under advance payment agreements and other sources of credit);

(b) if the Board determines in its reasonable judgment that the Group is unable to satisfy its Operational Financial Requirements from the resources of the CEDC Group or from the Group's own resources (including from third party sources of credit on a practical and efficient basis as aforesaid) after exercising commercially reasonable endeavours to do so, then the Board shall give a Funding Notice to the Shareholders and the provisions of Clause 4.2 shall apply; PROVIDED, HOWEVER, THAT in no event will a Shareholder be obliged to fund (by way contributions to share capital, loans, or otherwise) more than its Specified Proportion of the Operational Financial Requirements.

4.2 Funding

(a) Subject to Clause 4.2(b), each Shareholder undertakes to the other Shareholder that within ten Business Days after the receipt of a Funding Notice given in accordance with Clause 4.1(b), it shall subscribe for shares in the share capital of the Company for an aggregate subscription price equal to, its Specified Proportion of the amount of additional capital specified in the Funding Notice.

(b) If the Board specifies in the Funding Notice that each Shareholder shall lend the amount of additional capital to the Company, each Shareholder undertakes to the other Shareholders that within ten Business Days after the receipt of the Funding Notice, it shall lend to the Company an amount equal to its Specified Proportion of the amount of additional capital specified in the Funding Notice.

(c) In the event that a Shareholder fails to perform its obligations under Clauses 4.2(a) or 4.2(b) (the "**Breaching Shareholder**"), the other Shareholder can elect by notice in writing to the Breaching Shareholder and the Company to undertake any part or all of the obligations of the Breaching Shareholder set out in the Funding Notice.

4.3 **Company Obligations**

Prior to the making or permitting of any loan to, or contribution to share capital of, any member of the Group, the Shareholders shall consider the minimum financial obligations required to operate that member in the ordinary course of business.

4.4 **Dividend Policy**

As soon as reasonably practicable after the end of each quarter of each Financial Year and at such other time(s) as the Board shall specify, the Board shall determine and cause the distribution of the some or all of the net profits of the Company available for distribution for that period to the Shareholders. The Board shall, in making that determination, take into account the provisions of applicable law, the Articles and the reasonable financial requirements of the Group for the following 12 months. To the extent permitted under applicable law, unless the CEDC Shareholders and White Horse (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1) otherwise agree, the Shareholders will procure that the Board will cause at least fifty per cent. of the Distribution Amount of the Company to be promptly distributed to the Shareholders in the Specified Proportions by way of dividend or, if the Shareholders agree, through the proportional redemption or repurchase of Shares or other Equity Interests of the Company. The Shareholders agree that the Company shall cause, so far as it is lawfully able to do so, each other member of the Group to distribute a sufficient amount of net profits of such member to permit the Company to distribute at least fifty per cent. of the Distribution Amount.

5. **CONSTITUTION AND MEETINGS OF THE BOARD**

5.1 **Number of Directors**

Unless the Shareholders agree otherwise, the number of Directors shall be five.

5.2 **Appointment and Removal of Directors**

(a) Subject to the Minimum Holding Condition, White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) shall be entitled to appoint at least two Directors, at least one of whom shall be a Cypriot Resident, and shall be exclusively entitled to remove or replace any Directors appointed by them.

(b) The CEDC Shareholders (or as the case may be their permitted assignee(s) to whom their rights under this Agreement have been assigned pursuant to Clause 11.1) shall together be entitled to appoint three Directors, at least two of whom shall be Cypriot Residents, and shall be exclusively entitled to remove or replace any Directors appointed by them.

(c) The Chairman shall be a Director nominated by the Board from amongst the CEDC Directors.

5.3 **Freedom to Pass Information**

Any Director appointed under Clause 5.2 shall be entitled to pass to the Shareholder appointing him full details of any information which may come into his possession as Director. For the avoidance of doubt, such information shall be subject to the provisions set out in Clause 18.

5.4 **Directors' Fees**

(a) Subject to Clause 5.4(b), Directors shall be not be entitled to receive or be reimbursed, by the Company or the Group, any directors' fees for their services as Directors or to reimbursement for their reasonable out-of-pocket expenses incurred in attending Board meetings. For the avoidance of doubt, the party appointing a Director may make arrangements to pay such a fee or provide such reimbursements to such Director themselves.

(b) Notwithstanding Clause 5.4(a), Directors shall be entitled:

(i) to receive from the Company such fees as are required to be paid to them pursuant to the mandatory provisions of applicable law; and

(ii) if they are Cypriot Residents and not otherwise an employee of White Horse or any of its Affiliates or of CEDC or any of its Affiliates, to receive such reasonable fee as is agreed with the Company, together with expenses (to the extent so agreed), in each case from the Company.

5.5 **Resignation of Appointed Directors**

Prior to a Shareholder ceasing to be a Shareholder, it shall vote its Shares (together with the other Shareholders, if necessary) and otherwise do all acts or things necessary to procure the resignation or removal of each Director whom it has appointed. That resignation shall be both from office as a Director and, if applicable, as an employee of the Company and/or any other relevant member of the Group. The relevant Shareholder shall use its reasonable endeavours to procure that each resigning Director shall deliver to the Company a letter, executed as a deed, acknowledging that he has no claim of any kind outstanding against the Company save for unpaid salary and expenses (if any). If the resigning Director is also an employee of the Company, the relevant Shareholder shall use its reasonable endeavours to procure that the resigning Director shall also acknowledge in such letter that he or she has no claim for compensation for wrongful dismissal or unfair dismissal (or any analogous claim); no entitlement to any payment for redundancy; and no claim in respect of any other moneys or benefits due to him or her from the Company save for unpaid salary and expenses (if any) arising out of his or her employment or termination and that such acknowledgement be made in accordance with all necessary formalities as may be required by law. To the extent that a relevant Shareholder does not or is unable to procure the delivery by a resigning Director whom it has appointed to deliver such a letter as aforesaid (together, where relevant, with the acknowledgements as aforesaid), that Shareholder shall indemnify and hold harmless the Company in respect of all its costs, claims, expenses, damages, losses, actions, suits and other things which and to the extent it would not have suffered but for the non-delivery of such letter (and, where relevant, acknowledgment).

5.6 **Shareholders' Right to Request Board Meetings**

In addition to the powers of the Board to call meetings as set out in the Articles, a Board meeting may be convened on the application of White Horse or either of the CEDC Shareholders (or as the case may be any of their permitted assignees to whom any of their respective rights under this Agreement have been assigned pursuant to Clause 11.1) at any time by request to the Secretary. Save where White Horse, either of the CEDC Shareholders or their permitted transferees as aforesaid require the Board to approve the appointment (or as the case may be resignation or removal) of a Director pursuant to and in accordance with their rights hereunder, each acknowledge (on behalf of themselves and each of their permitted assignees to whom any of their respective rights under this Agreement have been assigned pursuant to Clause 11.1) that they will ordinarily expect to convene meetings of the Board through and by the request of the Director(s) appointed pursuant to Clause 5.2.

5.7 **Notice of Board Meetings**

Unless otherwise agreed by all of the Directors, at least five Business Days' prior notice of any meeting of the Board shall be given by the Secretary to each Director at his or her last known address. If the meeting of the Board is to be convened pursuant to Clause 5.6, the Secretary shall give such notice to each Director within two Business Days of a request from the relevant Shareholder. The notice of the meeting of the Board shall set forth a short agenda of the business to be conducted at the meeting, which agenda shall include the matters described in any such request where such meeting is convened in connection with such a request. No business shall be conducted at a meeting that is not referred to in the notice, except with the consent of all Directors. The right of a member of the Board to receive a notice may be waived by that member of the Board in writing.

5.8 **Frequency, Language, and Location of Board Meetings**

Unless otherwise agreed by the Shareholders, the Board shall meet at intervals of not more than three months. All Board meetings shall take place at a location mutually convenient to the Board as the Board shall agree. All Board meetings shall be conducted in English with, upon the prior request of any Director, simultaneous translation into Russian provided at the expense of the Company but otherwise arranged by (or on the behest of) the Director requesting the same.

5.9 **Appointment of Alternate Directors**

Each Director shall be entitled to appoint, in writing, one alternate to represent him at any meeting of the Board at which he is unwilling or unable to be present. Alternate directors may only be excluded from part or all of any Board meeting, if the remaining Directors determine, upon advice of external legal counsel, that excluding them is necessary to preserve legal privilege of the subject matter of such meeting. No vote, however, shall be taken on any matter while any alternate director is so excluded. An alternate who is present for a meeting of the Board but excluded from such meeting shall nevertheless be counted for purposes of determining whether the meeting is quorate. A Director who is a Cypriot Resident may only appoint an alternate if that alternate is also a Cypriot Resident.

5.10 **Quorum for Board Meetings**

(a) Subject to this Clause 5.10, the quorum necessary for a meeting of the Board shall be three Directors who are Cypriot Residents present in person or by alternate at the commencement of the meeting, PROVIDED, HOWEVER, THAT one such Director (or the alternate thereof) shall be a White Horse Director.

(b) If a quorum is not constituted at such Board meeting within 30 minutes from the time appointed for the meeting (or such longer time as the persons present may all agree to wait), then the meeting shall be adjourned pending subsequent reconvening pursuant to Clause 5.10(c).

(c) A meeting adjourned under Clause 5.10(b) shall be reconvened not more than three Business Days from the date of the original meeting. Notice of the time, date and place for such reconvening of the adjourned meeting shall be provided by the Secretary to all Directors at least two Business Days prior to the reconvening. At such reconvened meeting, the quorum necessary for a meeting of the Board shall be

three Directors who are Cypriot Residents present in person or by alternate at the commencement of the meeting, PROVIDED, HOWEVER, THAT one such Director (or the alternate thereof) shall be a White Horse Director.

(d) If a quorum is not constituted at a Board meeting convened pursuant to Clause 5.10(c) within 30 minutes from the time appointed for the meeting (or such longer time as the persons present may all agree to wait), then the meeting shall be adjourned pending subsequent reconvening pursuant to Clause 5.10(e).

(e) A meeting adjourned under Clause 5.10(b) shall be reconvened not more than three Business Days from the date of such meeting. Notice of the time, date and place for such reconvening of the adjourned meeting shall be provided by the Secretary to all Directors at least two Business Days prior to the reconvening. At such reconvened meeting, the quorum necessary for a meeting of the Board shall be two Directors who are Cypriot Residents present in person or by alternate at the commencement of the meeting.

(f) Notwithstanding any provision herein to the contrary, no Board meeting shall be quorate unless each director not present in person or by alternate (and excluding those directors excusing themselves by sending notification thereof to the Chairman) has been afforded the opportunity to participate in such meeting by means of a telephone conference, video conference or other similar means as set out in Clause 5.13, and has been provided with the appropriate details with which to do so.

5.11 **Votes at Board Meetings**

At meetings of the Board:

(a) each Director (or his alternate, in his absence) shall have one vote;

(b) the Chairman shall not have a second or casting vote; and

(c) save as this Agreement otherwise requires, a decision or resolution of the Board shall be valid if supported by the affirmative vote of a simple majority of Directors (if applicable, including alternates thereof) present.

5.12 **Written Resolutions**

A resolution in writing signed (including where signed by facsimile) by all of the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the same form each signed by one or more Directors.

5.13 **Phone or Video Conference**

The Shareholders and the Company shall procure that each Director (or, if applicable, any alternate thereof) is afforded the opportunity to participate in a meeting of the Board by means of a telephone conference, video conference or other similar means which allows all persons participating in the meeting to hear and speak to each other. Persons participating in a meeting in this manner shall be deemed to be present at the meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the Board is present.

6. **SHAREHOLDERS' MEETINGS**

6.1 **Notice and Location of Shareholders' Meetings**

A Shareholders' meeting may be called by any Shareholder at any time. No less than 21 days' notice of each Shareholders' meeting must be given by the Secretary to each Shareholder, the procedure for the giving of such notice to accord with the provisions of Clause 19. The Secretary shall set forth in such notice the date, time and place of the meeting and the business to be transacted at it. The Shareholders may agree in writing to a shorter period of notice, in which case the meeting shall be deemed to be properly called on such shorter notice. All Shareholders' meetings shall take place at a location convenient to the Shareholders or the majority of holdings of them, or otherwise as the Shareholders may agree.

6.2 **Quorum for Shareholders' Meetings**

(a) The quorum for a meeting of the Shareholders shall be one duly authorised representative of White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (subject to the Minimum Holding Condition) and one duly authorised representative of one of the CEDC Shareholders (or as the case may be their permitted assignee(s) to whom their rights under this Agreement have been assigned pursuant to Clause 11.1), in each case present in person or by proxy.

(b) If a quorum is not constituted at such Shareholders' meeting within 30 minutes from the time appointed for the meeting (or such longer time as the persons present may all agree to wait), then the meeting shall be adjourned pending subsequent reconvening pursuant to Clause 6.2(c).

(c) A meeting adjourned under Clause 6.2(b) shall be reconvened not more than three Business Days from the date of the original meeting. Notice of the time, date and place for such reconvening of the adjourned meeting shall be provided by the Secretary to all Shareholders at least two Business Days prior to the reconvening. At such reconvened meeting, quorum shall be one duly authorised representative of White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (subject to the Minimum Holding Condition) and one duly authorised representative of one of the CEDC Shareholders (or as the case may be their permitted assignee(s) to whom their rights under this Agreement have been assigned pursuant to Clause 11.1), in each case present in person or by proxy.

(d) If a quorum is not constituted at Shareholders' meeting convened pursuant to Clause 6.2(c) within 30 minutes from the time appointed for such meeting (or such longer time as the persons present may all agree to wait), then the meeting shall be adjourned pending subsequent reconvening pursuant to Clause 6.2(e).

(e) A meeting adjourned under Clause 6.2(d) shall be reconvened not more than three Business Days from the date of such meeting. Notice of the time, date and place for such reconvening of the adjourned meeting shall be provided by the Secretary to all Shareholders at least two Business Days prior to the reconvening. At such reconvened meeting, such Shareholders as are present in person or by proxy at the time appointed for the meeting shall constitute a quorum, whatever their number.

(f) Notwithstanding any provision herein to the contrary, no Shareholders' meeting shall be quorate unless each shareholder not present in person or by proxy has been

afforded the opportunity to participate in such meeting by means of a telephone conference, video conference or other similar means as set out in Clause 6.8, and has been provided with the appropriate details with which to do so.

6.3 **Chairman and Secretary of Shareholders' Meetings**

The chairman of the Shareholders' meetings shall not have a second or casting vote, and the Secretary shall be the secretary of all Shareholders' meetings.

6.4 **Exercising Votes of Those Not Present**

Each Shareholder shall be entitled to appoint any person to be his proxy who shall be entitled to attend and vote at a Shareholders' meetings in place of such Shareholder, subject to entering into an appropriate undertaking regarding confidentiality. Instruments appointing such a proxy together with such undertakings as regards confidentiality shall be lodged with the Secretary at or prior to the start of the meeting or such longer period as is required under applicable law.

6.5 **Votes at Shareholders' Meetings**

At Shareholders' meetings, every Shareholder shall have one vote for every Share of which he is the holder at the relevant record date for the meeting.

6.6 **Decisions by Majority**

Save as this Agreement or applicable law otherwise requires, any decision to be made or given by the Shareholders shall be decided or agreed by Shareholders entitled to vote and owning a simple majority of Shares. All resolutions put to the Shareholders at Shareholders' meetings and the Shareholders' decisions thereon shall be recorded in writing and signed by the Chairman.

6.7 **Attendance at Shareholders' Meetings**

Each Shareholder shall use its reasonable endeavours to ensure that it attends and remains in attendance in person or by proxy throughout each Shareholders' meeting for which proper notice shall have been given.

6.8 **Phone or Video Conference**

The Shareholders and the Company shall procure that each Shareholder (including a proxy of a Shareholder) is afforded the opportunity to participate in a Shareholders' meeting by means of a telephone conference, video conference or other similar means which allows all persons participating in the meeting to hear and speak to each other. Persons participating in a meeting in this manner shall be deemed to be present at the meeting and shall accordingly be accounted for the purposes of Clauses 6.2 through 6.7 inclusive. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the Shareholders' meeting is present.

7. **CONTROL AND MANAGEMENT OF THE COMPANY**

7.1 **Powers of Shareholders**

The Shareholders may approve, ratify, adopt or take any action not delegated to the Board pursuant to Clause 7.2.

7.2 **Powers of the Board**

(a) Subject to Clause 7.2(b), each Shareholder hereby delegates to the Board, to the maximum extent permitted by applicable law, the power to approve (i) any action, decision or plan affecting the Company, and (ii) the undertaking by the Company of any matter or any class of matters in respect of the Business, in both instances, subject to Clause 8. No White Horse Director may act on behalf of the Company (or permit or allow any other Person from believing him to act on behalf of the Company) without the prior approval of the Board.

(b) If, under applicable law, the approval of, or other action by, the Shareholders is required to give effect to any decision or action taken, or that would have been taken but for a prohibition under applicable law against such action being taken, or taken solely, by the Board in accordance with this Agreement, the Shareholders shall vote their Shares to effect such approval or other action.

7.3 **Company Secretary**

The Secretary of the Company shall have the duties ascribed to it under applicable law and the Articles, and shall be appointed by the Board.

7.4 **Auditor and Financial Statements**

The Shareholders shall procure that the Board causes:

(a) the auditors of the Company to be a reputable Cypriot accounting firm or a member firm of the network of independent firms known as PricewaterhouseCoopers, KPMG, Ernst & Young, or Deloitte; and

(b) the accounting and financial reports of the Company to be prepared in accordance with IFRS with subsequent translation into GAAP.

8. **CONDUCT OF THE COMPANY**

8.1 **Key Decisions**

Subject to the Minimum Holding Condition, the Shareholders shall procure that the Company shall not, and that the Company shall procure, to the extent within the Company's power to do so, that none of the Subsidiaries shall:

(a) without the affirmative vote of both White Horse Directors, do any of the things set out in Schedule 2A; or

(b) without the affirmative vote of White Horse (or a simple majority of its permitted assignees to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1), acting itself or by proxy, do any of the things set out in Schedule 2B.

Each Shareholder shall use all reasonable endeavours to ensure that the Company observes its obligations under this Clause 8.1.

8.2 **Annual Budget**

(a) Subject to the Minimum Holding Condition not later than three months prior to the start of each financial year, each of CEDC and White Horse (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1) shall discuss and negotiate, each acting reasonably and in good faith, with a view to agreeing, an annual budget denominated in Russian Rubles for the Consolidated Company for that financial year (the "Annual Budget"), and such Annual Budget shall be prepared with a similar organisation and detail as that of CEDC's annual budget and in any event shall include the categories set out in the Base Strategic Plan.

(b) Subject to the Minimum Holding Condition, the Shareholders shall procure that the Company shall not approve the Annual Budget or any portion thereof without the affirmative vote of White Horse.

(c) Subject to the Minimum Holding Condition, in the absence of an affirmative vote of White Horse as contemplated by Clause 8.2(b), the relevant Annual Budget will provide for and default to all such amounts as are set out in a three-year strategic plan agreed by the Parties from time to time in accordance with Clause 8.3, the first of which will be agreed upon by the Shareholders within 90 days of the date hereof and will include amounts for capital expenditures for each year that in aggregate over the three year period will be no less than 320,367,000 Russian Rubles and no more than 605,795,000 Russian Rubles and will be otherwise based on the categories and organization set out in Schedule 8 (the "**Base Strategic Plan**"). Should any category of the Base Strategic Plan provide for ranges of amounts rather than one concrete amount, the higher end of such range shall be deemed the designated amount for such category for purposes of Clause 8.6 and Schedule 2, and the lower end of such range shall be deemed the designated amount for such category for purposes of Clause 8.5.

(d) White Horse shall, and shall procure that the White Horse Director shall, consider and discuss in good faith with CEDC any proposals as CEDC may reasonably put to it for the approval of White Horse as contemplated by Clause 8.2(b), shall ensure that such approval is not unreasonably delayed or unreasonably withheld and shall ensure that the reasons for any such approval being so withheld are made available and known to CEDC.

For purposes of Clause 8.2(d) above, with respect to any withholding of an approval, "unreasonableness" shall be based on what would be unreasonable for a shareholder situated in substantially the same position as White Horse at the time of such withholding.

8.3 **Base Strategic Plan**

Subject to the Minimum Holding Condition, upon mutual agreement of CEDC and White Horse (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1), and in any event:

(a) one year prior to the expiry of the Base Strategic Plan; or

(b) if at the end of any year the reasonably projected performance of the Consolidated Company for such year (as measured by EBITDA as set out in the Base Strategic Plan) is greater than 105 per cent. or less than 95 per cent. of the relevant line items set out in the Base Strategic Plan,

CEDC and White Horse (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1) shall discuss and negotiate, each acting reasonably and in good faith, with a view to agreeing a replacement three-year strategic plan, which, if and to the extent agreed, shall replace and update the Base Strategic Plan for all purposes of this Agreement.

8.4 **Budget Instructions**

Subject to the Minimum Holding Condition each of the CEDC Shareholders and, to the extent within its reasonable control, White Horse, or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1, shall procure that:

(a) the Company instructs its key employees (and/or those of the relevant members of the Group) who are responsible for the financial control of Relevant Expenditure to comply with the Annual Budget.

(b) each member of the Group and their respective boards of directors and management comply in all material respects with all decisions of the Company's Board, including those related to the Annual Budget approved in accordance with the terms hereof.

8.5 **Shortfall Situations**

Subject to the Minimum Holding Condition, CEDC will procure that if, with respect to any quarter, any action or inaction by employees or directors of any member of the Group has resulted (at the end of that relevant quarter) in a Relevant Expenditure being less than the Relevant Underspend Percentage of the corresponding projected expenditure for each relevant category as set forth for the relevant quarter in the Annual Budget, as multiplied by the fraction of which the numerator is the actual amount of Sales during such quarter (which for purposes of this Clause 8.5 will be deemed to be no less than the Sales Floor Percentage of the amount of Sales as set forth for the relevant quarter in the Annual Budget) and the denominator is the projected amount of Sales as set forth for the relevant quarter in the Annual Budget (a "**Shortfall Situation**"):

(a) the Board will promptly be notified of such Shortfall Situation;

(b) a meeting of the Board will be called, in accordance with Clause 5, within five Business Days thereof, wherein such Shortfall Situation and the reasons therefor shall be discussed, and in particular whether such Shortfall Situation was primarily due to a Qualifying External Circumstance. If the Board accepts the Qualifying External Circumstance, the relevant Shortfall Situation shall be deemed never to have occurred for all purposes of this Agreement, PROVIDED THAT such acceptance by the Board shall include (unless sufficient quorum for such meeting of the Board is established without them) the acceptance of both White Horse Directors. In the event that (where required) no acceptance of both White Horse Directors is forthcoming within 10 days of such meeting, CEDC may require the Board to delegate the determination of whether such Shortfall Situation was primarily due to a Qualifying External Circumstance to an independent arbitrator agreed between CEDC and White Horse, the determination of whom shall in the absence of fraud or manifest error be final and binding on the parties. The independent arbitrator shall be instructed to notify its determination, in writing, to the Board as soon as is reasonably practicable. In the

event that the CEDC Directors and both White Horse Directors do not agree on an independent arbitrator within 30 days of such meeting, the matter shall be referred to arbitration in accordance with Clause 21.11. If the independent arbitrator, or as the case may be the arbitration conducted in accordance with Clause 21.11, so determines that such Shortfall Situation was primarily due to a Qualifying External Circumstance, the relevant Shortfall Situation shall be deemed never to have occurred for all purposes of this Agreement. Each party shall procure that all information reasonably related to the determination of, and otherwise reasonably requested of them by the independent arbitrator to determine, whether such Shortfall Situation was primarily due to a Qualifying External Circumstance, is provided to such independent arbitrator.

In the event that (x) the Board accepts that a Shortfall Situation was primarily due to a Qualifying External Circumstance, (y) an independent arbitrator determines that a Shortfall Situation was primarily due to a Qualifying External Circumstance in accordance with Clause 8.5(b), or (z) it is determined that a Shortfall Situation was primarily due to a Qualifying External Circumstance through the arbitration process in accordance with Clause 21.11, CEDC and White Horse (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1) shall promptly discuss and negotiate a revised Annual Budget applicable for the remainder of the then existing financial year.

8.6 **Overspend Situations**

Subject to the Minimum Holding Condition, CEDC will procure that if with respect to any quarter, any member of the Group enters into a Binding Obligation without the consent of White Horse which results (at the end of that relevant quarter) in a Relevant Expenditure being more than the Relevant Overspend Percentage of the corresponding projected expenditure for each relevant category as set forth for the relevant quarter in the Annual Budget, as multiplied by the fraction of which the numerator is the actual amount of Sales during such quarter (which for purposes of this Clause 8.6 will be deemed to be no more than the Sales Ceiling Percentage of the amount of Sales as set forth for the relevant quarter in the Annual Budget) and the denominator is the projected amount of Sales as set forth for the relevant quarter in the Annual Budget (an "**Overspend Situation**"):

(a) the Board will promptly be notified of such Overspend Situation;

(b) a meeting of the Board will be called, in accordance with Clause 5, within five Business Days thereof, wherein such Overspend Situation and the reasons therefor shall be discussed, and in particular whether such Overspend Situation was primarily due to a Qualifying External Circumstance. If the Board accepts the Qualifying External Circumstance, the relevant Overspend Situation shall be deemed never to have occurred for all purposes of this Agreement, PROVIDED THAT such acceptance by the Board shall include (unless sufficient quorum for such meeting of the Board is established without them) the acceptance of both White Horse Directors. In the event that (where required) no acceptance of both White Horse Directors is forthcoming within 10 days of such meeting, CEDC may require the Board to delegate the determination of whether such Overspend Situation was primarily due to a Qualifying External Circumstance to an independent arbitrator agreed between CEDC and White Horse, the determination of whom shall in the absence of fraud or manifest error be final and binding on the parties. The independent arbitrator shall be instructed to notify its determination, in writing, to the Board as soon as is reasonably practicable. In the event that the CEDC Directors and both White Horse Directors do not agree on an independent arbitrator within 30 days of such meeting, the matter

shall be referred to arbitration in accordance with Clause 21.11. If the independent arbitrator or as the case may be the arbitration conducted in accordance with Clause 21.11 so determines that such Overspend Situation was primarily due to a Qualifying External Circumstance, the relevant Overspend Situation shall be deemed never to have occurred for all purposes of this Agreement. Each party shall procure that all information reasonably related to the determination of, and otherwise reasonably requested of them by the independent arbitrator to determine, whether such Overspend Situation was primarily due to a Qualifying External Circumstance, is provided.

8.7 **Proposals**

In the event that (x) the Board does not accept that an Overspend Situation or a Shortfall Situation as the case may be was primarily due to a Qualifying External Circumstance, (y) the independent arbitrator does not determine that such Overspend Situation or a Shortfall Situation as the case may be was primarily due to a Qualifying External Circumstance in accordance with Clauses 8.5(b) or 8.6(b), or (z) it is not determined that such Overspend Situation or a Shortfall Situation as the case may be was primarily due to a Qualifying External Circumstance through the arbitration process in accordance with Clause 21.11:

(a) subject to Clause 8.7(b), the relevant Overspend Situation or Shortfall Situation as the case shall be deemed for all purposes of this Agreement to have occurred due to reasons other than a Qualifying External Circumstance; and

(b) White Horse (or as the case may be its permitted assignees to whom its rights under this Agreement have been assigned pursuant to Clause 11.1) may, at its discretion, propose within ten Business Days following a meeting of the Board called for purposes of discussing such Overspend Situation or Shortfall Situation (which, for the avoidance of doubt may be called by White Horse or any White Horse Director), or as the case may be within ten Business Days following the determination of the independent arbitrator or through arbitration regarding the disputed Qualifying External Circumstance, a written proposal to address such Shortfall Situation or as the case may be Overspend Situation (the "**Proposal**"). Such Proposal must set out in objective terms what must be done by the Consolidated Company to satisfy it and what the timescales for such matters are, including the final date on which the matters set out in the Proposal are to be satisfied in full (the "**Final Date**"). To the extent that the Consolidated Company satisfies a Proposal made in accordance with this Clause 8.7 in full by the Final Date, the relevant Shortfall Situation or as the case may be Overspend Situation shall be deemed never to have occurred for all purposes of this Agreement.

8.8 **Enforcement of the Company's Rights**

Notwithstanding anything in this Agreement to the contrary, any right of action against a Shareholder or Affiliate of a Shareholder that the Company may have in respect of a breach of any obligation owed to the Company shall be prosecuted by the Director(s) (or their alternates) appointed by the Shareholders which are not, or whose Affiliates are not, responsible for such breach to the exclusion of the others. Such Directors (and their alternates) shall have full authority on behalf of the Company to negotiate, litigate and settle any claim arising out of the breach or exercise of any right of termination arising out of the breach.

8.9 **Debt to Equity Ratio**

The Company undertakes, and the Shareholders undertake to cause the Company, to maintain at the end of each Financial Year, a Debt to Equity Ratio of not more than 3:1.

8.10 **Encumbrances over the Shares**

Notwithstanding anything to the contrary in this Agreement, any Shareholder shall be entitled to grant an Encumbrance over the Shares it holds for financing purposes, PROVIDED THAT the provisions of Clause 11.4 shall apply to any chargee enforcing such Encumbrance such that any such chargee shall be required to execute a Deed of Adherence in the form attached as Schedule 6 on (or before) enforcement of that Encumbrance.

8.11 **Employees**

(a) For a period of six months beginning with the date hereof, (i) Bols and CEDC shall procure that the Company shall not, and the Company shall procure that none of the Subsidiaries shall, without the affirmative vote or written consent of White Horse (or a simple majority of its permitted assignees to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1), acting itself or by proxy, amend or terminate the employment agreements with the employees holding the positions set out in Schedule 9 and (ii) Bols and CEDC shall procure that the Company shall, and the Company shall procure that the Subsidiaries shall, upon receipt of joint written instructions from White Horse and CEDC to the Company, promptly terminate the employment agreements with the employees holding such positions set out in Schedule 9 as are described in such notice.

(b) Within 90 days of the date hereof, the Shareholders shall endeavour in good faith to implement increased salary and improved incentive schemes for all employees of the Group.

9. **PREPARATION AND DISSEMINATION OF INFORMATION**

9.1 **Dissemination of Information**

The Shareholders shall procure that the Board shall cause the preparation and dissemination to all Directors within 14 days of the end of every quarter (except for financial statements for the Company in respect of which the period shall be 35 days of the end of every quarter) the following financial and management information:

(a) financial statements for the Company, on a consolidated basis, and cash flow forecasts;

(b) cost statements and progress reports for the Business measured as against the Annual Budget; and

(c) reports and forecasts of capital and operating expenditures.

The Shareholders shall procure that the Board shall cause the preparation and dissemination to all Directors the monthly management accounts (as soon as reasonably practicable following their finalisation), the Annual Budget (promptly following it being finalised for each financial year); and the daily sales update information for the Business (on a monthly basis). CEDC undertakes in good faith to convene a meeting of the directors as soon as practicable if White Horse reasonably requests such a meeting to discuss a material issue arising from the information provided under this Clause 9.1.

9.2 **Right of Inspection**

White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1), subject to the Minimum Holding Condition, and CEDC (or as the case may be its permitted assignee to whom CEDC's rights under this Agreement have been assigned pursuant to Clause 11.1), shall have the right:

(a) to inspect the books and records of the Company three times per year by its authorised representatives on reasonable notice during normal business hours; and

(b) (at its own expense) to take away copies of or extracts from those books and records.

The Board shall ensure that all information which is given to one such Shareholder (save for information relating specifically to that Shareholder and only that Shareholder) by any member of the Group is given at the same time to the other such Shareholder.

9.3 **Disclosures to the Board**

Each of the CEDC Shareholders and White Horse (and each of their permitted assignees to whom any of their respective rights under this Agreement have been assigned pursuant to Clause 11.1) shall procure that each Director appointed by them pursuant to Clause 5.2 shall disclose to or update the Board as to each material action he has taken which has resulted in a member of the Group falling under a material legal obligation, or which is reasonably likely to result in a member of the Group falling under a material legal obligation, at the next following meeting of the Board.

9.4 **Further Dissemination**

For the avoidance of doubt, the information disseminated to Directors pursuant to Clause 9.1 may be passed by those directors to the persons appointing them pursuant to Clause 5.2. Such information shall, for the avoidance of doubt, be subject to Clause 18.

10. **SHAREHOLDERS' UNDERTAKINGS**

10.1 **New Production Facilities**

White House, with the cooperation of the Company, CEDC and Bols, undertakes to CEDC to procure, unless prohibited by applicable law, the purchase and installation of the New Production Facilities by the Company, as soon as practicably possible after the beginning of the Interim Period and in any event by the end of it. Each of CEDC, the Company and Bols undertakes to White Horse to cooperate fully in such actions as White Horse may reasonably request of it, as a Shareholder or through the board members appointed by it in accordance with the terms hereof, to enable White Horse to procure, unless prohibited by applicable law, the purchase and installation of the New Production Facilities by the Company as aforesaid.

10.2 **CEDC Call Option**

(a) White Horse irrevocably grants (and shall procure that each of its Affiliates becoming Shareholders shall also grant) to CEDC, and CEDC hereby accepts and undertakes to accept, the option (the "**Call Option**") to acquire from White Horse and each such

Affiliate all of the Shares held by them (the "**Call Shares**"), with full title guarantee free from all Encumbrances and together with all rights that attach (or may in the future attach) to the Call Shares, for aggregate consideration equal to the Option Purchase Price.

(b) CEDC may exercise the Call Option in full (but not in part) at any time during the period commencing seven years after the date hereof and ending upon the earlier to occur of (i) delivery of a Default Notice or a Put Option Exercise Notice corresponding to all of the Shares held by White Horse and each of its Affiliates and (ii) ten years after the Final Closing by delivering written notice (the "**Call Option Exercise Notice**") to White Horse.

(c) From the date of delivery of the Call Option Exercise Notice by CEDC, White Horse and each of its relevant Affiliates shall be bound to sell, and CEDC shall be bound to purchase, the Call Shares on the terms substantially the same as those set out in the Term Sheet. The purchase will be completed as soon as reasonably practicable at the registered office of the Company or such other location as the parties may agree. If White Horse or any such Affiliate, after having become bound to transfer the Call Shares to CEDC, defaults in so doing, the Board shall authorise the execution of any necessary transfers of the Call Shares in favour of CEDC and a duly appointed representative of the Board will be deemed to have been appointed White Horse's or such Affiliate's attorney with full power to execute, complete and deliver, in the name of and on behalf of White Horse or as the case may be such Affiliate, a transfer of the Call Shares, and shall cause CEDC to be entered in the register of the Company as the holder of the Call Shares. CEDC shall forthwith pay the Option Purchase Price directly to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate) by deposit of immediately available funds to such bank and account as it may designate in writing for that purpose or, if White Horse or such transferee fails to designate such a bank and/or account, then to such bank and account that CEDC shall designate in writing for the deposit of such funds to be held for the account or on behalf of White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate).

(d) The provisions of Clauses 11.1, 11.2 and 11.3 shall not apply in the event that a Call Option Exercise Notice is served.

10.3 **White Horse Put Option**

(a) CEDC irrevocably grants to White Horse and each of its Affiliates as become Shareholders, and White Horse hereby accepts (and shall procure that each of its Affiliates becoming Shareholders shall also accept), the option (the "**Put Option**") to cause CEDC to acquire from White Horse and each such Affiliate any or all of the Shares held by them (the "**Put Shares**"), with full title guarantee free from all Encumbrances and together with all rights that attach (or may in the future attach) to the Put Shares, for aggregate consideration equal to the Option Purchase Price.

(b) White Horse may exercise the Put Option (on behalf of itself and each of its Affiliates as become Shareholders) one or more times during the period commencing three years after the date hereof and ending upon the earlier to occur of: (i) delivery of a Default Notice or the Call Option Exercise Notice and (ii) ten years after the Final Closing, by delivering written notice (the "**Put Option Exercise Notice**"), which notice shall include details of the bank account to which the Option Purchase Price

shall be paid to CEDC. White Horse may also exercise the Put Option (on behalf of itself and each of its Affiliates as become Shareholders) one or more times within the three months following Bols suffering a Change of Control such that CEDC no longer controls Bols (within the meaning set out in the definition of Change of Control herein), or at any time within the three months following CEDC itself suffering a Change of Control by delivering written notice (also a "**Put Option Exercise Notice**") to CEDC.

(c) From the date of delivery of the Put Option Exercise Notice by White Horse, CEDC shall be bound to purchase, and White Horse and each of its relevant Affiliates shall be bound to Sell, the Put Shares on the terms substantially the same as those set out in the Term Sheet. The purchase will be completed as soon as reasonably practicable at the registered office of the Company or such other location as the parties may agree. CEDC shall forthwith pay the Option Purchase Price directly to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate) by deposit of immediately available funds to such bank and account as it may designate in writing for that purpose.

(d) The provisions of Clauses 11.1, 11.2 and 11.3 shall not apply in the event that a Put Option Exercise Notice is served.

(e) Notwithstanding anything to the contrary in this Clause 10.3, White Horse shall not be permitted to exercise the Put Option (other than in respect of all (and not some only) of the Shares held by White Horse and each of its Affiliates) if the amount of Shares subject to such exercise is less than one per cent. of the total number of outstanding Shares at the relevant time.

10.4 **Right of Refusal for Future Acquisitions**

Prior to CEDC acquiring any interest in a Russian Business Venture, it shall comply with the following provisions of this Clause 10.4.

(a) At least 60 days prior to CEDC acquiring a Russian Business Venture or any interest in any Russian Business Venture, CEDC shall give notice in writing (an "**Russian Venture Offer Notice**") to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) and the Company offering to assign its rights to acquire such venture or interest therein to the Company in accordance with this Clause 10.4. The offer will be open for a period of 60 days from the date of the Russian Venture Offer Notice (the "**Russian Venture Acceptance Period**").

(b) The Russian Venture Offer Notice shall describe the Russian Business Venture or interest therein to be acquired in summary detail, provide copies of all agreements and documents executed in connection with such acquisition, provide or make available all due diligence material in the possession or control of CEDC, relating to such acquisition, and give details of the identity of the seller of such Russian Business Venture or an interest therein and the terms of such acquisition, including the consideration to be paid in connection therewith (the "**Russian Venture Sale Price**"). Any time within the Russian Venture Acceptance Period, White Horse may accept the offer described in the Russian Venture Offer Notice on behalf of the Company by giving notice in writing (the "**Russian Venture Acceptance Notice**") of that acceptance to CEDC. The Russian Venture Acceptance Notice shall specify the place and time (being not earlier than 21 and not later than 60 days after the date of the Russian Venture Acceptance Notice) at which the sale of the rights to acquire such Russian Business Venture or an interest therein will be completed.

(c) CEDC will be bound to transfer the rights to acquire such Russian Business Venture or an interest therein to the Company, and the Shareholders will cause the Company to bind itself to acquire such Russian Business Venture, at the time and place specified in the Russian Venture Acceptance Notice, and the Shareholders shall procure that the payment of the Russian Venture Sale Price for such Russian Business Venture or an interest therein will be made by the Company to CEDC.

10.5 **Further Assurances**

Subject to Clause 3.2, each of the Shareholders undertakes to the others to do, execute and perform (and to procure that all third parties directly or indirectly under their respective Control do, execute and perform) all such further deeds, documents, acts, assurances and things as may reasonably be required to carry out the provisions and intent of this Agreement and the Articles. Where any obligation in this Agreement is expressed to be undertaken or assumed by a party, that obligation is to be construed as requiring the party concerned to apply commercially reasonable efforts to exercise all voting rights and other then existing powers of corporate or contractual control over the affairs of any other person (including specifically any subsidiary of such party) that it is able to exercise (whether directly or indirectly) in order to secure performance of such obligation.

11. RESTRICTIONS ON SHARE DEALINGS

11.1 **Permitted Transfers**

(a) A Shareholder (or other Person entitled to transfer the Shares registered in the name of a Shareholder) (the "**Transferor**") may at any time transfer all or any Shares in the Company held by such Shareholder (the "**Relevant Shares**") to any Person that is a 100% Affiliate of an Original Ultimate Parent, in which case such Transferor may if it so wishes assign all but not part of the rights arising under this Agreement to such transferee, and such transferee shall assume all but not part of the obligations of an applicable Shareholder arising under this Agreement. The Transferor shall procure that such transferee signs the Deed of Adherence in the form attached as Schedule 6.

(b) Subject to this Clause 11.1, if a Shareholder subsequently ceases to be a 100% Affiliate of its Original Ultimate Parent, it will forthwith transfer the Relevant Shares to a 100% Affiliate of the Original Ultimate Parent. If it does not so transfer its Shares within 14 days of ceasing to be a 100% Affiliate of the Original Ultimate Parent, the other Shareholder shall be entitled (but not obliged) to serve a Default Notice to such Shareholder ceasing to be a 100% Affiliate of its Original Ultimate Parent, in accordance with the procedure set forth in Clause 13.1 and there shall be an Event of Default in relation to such Shareholder ceasing to be a 100% Affiliate of its Original Ultimate Parent. Further, if a Shareholder to whom rights under this Agreement were assigned and who assumed obligations under this Agreement in accordance with Clause 11.1(a) subsequently ceases to be a 100% Affiliate of its Original Ultimate Parent, each such assignment and assumption (or such minimum number of them as may be necessary to cause the obligations under this Agreement to be held by a 100% Affiliate of the Original Ultimate Parent) shall forthwith be of no effect, and to the extent any such assignment or assumption continues to have effect following the date on which the relevant Shareholder ceases to be a 100% Affiliate of the Original Ultimate Parent, an Event of Default shall be deemed to have occurred in respect of such Shareholder.

(c) Any Director may request the Transferor (or the person named as transferee in any transfer lodged for registration) to provide the Company with such information and evidence as a Director may reasonably consider necessary or relevant for the purpose of ensuring that a transfer of Shares is permitted under this Clause 11.1. If this information or evidence is not provided to the reasonable satisfaction of all Directors within 21 days after a Director's request, the Shareholders shall cause the Directors to refuse to register the transfer in question.

(d) The provisions of Clauses 11.2(b) - 11.2(i) (inclusive) and 11.3 shall not apply to transfers made pursuant to and in accordance with this Clause 11.1.

11.2 **Transfer and Transmission**

(a) Any instrument of transfer of Shares must be in writing in any usual or common form or in any other form acceptable to the Directors subject always to being in such form as is required by applicable law and be executed by or on behalf of the Transferor and (in the case of a partly paid Share) by or on behalf of the transferee.

(b) Save where permitted pursuant to Clause 11.1, no Shareholder (or other Person entitled to transfer the Shares registered in the name of a Shareholder) may transfer all or any Shares or any interest in any Shares, unless and until the following provisions of this Clause 11.2 are complied with in respect of such transfer PROVIDED THAT, notwithstanding anything to the contrary in this Agreement or Clause 11.2, no Shareholder (or other Person entitled to transfer the Shares registered in the name of a Shareholder) may transfer any Share pursuant to Clause 11.2 until the expiration of 10 years following the date of Final Closing, other than with respect to Clause 11.1 or the enforcement by third party financial institutions of such Encumbrances of the Shares as are permitted under Clause 8.10.

(c) Before a Shareholder (or other Person entitled to transfer the Shares registered in the name of a Shareholder) (the "**Seller**") transfers or disposes of any Share or any interest in any Share to any Person after the date falling ten years after the Final Closing, the Seller shall give notice in writing (an "**Offer Notice**") to the other Shareholders (the "**Other Shareholders**") offering to sell such Shares to the Other Shareholders in accordance with this Clause 11.2. The offer will be open for a period of 60 days from the date of the Offer Notice (the "**Acceptance Period**"). If the Seller is White Horse or a White Horse Affiliate, the Offer Notice shall be given (and the offer of the Shares described therein shall be made) solely to CEDC (or as the case may be its permitted assignee to whom CEDC's rights under this Agreement have been assigned pursuant to Clause 11.1). If the Seller is CEDC or a CEDC Affiliate, the Offer Notice shall be given (and the offer of the Shares described therein shall be made) solely to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1). If the Seller is not White Horse, a White Horse Affiliate, CEDC or a CEDC Affiliate, the Offer Notice shall first be given (and the offer of the Shares described therein shall first be made) solely to CEDC (or as the case may be its permitted assignee to whom CEDC's rights under this Agreement have been assigned pursuant to Clause 11.1) and if CEDC (or as the case may be its permitted assignee to whom CEDC's rights under this Agreement have been assigned pursuant to Clause 11.1) does not accept such offer as to all such Shares in accordance with the procedure set forth in this Clause 11.2(c), the Seller shall give an Offer Notice (and offer the Shares described therein) solely to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) on the Business Day immediately following the expiration of the Acceptance Period.

(d) The Offer Notice:

(i) shall confirm that the Seller has received a bona fide all cash offer from a Person who is not an Affiliate of the Seller to purchase some or all of its Shares, give details of the identity of the proposed purchaser and the terms of such offer, including the number of Shares which are the subject of such offer (the "**Sale Shares**") and the offer price therefor (the "**Sale Price**");

(ii) except as provided in Clause 11.2(d)(iii), shall be irrevocable; and

(iii) except where it is given or deemed to be given under Clauses 11.1(b) or 13.1 (*Default Notice*), may contain a provision that, unless the Other Shareholders purchase all or a minimum number of the Sale Shares, none of the Sale Shares will be sold to the Other Shareholders.

(e) Subject to Clause 11.2(c), any time within the Acceptance Period, any or all of the Shareholders to whom the Offer Notice is given (the "**Accepting Shareholders**") may accept the offer of all or, subject to Clause 11.2(d)(iii), any of the Sale Shares (but not less than the minimum number (if any) specified in the Offer Notice) by giving notice in writing (the "**Acceptance Notice**") of that acceptance to the Seller. The Acceptance Notice shall specify the place and time (being not earlier than 21 and not later than 60 days after the date of the Acceptance Notice) at which the sale of the Sale Shares (or, subject to Clause 11.2(d)(iii), such of the Sale Shares as are accepted for purchase) will be completed.

(f) The Seller will be bound to transfer the Sale Shares (or, subject to the provisions of Clause 11.2(d)(iii), such of the Sale Shares as are applied for) to the Accepting Shareholders at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares (or such proportionate part of the Sale Price it relates to such of the Sale Shares as are applied for) will be made by the Accepting Shareholders to the Seller.

(g) If, after having become bound to do so, the Seller fails to transfer the Sale Shares (or, subject to the provisions of Clause 11.2(d)(iii), such of the Sale Shares as are applied for), then the following provisions shall apply:

(i) the Chairman of the Company or failing him the Secretary will be deemed to have been appointed the Seller's agent with full power to execute, complete and deliver, in the name of and on behalf of the Seller, a transfer of the Sale Shares (or such of the Sale Shares as are applied for) to the Accepting Shareholders against payment of the Sale Price (or such proportionate part of it as aforesaid);

(ii) on payment to the Company of the Sale Price (or such proportionate part of it as aforesaid) and of the relevant stamp duty payable in respect of the transfer to the Company, the Accepting Shareholders will be deemed to have obtained a good discharge for that payment and on execution and delivery of the transfer(s) the Accepting Shareholders will be entitled to insist that its name is entered in the register of members as the holder by transfer of, and to be issued with share certificates in respect of, the Sale Shares (or, subject to Clause 11.2(d)(iii), such of the Sale Shares as are applied for); and

(iii) after the name of the Accepting Shareholders has been entered in the register of members in exercise of the powers mentioned above, the validity of the proceedings will not be questioned by any Person

(h) The Company will be trustee for any moneys received as payment of the Sale Price (or such proportionate part of it as aforesaid) from the Accepting Shareholders and will promptly pay them to the Seller (subject to applying the same on its behalf in settling any fees or expenses falling to be borne by the Seller) together with any balancing share certificate to which it may be entitled.

(i) If, by the expiry of the Acceptance Period, the offer for the Sale Shares has not been accepted on the terms of the Offer Notice or otherwise as aforesaid by the Accepting Shareholders or if any of the Sale Shares allocated are not paid for by the Accepting Shareholders on the date for completion specified in the Acceptance Notice, then, subject to Clause 11.3, the Seller may elect to transfer, within three months thereafter, those Sale Shares to any Person at a cash price not lower than the Sale Price. For the avoidance of doubt, if the Accepting Shareholders have not accepted for payment the minimum number of Sale Shares specified in the Offer Notice, all the Sale Shares may be sold pursuant to this Clause 11.2(i).

(j) The Directors may refuse to register any transfer of any Share unless:

(i) it has been transferred in accordance with the provisions of this Clause 11;

(ii) it is lodged at the registered office or at another place determined by the Directors, and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show that the Transferor is the holder or a person entitled to execute the transfer under Clause 11.1; and

(iii) complies with applicable law.

PROVIDED THAT, notwithstanding anything to the contrary in this Agreement or Clause 11.2, no Shareholder (or other Person entitled to transfer the Shares registered in the name of a Shareholder) may transfer any Share pursuant to Clause 11.2 until the expiration of 10 years following the date of Final Closing, other than with respect to the enforcement by third party financial institutions of such encumbrances of the Shares as are permitted under Clause 8.10.

11.3 **Tag Along Rights**

(a) Notwithstanding Clause 11.2, if CEDC or any of its Affiliates is deemed a Seller for the purposes of Clause 11.2 (the "**Tag Along Seller**") elects to transfer the Sale Shares (the "**Sale Interest**") in accordance with Clause 11.2(i) (a "**Tag Along Sale**"), then White Horse and each of its permitted transferees holding Shares (the "**Tag Along Shareholder**") shall have the right to participate in such Tag Along Sale on the terms set out in this Clause 11.3.

(b) The Tag Along Seller shall give the Tag Along Shareholder not less than 30 days' written notice (a "**Sale Notice**") of its intention, describing the price offered, all other material terms and conditions of the Tag Along Sale and, if the consideration payable pursuant to the Tag Along Sale consists in whole or in part of consideration other than cash, such information relating to such other consideration as the Tag Along Shareholder may reasonably request and which is available to the Tag Along Seller.

(c) In connection with any Tag Along Sale, the Tag Along Shareholder shall have the right, in its sole discretion, to sell some or all of its Shares at the same price per Share and otherwise on the same terms and at the same time as set out in the Sale Notice; PROVIDED, HOWEVER, THAT the number of Shares sold by the Tag Along Shareholder shall not be less than the total number of Shares held by the Tag Along Shareholder on the date of the Sale Notice multiplied by a fraction, the numerator of which is the number of Shares being sold by the Tag Along Seller in the Tag Along Sale and the denominator of which is the total number of Shares held by the Tag Along Seller on the date of the Sale Notice.

11.4 **Transfer of Rights and Obligations**

If a transfer of Shares is made in accordance with the terms of this Agreement or otherwise, the transferring Shareholder shall procure that the transferee enters into and delivers to the Company a Deed of Adherence in the form attached in Schedule 6, and unless and until such transferee so enters into and delivers such Deed of Adherence, such transfer shall be void and of no effect.

11.5 **Release of Shareholder Guarantees**

In the event that a Shareholder (the "**Disposing Shareholder**") disposes of all of its Shares, otherwise than to one of its Affiliates, the Shareholder acquiring those Shares (the "**Acquiring Shareholder**") will use all reasonable endeavours to obtain the release of the Disposing Shareholder from any Shareholder Guarantee. Until that release is obtained, the Acquiring Shareholder shall keep the Disposing Shareholder indemnified against all Losses in connection with any Shareholder Guarantee.

11.6 **Endorsement of Share Certificates**

The share certificate for each Share shall have endorsed upon it a memorandum to the following effect:

"The Shares represented by this Certificate are subject to the terms and conditions of an Agreement made on [•], 2008 a copy of which is available for inspection to Shareholders and (at the invitation of the Shareholders and subject to delivery of an appropriate undertaking regarding confidentiality) to a *bona fide* potential transferee of Shares, at the registered office of the Company."

12. **DEADLOCK**

Each Shareholder shall use all reasonable endeavours to resolve any disagreement they may have on any matter requiring their joint approval under the terms hereof. If the Shareholders cannot agree (a "**Deadlock**"), each Shareholder shall refer the matter to, in the case of CEDC and each of its Affiliates as are Shareholders, the chief executive officer of CEDC, and in the case of White Horse and each of its Affiliates as are Shareholders, to a nominee (the "**White Horse Nominee**"), who shall endeavour in good faith to settle the Deadlock as soon as practicable.

13. **DEFAULT**

13.1 **Default Notice**

(a) If an Event of Default occurs due to the acts or omissions of a Shareholder (the "**Defaulting Shareholder**"), then the other Shareholder(s) (the "**Non-defaulting**

Shareholders") shall be entitled (but not obligated) to serve a notice (a "**Default Notice**") on the Defaulting Shareholder. Upon service of the Default Notice (or, in the case of a Default Notice being served on the basis of the Event of Default set out in Clause 13.3(e) (and not on any other basis), following the expiry of 15 Business Days following the date of the relevant Default Notice specifying the relevant breach PROVIDED THAT the material breach giving rise to the Event of Default has not at such time been remedied (at no cost to the Non-defaulting Shareholders or, if there shall have been a cost of the non-defaulting shareholders, if such cost has been fully reimbursed)), the Non-defaulting Shareholders shall be entitled (but not obliged) to serve a further notice (an "**Exit Notice**") and thereafter promptly appoint the Independent Expert who shall determine the Default Price and provide written notice to the Shareholders of such determination within 30 Business Days of the Default Notice (the "**Default Price Notice**").

(b) If the Defaulting Shareholder is a CEDC Shareholder (or as the case may be their permitted assignees to whom their respective rights under this Agreement have been assigned pursuant to Clause 11.1) or an Affiliate thereof, from the date of delivery of such Exit Notice, CEDC shall be bound to purchase, and White Horse and each of its relevant Affiliates shall be bound to sell, all of the Shares held by White Horse and each such Affiliate (the "**Default Shares**") on the terms substantially the same as those set out in the Term Sheet. The purchase will be completed as soon as reasonably practicable at the registered office of the Company or such other location as the parties may agree. CEDC shall forthwith pay the Default Price directly to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate) by deposit of immediately available funds to such bank and account as it may designate in writing for that purpose or, if White Horse or such transferee fails to designate such a bank and/or account, then to such bank and account that CEDC shall designate in writing for the deposit of such funds to be held for the account or on behalf of White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate).

(c) If the Defaulting Shareholder is White Horse or as the case may be any permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1, from the date of delivery of such Exit Notice, White Horse and each of its relevant Affiliates shall be bound to sell, and CEDC shall be bound to purchase, the Default Shares on the terms substantially the same as those set out in the Term Sheet. The purchase will be completed as soon as reasonably practicable at the registered office of the Company or such other location as the parties may agree. If White Horse or any such Affiliate, after having become bound to transfer the Default Shares to CEDC, defaults in so doing, the Board shall authorise the execution of any necessary transfers of the Shares in favour of CEDC and a duly appointed representative of the Board will be deemed to have been appointed White Horse's or such Affiliate's attorney with full power to execute, complete and deliver, in the name of and on behalf of White Horse or as the case may be such Affiliate, a transfer of the Default Shares, and shall cause CEDC to be entered in the register of the Company as the holder of the Default Shares. CEDC shall forthwith pay the Default Price directly to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate) by deposit of immediately available funds to such bank and account as it may designate in writing for that purpose or, if White Horse or such transferee fails to designate such a bank and/or account, then to such bank and account that CEDC shall designate in writing for the

deposit of such funds to be held for the account or on behalf of White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (on behalf of itself and each relevant Affiliate).

(d) In any other case, not covered by (a) and (b) above, the Defaulting Shareholder shall sell its or their Shares to White Horse and CEDC in proportion to their respective shareholdings in the Company (in each case together with their Affiliates).

(e) Any costs incurred by the Company or any Shareholder in determining the Default Price shall be borne by the Defaulting Shareholder.

(f) In the event that CEDC fails to comply with its obligation to purchase the Default Shares where required by this Clause 13.1, White Horse shall have the right to call CEDC's shares in the Company on terms *mutatis mutandis* to the above, at a price equal to the Specified Proportion of CEDC together with each of its Affiliates (taken together) of the Base Valuation for the relevant year (but for such purpose disregarding the $300,000,000 floor), multiplied by 80 per cent.

13.2 **Other Rights of Non-Defaulting Shareholders**

The right of the Non-defaulting Shareholders to serve a Default Notice or an Exit Notice is without prejudice to any other rights or remedies which any Non-Defaulting Shareholders may have against the Defaulting Shareholder.

13.3 **Meaning of "Event of Default"**

An "**Event of Default**" in relation to a Shareholder means the occurrence of any of the following:

(a) that Shareholder transferring any Shares or any interest in any Shares otherwise than as permitted under the terms of this Agreement;

(b) save as permitted by this Agreement, that Shareholder assigning any of its rights under this Agreement;

(c) (i) (in respect of CEDC and each Affiliate of CEDC) the Consolidated Company failing to satisfy a Proposal made in accordance with Clause 8.7 in full by the Final Date, PROVIDED THAT such satisfaction in full does not require the consent, approval or other action of White Horse of any of its Affiliates which has not been timely given and (ii) the passing of the date on which a Proposal may be made pursuant to Clause 8.7, PROVIDED THAT no such Proposal has then been made with respect to the relevant Shortfall Situation or an Overspend Situation;

(d) that Shareholder breaching its obligations under Clauses 5.2(a), 5.2(b), or 8.1;

(e) any breach by the parties to the SPA of their obligations under Clause 8 of the SPA;

(f) any material breach by that Shareholder of its obligations under this Agreement;

(g) the making of an order or the passing of a resolution for the administration, liquidation or winding-up of that Shareholder or any Person that Controls such Shareholder, otherwise than for the purpose of a solvent reconstruction or amalgamation;

(h) in the circumstances for the occurrence of an Event of Default set out in Clause 11.1(b); or

(i) any event occurring in an applicable jurisdiction which is analogous to any of the events referred to in Clause 13.3(g).

14. TRANSFERS OF SHARES UPON DEFAULT

14.1 Place and Timing of Completion

If a Shareholder (the "**Purchasing Shareholder**") exercises its right under the provisions of Clause 13 to purchase the Shares of another Shareholder (the "**Selling Shareholder**"), then completion of the Purchase ("**Default Completion**") shall take place:

(a) at the registered office of the Company or at such other location as agreed between the Shareholders; and

(b) subject to an earlier date being specified by this Agreement, 15 Business Days after the date on which Default Price Notice is served.

14.2 Default Completion

At the Default Completion

(a) the Selling Shareholder shall deliver (or procure that there are delivered) to the Purchasing Shareholder:

(i) a duly completed share transfer form transferring the legal and beneficial ownership of the relevant Shares to the Purchasing Shareholder (or as it may direct);

(ii) the share certificates relating to the Shares; and

(iii) such other documents as the Purchasing Shareholder may reasonably require to show good title to the Shares or to enable the Purchasing Shareholder to be registered as the holder of the Shares subject to the payment of any applicable transfer taxes, stamp duties or similar amounts due to be paid as a consequence of the transfer (which shall be the sole responsibility of the Selling Shareholder);

(b) the Purchasing Shareholder shall pay (or shall procure that there is paid) to the Selling Shareholder the purchase price of such Shares as provided for herein; and

(c) the Selling Shareholder shall deliver to the Purchasing Shareholder such resignations and other documents as required by Clause 5.5.

14.3 Default by Selling Shareholder

If a Selling Shareholder which has become bound to sell its Shares defaults in transferring any Shares, then the Purchasing Shareholder may execute a transfer of those Shares in favour of the Purchasing Shareholder. Each Shareholder irrevocably appoints each other Shareholder as its attorney for such purpose and to secure the performance of the Selling Shareholder's obligation to transfer the Shares to the Purchasing Shareholder hereunder.

14.4 **Registration of Transfers**

The Shareholders shall procure that the Directors shall not be obliged to register any transfer of any Share:

(a) if the transfer is, in the reasonable opinion of each of the Directors who are Cypriot Residents (but excluding for such purpose any such Director who is appointed by the proposed transferor or the proposed transferee of the Share), not permitted under the terms of this Agreement; or

(b) in any event, unless the transferee (unless it is already a Shareholder) shall have entered into a Deed of Adherence pursuant to Clause 11.4.

The Directors shall otherwise be obliged to register any transfer subject only to any requirements of applicable law.

15. GUARANTEE OF CEDC

15.1 **Guarantee**

CEDC unconditionally and irrevocably guarantees to White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1), the due and punctual performance of all of the obligations of Bols under this Agreement.

15.2 **Continuance of Guarantee**

The guarantee set out in Clause 15.1 is a continuing guarantee. No payment or other settlement will discharge CEDC's obligations under Clause 15.1 unless and until all of Bols' obligations subject to the guarantee have been discharged in full.

15.3 **Independence of Guarantee**

The guarantee set out in Clause 15.1 is in addition to, and independent of, any other guarantee or security which White Horse (or as the case may be its permitted assignee to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) may have.

15.4 **Primary Obligor**

As an original and independent obligation, CEDC agrees to perform every payment obligation expressed to be undertaken by Bols under this Agreement which is not performed by Bols, notwithstanding that such obligations may not be enforceable against Bols, whether by reason of any legal limitation, disability or incapacity affecting Bols or any other fact or circumstance (other than any limitation imposed by this Agreement), as though those payment obligations had been undertaken by Bols as the sole or principal obligor in respect of them, and those obligations shall be performed by CEDC on demand.

16. TERMINATION

16.1 **Reasons for Termination**

This Agreement shall continue in full force and effect from the date hereof until the earliest of the following:

(a) the date on which all the Shareholders agree in writing to its termination;

(b) the date on which all the Shares become legally and beneficially owned by one Person; and

(c) the date of dissolution of the Company following its liquidation whether voluntary or compulsory (other than for the purpose of an amalgamation or reconstruction approved by all the Shareholders).

16.2 **Continuing Obligations after Termination**

If this Agreement terminates, all obligations of the parties under this Agreement shall end (except for any provision expressly stated to survive termination), but (for the avoidance of doubt) all rights and liabilities of the parties which have accrued before termination shall continue to exist.

17. **ANNOUNCEMENTS**

(a) Subject to Clause 17(b), no announcement concerning this Agreement or any ancillary matter shall be made by any party (and each party shall procure that no member of their respective Groups, and that the Company and no member of the Group, shall make any such announcement) without the prior written approval of CEDC (in the case of announcements by White Horse or the Company) and/or White Horse (in the case of announcements by the Company and/or Bols and/or CEDC), such approval not to be unreasonably withheld or delayed.

(b) Any party may make an announcement, or permit or allow any other member of its Group to make an announcement, concerning this Agreement or any ancillary matter if and to the extent required by:

(i) the law of any relevant jurisdiction;

(ii) any securities exchange or regulatory or governmental body to which such party or Group member is subject or submits, wherever situated, whether or not the requirement for information has the force of law;

in which case the party concerned (except where such party is CEDC) shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other before making (or as the case may be permitting or allowing) such announcement.

(c) The restrictions contained in this Clause 17 shall continue to apply after the rescission or termination of this Agreement for a period of three years.

18. **CONFIDENTIALITY**

(a) Subject to Clause 18(b), each party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to:

(i) the provisions of this Agreement;

(ii) the negotiations relating to this Agreement or the transaction documents;

(iii) the subject matter of this Agreement, the Business or the transaction documents; or

(iv) the other party.

(b) Notwithstanding Clause 18(a), a party may disclose Confidential Information if and to the extent that:

(i) it is required by the law of any relevant jurisdiction;

(ii) it is required by any securities exchange or regulatory or governmental body to which it is subject or submits, wherever situated, whether or not the requirement for information has the force of law;

(iii) it is disclosed on a strictly confidential basis to the professional advisers, auditors and bankers of that party;

(iv) it is disclosed on a strictly confidential basis to directors and employees of that party or to directors and employees of its Affiliates in each case strictly on a need to know basis;

(v) the information has come into the public domain through no fault of that party or any of its Affiliates;

(vi) CEDC (in the case of disclosure by White Horse) or White Horse (in the case of disclosure by Bols and/or CEDC) have given its prior written approval to the disclosure; or

(vii) such disclosure is required to enable that party to enforce its rights under this Agreement.

(c) Each of the parties hereby agrees that they shall not use Confidential Information for any purpose other than the performance of their obligations under this Agreement (and the transactions contemplated hereby) or in connection with the Business, or in connection with the enforcement of their rights hereunder.

(d) The restrictions contained in this Clause 18 shall continue to apply after the rescission or termination of this Agreement for a period of three years.

19. NOTICES

19.1 General

(a) Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing.

(b) Any such notice or other communication shall be addressed as provided in Clause 19.2 and, if so addressed, shall be deemed to have been duly given or made as follows:

(i) if sent by personal delivery, upon delivery at the address of the relevant party;

(ii) if sent by international courier, upon receipt of a confirmation of delivery; and

(iii) if sent by facsimile, upon receipt of a confirmation of transmission,

PROVIDED THAT if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside Working Hours, such notice or other communication shall be deemed to be given or made at the start of Working Hours on the next Business Day.

19.2 **Contact Information**

The relevant addressee and facsimile number of each party for the purposes of this Agreement, subject to Clause 19.3, are:

Name of party:	*For the attention of:*	*Facsimile No.:*
White Horse	Sergei Kupriyanov	+7 495 702 62 15
Bols	William V. Carey	+48 22 488 43 10
CEDC	William V. Carey	+48 22 488 43 10
Company	William V. Carey and	+48 22 488 43 10
	Sergei Kupriyanov	+7 495 702 62 15

The addresses of White Horse, Bols, CEDC and the Company are as set forth at the commencement of this Agreement.

Any notice or other communication to White Horse shall be addressed as above, with a copy to:

Akin Gump Strauss Hauer & Feld LLP
Ducat Place II
7 Gasheka Street
Moscow 123056 Russia
Attn: Andrei Danilov
Facsimile No.: +7-495-783-7701

Any notice or other communication to Bols or CEDC shall be addressed as above, with a copy to:

Dewey & LeBoeuf
One Minster Court
Mincing Lane
London EC3R 7YL
United Kingdom
Attn: Stephen J. Horvath III
Facsimile No.: +44-20-7459-5099

Any notice or other communication to the Company shall be addressed as above, with a copy to each of:

Akin Gump Strauss Hauer & Feld LLP
Ducat Place II
7 Gasheka Street
Moscow 123056 Russia
Attn: Andrei Danilov
Facsimile No.: +7-495-783-7701

Dewey & LeBoeuf
One Minster Court
Mincing Lane
London EC3R 7YL
United Kingdom
Attn: Stephen J. Horvath III
Facsimile No.: +44-20-7459-5099

19.3 **Changes to Contact Information**

A party may notify the other parties to this Agreement of a change to its name, relevant addressee, address or fax number for the purposes of Clause 19.2 PROVIDED THAT such notification shall only be effective on:

(a) the date specified in the notification as the date on which the change is to take place; or

(b) if no date is specified or the date specified is less than five clear Business Days after the date on which notice is given, the date falling five clear Business Days after notice of any such change has been given.

20. **COSTS**

Each party shall pay its own costs and expenses in relation to the preparation, negotiation and execution of this Agreement and the negotiations leading up to the same and each party shall be responsible for the costs and expenses of its own advisors.

21. **GENERAL**

21.1 **No prejudice to Other Rights**

Any rights conferred upon any Shareholder by this Agreement shall be without prejudice to the rights conferred on a Shareholder under general law by virtue of its shareholding in the Company.

21.2 **Cessation**

Subject to the terms of this Agreement, a party shall cease to be a party to this Agreement for the purpose of receiving benefits and enforcing its rights with effect from the date such party ceases to legally own any shares in the capital of the Company (but without prejudice to any benefits and rights accrued prior to such cessation and any provisions expressed to survive termination of this Agreement).

21.3 **Interaction of the Articles and this Agreement**

(a) In the event of any conflict between this Agreement and the Articles, this Agreement shall override those conflicting provisions.

(b) The Shareholders shall vote their Shares in favour of any amendments to the Articles that may be necessary or desirable to give effect to this Agreement and the transactions contemplated by the SPA, including the reclassification of the Shares.

21.4 **No Assignment**

Save as provided in Clause 11, no party may assign any of its rights under this Agreement without the prior written consent of the other parties.

21.5 **Entire Agreement**

This Agreement (and all other documents which are entered into by the parties or any of them in connection with this Agreement) contain the whole agreement between the parties relating to the subject matter of this Agreement and such other documents at the date hereof. Each party acknowledges that it has not been induced to enter this Agreement by, and in agreeing to enter into this Agreement it has not relied on, any representation or warranty except as expressly stated or referred to in this Agreement and/or any such other document and, so far as permitted by law (and except in the case of fraud) each of the parties hereby waives any remedy in respect of (and acknowledges that the other parties nor any of their respective agents, directors, officers or employees have given) any such representations or warranties which are not expressly stated or referred to in this Agreement and/or any such other document.

21.6 **Amendments**

This Agreement may only be varied in writing signed by each of the parties.

21.7 **Remedies and Waivers**

(a) No delay or omission on the part of either party to this Agreement in exercising any right, power or remedy provided under this Agreement or any other documents referred to herein shall impair such right, power or remedy, or operate as a waiver thereof.

(b) The single or partial exercise of any right, power or remedy provided under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

21.8 **Invalidity**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any competent jurisdiction such provision shall not affect or impair:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

(b) the legality, validity or enforceability under the law of any other jurisdiction of such provision or any other provision of this Agreement.

21.9 **No Partnership**

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Shareholders and/or between any of them and the Company. Save as provided herein or in the Articles or as required or implied by applicable law, no Shareholder shall have or owe any duty or obligation to any other Shareholder or to the Company.

21.10 **Counterparts**

This Agreement may be executed in counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but the counterparts shall together constitute but one and the same instrument.

21.11 **Choice of Governing Law and Arbitration**

(a) This Agreement shall be governed by and construed in accordance with the laws of England without giving effect to applicable conflict of laws provisions.

(b) All Shareholders shall give reasonable support, if requested by the Company, in Litigation other than litigation against that Shareholder or its Affiliates or which otherwise is or may be materially detrimental to that Shareholder.

(c) Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, or termination, shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration (the "**LCIA Rules**"), which rules are deemed to be incorporated by reference into this Agreement. There shall be three arbitrators, and the parties agree that one arbitrator shall be nominated by each party in dispute (save as set out in Clause 21.11(d)). The third arbitrator, who shall act as the chairman of the tribunal, shall be nominated by agreement of the two party-nominated arbitrators within fourteen days of the confirmation of the appointment of the second arbitrator, or in default of such agreement, appointed by the LCIA Court. The seat or place of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction.

(d) Where there are more than two parties to any reference for arbitration in accordance with Clause 21.11(c), and except where otherwise agreed by the parties, for the purposes of Article 8.1 of the LCIA Rules the parties agree that White Horse, on the one hand, and CEDC, on the other hand, represent two separate sides for the formation of the arbitral tribunal as claimant and respondent respectively (or vice versa). Accordingly, White Horse shall nominate one arbitrator and CEDC shall nominate one arbitrator, respectively. The third arbitrator, who shall act as the chairman of the tribunal, shall be nominated by agreement of the two party-nominated arbitrators within 14 days of the confirmation of the appointment of the second arbitrator, or in default of such agreement, appointed by the LCIA Court.

(e) Nothing in this Agreement shall prevent the parties seeking interim relief or conservatory measures in aid of the arbitration proceedings or for the enforcement of any arbitral award, PROVIDED THAT the parties agree that they may seek, and shall only be entitled to, such relief as is consistent with Clauses 21.11(c) and 21.11(d). Without prejudice to such provisional remedies that may be granted by a national court in aid of arbitration, the arbitral tribunal shall have full authority to grant

interim or conservatory measures, to order a party to seek modification or vacation of interim or conservatory measures issued by a national court, and to award damages or give other appropriate relief for the failure of any party to respect the arbitral tribunal's orders to that effect.

(f) The parties hereby waive their rights to apply or appeal under Sections 45 and 69 of the Arbitration Act 1996.

SCHEDULE 1

DEFINITIONS

"**100% Affiliate**" means, with respect to a Shareholder, an Affiliate (i) that directly or indirectly owns one hundred per cent. of the equity securities of such Shareholder, (ii) one hundred per cent. of whose equity securities are directly or indirectly owned by such Shareholder, or (iii) one hundred per cent. of whose equity securities are directly or indirectly owned by an Affiliate that directly or indirectly owns one hundred per cent. of the equity securities of such Shareholder;

"**1C**" has the meaning ascribed to such term in the SPA;

"**1C Amount**" has the meaning ascribed to such term in the SPA;

"**Acceptance Period**" has the meaning given in Clause 11.2(c);

"**Acceptance Notice**" has the meaning given in Clause 11.2(e);

"**Accepting Shareholders**" has the meaning given in Clause 11.2(e);

"**Acquiring Shareholder**" has the meaning given in Clause 11.5;

"**Affiliate**" means in respect of any Person, another Person that is a Parent of, Controls, is Controlled by or is under common Control with the first-mentioned Person, PROVIDED THAT no member of the Group shall be an Affiliate of White Horse or either CEDC Shareholder;

"**Annual Budget**" means, in relation to each Financial Year, the business plan of the Company for that Financial Year prepared and delivered in accordance with Clause 7 comprising a forecast balance sheet and forecast of income and expenditure for the Company and its Subsidiaries including, amongst other things, projections of revenues, costs and fixed and working capital expenditure requirements;

"**Applicable EBITDA**" means, with respect to the date of determination, the Company's Consolidated audited net profit for the prior financial year, before the deduction of interest, taxation, depreciation, amortization and non-recurring revenues and costs as derived from the accounts for such financial period or financial year and as determined in accordance with GAAP and specifically:

(a) excluding any deduction of tax on profits;

(b) excluding interest expense and similar charges and interest receivable or received and similar income (together with net monetary gain/loss from currency exchange rates adjustments);

(c) excluding costs and income arising from transactions of a capital nature (and in particular without limitation profits or losses on the sale of land, buildings or other fixed or intangible assets, profits or losses on the sale of investments, profits or losses on the sale of businesses, brands or companies and profits or losses caused by fluctuation in foreign currency exchange);

(d) excluding amortisation of any goodwill or any intangible assets;

(e) excluding depreciation or write down of fixed assets;

(f) excluding costs and expenses incurred in connection with the group's acquisition activities and the compensation and reimbursement of related expenses for those employees who are engaged in such activities where one of the acquisitions was consummated in the respective period;

(g) including earnings derived from or generated in connection with sale of inventory;

(h) including earnings attributable to third party minority interests in any Subsidiary of the Company;

(i) excluding costs related to stock options awarded to senior management;

(j) excluding all audit related expenses;

(k) excluding expenses related to compensation of members of the board of directors; and

(l) excluding one-off non-recurrent revenues and expenses.

"**Applicable Multiple**" means with respect to the year 2010 and previous years 12, with respect to the year 2011, 11, and with respect to the year 2012 and thereafter, 10.

"**Articles**" means the Amended and Restated Memorandum of Association and the Amended and Restated Articles of Association of the Company to be adopted pursuant to clause 4.9 of the SPA;

"**Base Strategic Plan**" has the meaning given in Clause 8.2(c);

"**Base Valuation**" means the greater of the Applicable Multiple for the relevant year multiplied by the Applicable EBITDA for the previous year, or, if greater, $300,000,000;

"**Binding Obligation**" shall mean making, entering into or amending a contract, arrangement or commitment involving any agreement, transaction or payment (whether by a single transaction or payment or a series of related transactions or payments) whereby any member of the Group will pay (or, with respect to any guaranty or other indemnity or similar liability, contingently obligating any member of the Group to pay) to any person (other than a member of the Group), or whereby any person (other than a member of the Group) will pay (or, with respect to any guaranty or other indemnity or similar liability, contingently obligating any such person to pay) to any member of the Group (whether by a single transaction or payment or a series of related transactions or payments), more than $100,000 (or the equivalent thereof in any other currency);

"**Board**" means the board of directors of the Company from time to time;

"**Business**" means the business of the Company as described in Clause 3.1;

"**Business Day**" means any day except a Saturday or Sunday or statutory holiday in any of Moscow, New York, Warsaw, or the Republic of Cyprus;

"**Call Option**" has the meaning given in Clause 10.2(a);

"**Call Option Exercise Notice**" has the meaning given in Clause 10.2(b);

"**Call Shares**" has the meaning given in Clause 10.2(a);

"**CEDC Directors**" means the directors appointed by the CEDC Shareholders in accordance with Clause 5.2(b) or as the case may be their alternates;

"**CEDC Group**" means CEDC and its Affiliates (other than the Group);

"**Chairman**" means the person appointed to that title pursuant to Clause 5.2 for so long as such person holds such title;

"**Change of Control**" means, in relation to any Person, any Person or group of Persons becomes the beneficial owner or owner of an interest, directly or indirectly, or ceases to be the beneficial owner or owner of an interest, directly or indirectly, representing fifty per cent. or more of the voting power of the total outstanding interests of such Shareholder;

"**Company Value**" means, at any date of determination, the Applicable Multiple for such year multiplied by the Applicable EBITDA for the previous year;

"**Consolidated**" means the consolidation of any Person, in accordance with GAAP, with its properly consolidated Subsidiaries;

"**Control,**" "**Controls,**" or "**Controlled**" means:

(a) with respect to control of a company by a Person, the holding (other than by way of security) by or for the benefit of that Person of securities of that company to which are attached more than fifty per cent. of the votes that may be cast to elect directors of the company; or

(b) with respect to control of any other Person other than a company by a Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of that other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Cypriot Resident**" means a resident of the Republic of Cyprus pursuant to the applicable laws of the Republic of Cyprus;

"**Deadlock**" has the meaning given in Clause 12;

"**Debt to Equity Ratio**" means with respect to any Subsidiary of the Company formed under the laws of the Russian Federation, as of any date of determination, the ratio of (a) outstanding debt of such Subsidiary to (b) the difference between the sum of assets and the amount of liabilities of such Subsidiary, at such date, which such ratio is in violation of Article 269 of the Russian Tax Code;

"**Default Completion**" has the meaning given in Clause 14.1;

"**Default Notice**" has the meaning given in Clause 13.1;

"**Default Price**" means:

(a) if the Defaulting Shareholder is CEDC or an Affiliate of CEDC, with respect to the year in which the relevant Event of Default occurs, the greater of (i) an amount equal to the Specified Proportion of White Horse together with each of its Affiliates (taken together) of the Base Valuation for the relevant year (but for such purpose disregarding the $300,000,000 floor), multiplied by 120 per cent. (or, where applicable, multiplied by the relevant Uplift Percentage), and (ii) $300,000,000; or

(b) if the Defaulting Shareholder is White Horse or an Affiliate of White Horse, with respect to the year in which the relevant Event of Default occurs, the greater of (i) an amount equal to the Specified Proportion of White Horse together with each of its Affiliates (taken together) of the Base Valuation for the relevant year (but for such purpose disregarding the $300,000,000 floor), multiplied by 90 per cent., and (ii) $300,000,000;

"**Default Price Notice**" has the meaning given in Clause 13.1

"**Defaulting Shareholder**" has the meaning given in Clause 13.1;

"**Default Shares**" has the meaning given in Clause 13.1;

"**Director**" means a director of the Company for the time being;

"**Disposing Shareholder**" has the meaning given in Clause 11.5;

"**Distribution Amount**" means, with respect to the date of determination, a person's Consolidated audited net profit for the prior financial year, before the deduction of interest amounts payable to any member of the CEDC Group in respect of financing arrangements made with any such member for such financial year and as determined in accordance with GAAP;

"**Encumbrance**" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, option, assignment, security interest or other encumbrance of any kind exercisable by a third party securing or any right conferring a priority of payment in respect of any obligation of any person;

"**Equity Interest**" means:

(a) with respect to a company, any and all shares of capital stock;

(b) with respect to a partnership, limited liability company, trust, or similar Person, any and all units, interests or other partnership or limited liability company interests; and

(c) any other direct equity ownership or participation in a Person;

"**Event of Default**" has the meaning given in Clause 13.3;

"**Exit Notice**" has the meaning given in Clause 13.1;

"**Final Closing**" shall have the meaning given thereto in the SPA;

"**Final Date**" has the meaning given in Clause 8.7;

"**Financial Indebtedness**" means indebtedness for moneys borrowed, debit balances at banks and other financial institutions, indebtedness under bonds, notes, debentures, loan stock or other debt security, and indebtedness under any guarantee or indemnity and any other transaction or indebtedness which would, in accordance with GAAP, be treated as a borrowing;

"**Financial Year**" means an accounting reference period of the Company which shall begin 1 January and end 31 December;

"**Funding Notice**" means a notice in writing from the Board to the Shareholders which shall specify:

(a) that further funds are required by the Company;

(b) the amount of the further funds required in the opinion of the Board;

(c) to the extent practicable, the period for which such funds are required in the opinion of the Board; and

(d) in reasonable detail, the reasons and/or calculations supporting these opinions;

"**GAAP**" means those generally accepted accounting principles and practices in the United States recognized as such by the Financial Accounting Standards Board (or any generally recognised successor);

"**Group**" means the Company and its Subsidiaries;

"**IFRS**" means the standards and interpretations adopted by the International Accounting Standards Board and known as the International Financial Reporting Standards;

"**Independent Expert**" means a member firm of the network of independent firms known as PricewaterhouseCoopers, KPMG, Ernst & Young, or Deloitte as agreed between the Defaulting Shareholder and (a) CEDC (if the Defaulting Shareholder is White Horse or an Affiliate of White Horse) or (b) White Horse (if the Defaulting Shareholder is CEDC or an Affiliate of CEDC) or otherwise (c) the Non-defaulting Shareholders (but excluding for such purpose any Affiliates of the Defaulting Shareholder), each acting reasonably and in good faith, or if such member firm is not so agreed upon within ten Business Days after service of an Exit Notice, such member as is thereafter engaged by the Non-defaulting Shareholders serving the relevant Exit Notice;

"**Interim Period**" means the period beginning with the closing date under the SPA and ending upon the Final Closing (as defined under the SPA);

"**Licenses**" means the licenses described on Schedule 3;

"**Losses**" means, in respect of any matter, event or circumstance, all losses, claims, demands, actions, proceedings, damages, and other payments, costs, expenses or other liabilities of any kind arising out of such matter, event or circumstance;

"**Minimum Holding Condition**" means, in respect to a given Shareholder, the Specified Proportion of that Shareholder together with the Specified Proportions of each of its Affiliates being in excess of five per cent.;

"**New Production Facilities**" means the facilities described on Schedule 4;

"**Non-defaulting Shareholders**" has the meaning given in Clause 13.1;

"**Offer Notice**" has the meaning given in Clause 11.2(c);

"**Operational Financial Requirements**" means: (a) the minimum financial obligations required to operate the Company and its Subsidiaries in the ordinary course of business and obtain and maintain the Licenses, in each case during the Interim Period, and (b) the financial obligations described in a Russian Venture Offer Notice, the offer pertaining to which has been accepted pursuant to Clause 10.3(d);

"**Option Purchase Price**" means, with respect to the exercise of a Call Option or as the case may be the Put Option, an amount equal to the product of: (a) a fraction, the numerator of which is the number of Call Shares or Put Shares, as applicable, in such exercise, the denominator of which is all outstanding Shares, and (b) the Base Valuation as of such exercise;

"**Original Ultimate Parent**" means the Ultimate Parent of the Transferor at the time the Transferor acquired the Relevant Shares;

"**Other Shareholders**" has the meaning given in Clause 11.2(c);

"**Overspend Situation**" has the meaning given in Clause 8.6;

"**Parent**" means, with respect to any Person, any such other Person that owns, directly or indirectly, fifty per cent. or more of the outstanding capital stock or other Equity Interests of such Person, and in the case of White Horse, any of the direct or indirect ultimate beneficial holders of shares of White Horse and any immediate family member thereof;

"**Permitted Overspend**" means, to the extent actually spent, any expenditure specifically approved by a White Horse Director (whether pursuant to Clause 8.1(a) or otherwise) or White Horse (or a simple majority of its permitted assignees to whom White Horse's rights under this Agreement have been assigned pursuant to Clause 11.1) (whether pursuant to Clause 8.1(b) or otherwise);

"**Proposal**" has the meaning given in Clause 8.7;

"**Put Option**" has the meaning given in Clause 10.3(a);

"**Put Option Exercise Notice**" has the meaning given in Clause 10.3(b);

"**Put Shares**" has the meaning given in Clause 10.3(a);

"**Purchasing Shareholder**" has the meaning given in Clause 14.1;

"**Qualifying External Circumstance**" means:

(a) with respect to a possible Shortfall Situation, an event or circumstance outside of the reasonable control of the CEDC Shareholders or their Affiliates that (i) constitutes a breach by (x) the Seller, (y) a third-party provider of a service to a member of the Company Group, or (z) a third-party seller of an asset to a member of the Company Group, in respect of the purchase of an asset or service from a person other than the CEDC Shareholders or their Affiliates, (ii) is required under the terms of the licences or approvals under which the Business operates, (iii) arises due to a newly enacted or amended law or regulation of the Russian Federation, or (iv) is an incident of

terrorism, fire, explosion, flood, or other calamity, or is a labour dispute, which in the case of subparagraph (i), (ii), (iii), or (iv), as applicable, has reduced an item of Relevant Expenditure, or affected the date on which such Relevant Expenditure was incurred, such that a Shortfall Situation has arisen, and

(b) with respect to a possible Overspend Situation, an event or circumstance outside of the reasonable control of the CEDC Shareholders or their Affiliates that (i) arises due to a newly enacted or amended law or regulation of the Russian Federation, or (ii) is an incident of terrorism, fire, explosion, flood, or other calamity, or is a labour dispute, which in the case of subparagraph (i) or (ii), as applicable, has increased an item of Relevant Expenditure, or affected the date on which such Relevant Expenditure was incurred, such that an Overspend Situation has arisen;

"**Relevant Expenditure**" means such expenditure of the Consolidated Company as is classified or treated as "Employee Expenses", "Marketing Spend", "Selling, General and Administrative Expenses" or "Capital Expenditures" for the purposes of the Annual Budget;

"**Relevant Shares**" has the meaning given in Clause 11.1(a);

"**Relevant Overspend Percentage**" means (i) with respect to the financial year ending 31 December 2008, 120 per cent., and (ii) with respect to the financial year ending 31 December 2009, 110 per cent. and (iii) with respect to the financial year ending 31 December 2010 and thereafter, 110 per cent.;

"Relevant Underspend Percentage" means (i) with respect to the financial year ending 31 December 2008, 80 per cent., and (ii) with respect to the financial year ending 31 December 2009, and thereafter, 90 per cent.;

"**Russian Business Venture**" means any business venture whose the primary income originates from products or services manufactured, distributed, or supplied in the Russian Federation, the consideration paid for which does not exceed $50,000,000;

"**Russian Tax Code**" means the Tax Code of the Russian Federation, part 1 No. 146-FZ dated 31 July 1998 and part 2 No. 117-FZ, dated 5 August 2000, as amended;

"**Russian Venture Offer Notice**" has the meaning given in Clause 10.4(a);

"**Russian Venture Acceptance Notice**" has the meaning given in Clause 10.4(b);

"**Russian Venture Acceptance Period**" has the meaning given in Clause 10.4(a);

"**Russian Venture Sale Price**" has the meaning given in Clause 10.4(b);

"**Sale Interest**" has the meaning given in Clause 11.3(a);

"**Sale Notice**" has the meaning given in Clause 11.3(b);

"**Sale Price**" has the meaning given in Clause 11.2(d)(i);

"**Sale Shares**" has the meaning given in Clause 11.2(d)(i);

"**Sales Ceiling Percentage**" means (i) with respect to the financial year ending 31 December 2008, 110 per cent., (ii) with respect to the financial year ending 31 December 2009, 107.5 per cent. and (iii) with respect to the financial year ending 31 December 2010 and thereafter, 105 per cent.;

"**Sales Floor Percentage**" means (i) with respect to the financial year ending 31 December 2008, 90 per cent., (ii) with respect to the financial year ending 31 December 2009, 92.5 per cent. and (iii) with respect to the financial year ending 31 December 2010 and thereafter, 95 per cent.;

"**SAP**" has the meaning ascribed to such term in the SPA;

"**Secretary**" means the corporate secretary of the Company from time to time;

"**Seller**" has the meaning given in Clause 11.2(c);

"**Selling Shareholder**" has the meaning given in Clause 14.1;

"**Share**" means a share in the capital of the Company from time to time in issue;

"**Shareholder Guarantee**" means any guarantee of liabilities of any member of the Group by a Shareholder or any Affiliate of a Shareholder;

"**Shareholders**" means the holders of Shares from time to time;

"**Shortfall Situation**" has the meaning given in Clause 8.5;

"**Shortfall Quarter**" means a quarter in which there are one or more Shortfall Situations;

"**Shortfall Uplift Percentage**" means with respect to the calculation Default Price following the Event of Default described at Clause 13.3(c), (i) 130 per cent. in the event of there being one Shortfall Quarter, (ii) 140 per cent. in the event of there being two Shortfall Quarters, (iii) 150 per cent. in the event of there being three Shortfall Quarters, (iv) 160 per cent. in the event of there being four Shortfall Quarters and (v) 170 per cent. in the event of there being five or more Shortfall Quarters;

"**SPA**" means the sale and purchase agreement for Shares in the Company entered into between White Horse, William V. Carey and the CEDC Shareholders, dated 11 March, 2008;

"**Specified Proportion**" means, in relation to a Shareholder at any time, the proportion of the total number of outstanding Shares that it holds at that time;

"**Subsidiary**" means any Person of which at least five per cent. of the Equity Interest (however designated) entitled (without regard to the occurrence of any contingency) to vote in the election of the governing body, partners, managers, directors or others that will control the management of such entity is owned by such Person directly or indirectly;

"**Tag Along Sale**" has the meaning given in Clause 11.3(a);

"**Tag Along Seller**" has the meaning given in Clause 11.3(a);

"**Tag Along Shareholder**" has the meaning given in Clause 11.3(a);

"**Term Sheet**" means the terms set forth in Schedule 5 hereto;

"**Transferor**" has the meaning given in Clause 11.1(a);

"**Ultimate Parent**" means, in relation to any Person, any Parent of such Person who is not a Subsidiary of another Person;

"**Uplift Percentage**" means with respect to the calculation of the Default Price following the Event of Default described at Clause 13.3(c), (i) 130 per cent. in the event of there being one Shortfall Quarter, (ii) 140 per cent. in the event of there being two Shortfall Quarters, (iii) 150 per cent. in the event of there being three Shortfall Quarters, (iv) 160 per cent. in the event of there being four Shortfall Quarters and (v) 170 per cent. in the event of there being five or more Shortfall Quarters;

"**Urozhay Brand**" means the rights to the trademarks of ZAO Firm Urozhay categorized as class 33 under the International (Nice) Classification of Goods and Services for the Purposes of the Registration of Marks (8th Edition);

"**White Horse Directors**" means the directors appointed by White Horse in accordance with Clause 5.2(a) or as the case may be their alternates;

"**White Horse Group**" means the White Horse and its Affiliates (other than the Group);

"**White Horse Nominee**" has the meaning given in Clause 12; and

"**Working hours**" means 9.30 a.m. to 5.00 p.m. on a Business Day.

SCHEDULE 2
PART A

KEY BOARD DECISIONS

1. **CONSTITUTION OF THE COMPANY**

Change its registered name, its registered office, or its business name.

2. **THE BUSINESS**

(a) Enter into a Binding Obligation if, at the moment when such Binding Obligation is proposed to be entered into, with respect to the then existing quarter of the Consolidated Company, such Binding Obligation will cause or is reasonably likely to cause a Relevant Expenditure being more than the Relevant Overspend Percentage of the corresponding projected expenditure for each relevant category as set forth for the relevant quarter in the Annual Budget, as multiplied by a fraction of which the numerator is the amount of Sales reasonably estimated for such quarter taking into account the facts and circumstances as of such moment (which for purposes of this paragraph 2(a) will be deemed to be no more than the Sales Ceiling Percentage of the amount of Sales as set forth for the relevant quarter in the Annual Budget) and the denominator is the amount of Sales as set forth for the relevant quarter in the Annual Budget.

(b) Enter into a partnership, joint venture, or profit sharing agreement.

(c) Make or permit any substantial alteration (including cessation) to the general nature of the Business or add any material new activity.

(d) Enter into voluntary liquidation.

3. **SHARE CAPITAL**

(a) Subscribe for or otherwise acquire, whether by formation or otherwise, any interest in the share capital of any other company or body corporate other than in a member of the Group and other than interests in trade associations or similar bodies.

(b) Permit the disposal or dilution of its interest directly or indirectly in any company or body corporate other than to a member of the Group and other than interests in trade associations or similar bodies.

4. **FINANCIAL POLICY**

(a) Exceed a Group Debt Ratio of 3.5 to 1, where “Group Debt Ratio” means with respect to the Company on a Consolidated basis, as of any date of determination, the ratio of (a) outstanding Financial Indebtedness to (b) the Applicable EBITDA.

(b) Chose to default under any existing Financial Indebtedness.

5. **RELATED PARTY TRANSACTIONS, BINDING OBLIGATIONS**

(a) Making, entering into or amending any Binding Obligation with a Shareholder or an Affiliate of a Shareholder, other than on an arms length basis and under market conditions.

(b) Enter into a Binding Obligation if, with respect to any quarter of the Consolidated Company, if such Binding Obligation will cause or is reasonably likely to cause the Relevant Expenditure being more than the Relevant Overspend Percentage of the corresponding projected expenditure for each relevant category as set forth for the relevant quarter in the Annual Budget, as multiplied by the fraction of which the numerator is the amount of Sales in such quarter (which for purposes of this paragraph 5(b) will be deemed to be no more than the Sales Ceiling Percentage of the amount of Sales as set forth for the relevant quarter in the Annual Budget) and the denominator is the amount of Sales as set forth for the relevant quarter in the Annual Budget.

SCHEDULE 2

PART B
KEY SHAREHOLDER DECISIONS

1. **CONSTITUTION OF THE COMPANY**

Alter or amend its Articles.

2. **THE BUSINESS**

(a) Sell, transfer, lease, licence or in any way dispose of all or a material part of the Business whether by a single transaction or a series of transactions related or not.

(b) Absorb or merge with or be absorbed by or merge with any other company.

3. **CONTRACTING**

Except as otherwise required pursuant to Clause 3.2, amend an agreement with a Shareholder or an Affiliate of a Shareholder in a manner otherwise than on an arm's length basis and to the material detriment of the Company or the Group.

4. **SHARE CAPITAL**

(a) Carry out any form of capital restructuring.

(b) Create any shares or securities.

(c) Increase, reduce, repay, subdivide, consolidate or otherwise vary its share capital or the rights attaching to any shares in its share capital.

(d) Offer or grant or agree to offer or grant any option to subscribe or other right to call for shares of the Company.

(e) Issue or agree to issue any shares in the Company or any securities convertible into shares of the Company.

5. **FINANCIAL POLICY**

(a) Permit any member of the Group to guarantee any obligations of any person other than a member of the Group.

(b) Permit any member of the Group to grant or (to the extent it can lawfully do so) permit any Encumbrance over the assets of the Company or any other member of the Group (including, for the avoidance of doubt, any share in any Subsidiary held by the Company or any other member of the Group), other than in respect of any obligation of another member of the Group.

6. **MANAGEMENT**

(a) Increase the number of Directors or alter the permitted number of Directors that may be appointed hereunder.

(b) Appoint or dismiss a Director except in accordance with Clause 5.2.

IN WITNESS whereof the parties have **EXECUTED** and **DELIVERED** this Agreement as a **DEED** the day and year first before written

EXECUTED as a **DEED**)
for and on behalf of)
WHITE HORSE INTERVEST)
LIMITED)
Acting by /s/ Sergey Kupriyanov) /s/ Sergey Kupriyanov

Attorney-in-fact
Witness /s/ Oleg Isaev

EXECUTED as a **DEED**)
for and on behalf of)
BOLS SP. Z O.O.)
acting by /s/ Christopher Biedermann) /s/ Christopher Biedermann

Attorney-in-fact
Witness /s/ Siawomir Koumiah

EXECUTED as a **DEED**)
for and on behalf of)
CENTRAL EUROPEAN)
DISTRIBUTION CORPORATION)
acting by /s/ William Carey) /s/ William Carey

Chairman, President and CEO

EXECUTED as a **DEED**)
for and on behalf of)
COPECRESTO ENTERPRISES)
LIMITED)
acting by /s/ William Carey) /s/ William Carey

Attorney-in-fact
Witness /s/ Siawomir Koumiah