

**Memorandum of Understanding**  
**between the Government of Ukraine**  
**and the Government of the United States of America**

The Government of Ukraine and the Government of the United States of America (hereinafter “the Parties”), Confirming their intention to cooperate with the aim of developing relations between the two countries in the area of investment;

Desiring to ensure favorable conditions for investment including the principles of equality and mutual benefits and the provisions of the Treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, and Related Exchange of Letters, signed at Washington March 4, 1994; and With regard to the situation which has developed in connection with the investment of Alliant Techsystems Inc. to ensure operation of closed-end Joint Stock Company Alliant Kyiv;

Achieved the following understanding:

Section 1

The Parties welcome and admit the importance of the agreements that are envisioned to be concluded between the U.S. Overseas Private Investment Corporation (hereinafter: OPIC) and an economic entity (hereinafter– the Enterprise), selected by the Government of Ukraine with OPIC’s approval, as described in Section 2 of this Memorandum of Understanding, and, in accordance with their respective national laws, intend to facilitate the implementation of these agreements.

Section 2

The Parties take into account the agreements (hereinafter – Agreements) regarding resolution of the situation involving the investments of Alliant Techsystems Inc. into Alliant Kyiv. These Agreements envisage that:

(i) OPIC would transfer to the Enterprise the rights assigned by Alliant Techsystems Inc. to OPIC in connection with the payment made by the latter (hereinafter – the Rights). The transfer of rights would be made in accordance with the legislation of Ukraine.

(ii) The Enterprise, in its turn, would transfer money in favor of OPIC in the amounts and during the time period specified by the Agreements.

The Parties support OPIC's willingness to consider the full and proper performance by the Enterprise of the payment and due implementation of other obligations under the provisions of the Agreements, as mentioned in the paragraphs (i) and (ii) of this Section as final resolution of the situation that emerged in connection with the investments of Alliant Techsystems Inc. in Alliant Kyiv.

#### Section 3

The U.S. Government confirms that OPIC will resume support of investment projects implemented in Ukraine by U.S. private investors, upon satisfaction of the conditions outlined in the Agreements for the resumption of such support.

#### Section 4

Parties acknowledge that the provisions of this Memorandum of Understanding do not constitute and should not be considered as constituting any admission on behalf of the Ukrainian Side of any commitment, debt, complaint or other claim of any company, including those involved in the resolution of the situation with regard to the investments of the Alliant Techsystems Inc.

#### Section 5

Each Side will endeavor to resolve any differences regarding the interpretation and/or application of provisions of this Memorandum of Understanding by holding consultations between the Parties.

#### Section 6

The Memorandum of Understanding enters into force upon signature by authorized representatives of the Parties.

Modifications and additions that are integral part of this Memorandum of Understanding can be incorporated into it upon mutual written consent of the Parties.

Signed in duplicate at Kyiv on November 10, 2008, in the Ukrainian and English languages. Both copies have equal value.

**For the Government of Ukraine**

**For the Government of  
the United States of America**