

TELECOM ARGENTINA SA  
Form 6-K  
January 27, 2006  
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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

For the month of January, 2006

Commission File Number: 001-13464

**Telecom Argentina S.A.**

(Translation of registrant's name into English)

**Alicia Moreau de Justo, No. 50, 1107**

**Buenos Aires, Argentina**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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**Telecom Argentina S.A.**

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**Item**

1. Indenture dated as of August 31, 2005, with Telecom Argentina S.A. as Issuer and The Bank of New York as Trustee, Registrar, Paying Agent and Transfer Agent.

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Item 1

INDENTURE

TELECOM ARGENTINA S.A.

as Issuer

THE BANK OF NEW YORK

as Trustee, Registrar, Paying Agent and Transfer Agent

Dated as of August 31, 2005

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Certain Sections of this Indenture  
relating to Sections 310 through 318,  
inclusive, of the Trust Indenture Act of 1939:

<b>Trust Indenture</b>	<b>Indenture</b>
<b>Act Section</b>	<b>Section</b>
§310 (a)(1)	5.08
(a)(2)	5.08
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(a)(5)	5.08
(b)	5.09 and 5.10
§311 (a)	5.14
(b)	5.14
§312 (a)	3.07
(b)	6.09
(c)	6.09
§313 (a)	3.26
(b)	3.26
(c)	3.26
(d)	3.26
§314 (a)	3.25
(a)(4)	3.25
(b)	Not Applicable
(c)(1)	12.05
(c)(2)	12.05
(c)(3)	12.05
(d)	Not Applicable
(e)	12.05
§315 (a)	5.01
(b)	5.13
(c)	5.01
(d)	5.01
(e)	4.13
§316 (a) (last sentence)	6.04
(a)(1)(A)	4.10
(a)(1)(B)	4.11
(a)(2)	Not Applicable
(b)	4.08
(c)	6.01 and 6.02
§317 (a)(1)	4.03 and 4.05
(a)(2)	4.03
(b)	3.04
§318 (a)	12.12

NOTE:

This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.



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THIS INDENTURE, dated as of August 31, 2005 (the **Indenture** ), between TELECOM ARGENTINA S.A. (the **Issuer** ), a *sociedad anónima* organized under the laws of Argentina, with legal domicile at Avenida Alicia Moreau de Justo 50, 11th Floor, 1107 Buenos Aires, Argentina, incorporated on April 23, 1990 for a period ending on July 13, 2089 and registered with the Public Registry of Commerce on July 13, 1990 under Number 4750, Book 108, Volume A of Corporations, and THE BANK OF NEW YORK, as trustee hereunder (the **Trustee** ).

WITNESSETH:

WHEREAS, the Issuer by resolutions of its shareholders dated November 2, 2004 and of the board of directors of the Issuer dated September 24, 2004, April 27, 2005 and July 25, 2005 has duly authorized the execution and delivery of this Indenture to provide for the issuance of up to U.S.\$ 1,872 million (or its equivalent in other currencies) aggregate principal amount of Notes (which term has the meaning set forth in Section 1.01 herein) issued pursuant to and in compliance with the Argentine Negotiable Obligations Law, Law No. 23,576, as amended, in one or more series and, in consideration of the fact that the Notes will be issued in different currencies and that the Peso Notes (which term has the meaning set forth in Section 1.01 herein) will be adjusted based on the CER (which term has the meaning set forth in Section 1.01 herein) on the Issuance Date (which term has the meaning set forth in Section 1.01 herein), such resolutions provided that the aggregate principal amount of Notes to be issued on the Issuance Date, expressed in Dollars, might be higher or lower than the stated amount as a result of the variation in the exchange rates of the currencies in which the Notes will be issued;

WHEREAS, the Issuer provides telecommunications services in Argentina, in particular fixed lined, local, national and international long distance services, as well as data transmission and access to Internet services, and through its subsidiaries, it provides mobile telecommunications services in Argentina and Paraguay and publishes telephone directories;

WHEREAS, the purpose of the Issuer is to render, either on its own account or on account of, or in association with, third parties, public telecommunications services, except for radio broadcasting, under the terms, if any, of the concessions granted by the relevant authorities. Furthermore, the Company may supply, lease, sell and market in any manner, all kinds of equipment, infrastructure and goods related to or supplementary with the telecommunications industry and may undertake works and provide all kinds of services, including advisory and safety services, in connection with telecommunications and information technology. For such purpose, the company has full legal capacity to acquire rights, undertake obligations and take any action not forbidden by law and by these bylaws, including the capacity to borrow funds, publicly or privately, through the issue of debentures and negotiable obligations.

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This corporate purpose shall not be modified by the shareholders without prior authorization by the competent authority;

WHEREAS, the corporate capital of the Issuer, as of June 30, 2005 is Pesos 984 million and the Issuer's shareholders equity as of June 30, 2005 is Pesos 960 million;

WHEREAS, all things necessary to make this Indenture a valid agreement of the Issuer and the Trustee, in accordance with its terms, have been done, and the Issuer has done all things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee and duly issued by the Issuer, the valid obligations of the Issuer as hereinafter provided;

WHEREAS, this Indenture is subject to, and will be governed by, the provisions of the Trust Indenture Act that are required to be a part of and govern indentures qualified under the Trust Indenture Act;

WHEREAS, pursuant to a Solicitation Statement dated June 22, 2004, as amended (the **Solicitation Statement**), the Issuer has solicited from the holders of approximately U.S.\$ 1,614 million principal amount of the outstanding Series C Medium Term Notes due 2002 (ISIN No. US879273AE01, CUSIP No. 879273AE0), Series E Medium Term Notes Due 2005 (ISIN No. XS0076226942), Series 1 Medium Term Notes Due 2003 (ISIN No. XS0109260686), Series 2 Medium Term Notes Due 2004 (ISIN No. XS0131485624), Series I Medium Term Notes Due 2004 (ISIN No. XS0096148779), Series K Medium Term Notes Due 2002 (ISIN No. XS0099123712), Series F Medium Term Notes Due 2007 (ISIN No. XS0076689024) and Series H Medium Term Notes Due 2008 (ISIN No. XS0084707313) (collectively, the **Existing Notes**) and from holders of the equivalent of approximately U.S.\$876 million principal amount of other unsecured, unsubordinated financial indebtedness (collectively, the **Existing Loans** and together with the Existing Notes, the **Existing Debt**), powers of attorney to, among other things, execute on their behalf an *acuerdo preventivo extrajudicial* or APE (which term has the meaning set forth in Section 1.01) under Argentine Law No. 24,522, as amended (the **Argentine Bankruptcy Law**) or commitments to execute the APE;

WHEREAS, the APE has been executed and delivered by the Issuer and by or on behalf of holders of Existing Debt in accordance with the Argentine Bankruptcy Law;

WHEREAS, the commercial court of the City of Buenos Aires, Argentina, to which the APE was submitted after its execution and delivery as aforesaid (the **Reviewing Court**) has endorsed ( *homologado* ) the APE (the **Court Approval**);

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WHEREAS, the Court Approval has become final and no further appeal may be taken from the Court Approval or objection made to the APE;

WHEREAS, the APE contemplates that the Series A Notes and Series B Notes (each as described in Section 2.03 herein) will be issued hereunder to give effect to the novation of the Existing Debt;

WHEREAS, the holders of Existing Notes will receive notes which will initially be represented by global certificates in fully registered form, and the Issuer has obtained the authorization of the Buenos Aires Stock Exchange to have such notes listed therein and, with respect to notes denominated in Euro, has applied to have such notes listed on the Luxembourg Stock Exchange ( **Listed Notes** );

WHEREAS, the holders of Existing Loans will receive a separate Series of Notes in registered definitive form, but which will not be listed on any securities exchange ( **Unlisted Notes** ); and

WHEREAS, the Trustee has agreed to act as Trustee under this Indenture on the following terms and conditions;

NOW, THEREFORE, in consideration of the premises and the receipt of the Notes by the Holders (as defined below) thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all Holders from time to time of the Notes, as follows:

ARTICLE 1

DEFINITIONS

Section 1.01 . *Certain Terms Defined.* The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any Indenture supplemental hereto shall have the respective meanings specified in this Section. The words herein , hereof and hereunder and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. Any reference to Articles, Sections or Exhibits, unless expressly otherwise provided herein, references Articles or Sections of, or Exhibits to, this Indenture. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, including terms defined therein by reference to the Securities Act (except as herein otherwise expressly provided or unless the context otherwise clearly requires), shall have the meanings assigned to such terms in said Trust Indenture Act of 1939 and in said Securities Act as in force at the date of this Indenture.

**Additional Amounts** has the meaning set forth in Section 3.05.

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**Affiliate** means, with respect to any Person, a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such Person. For purposes of this definition, the term **control** shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether by ownership of share capital, by contract, the power to appoint or remove a majority of the members of the governing body of that Person, or otherwise.

**AFIP** means *Administración Federal de Ingresos Públicos de Argentina*.

**Agent** means any Paying Agent or Transfer Agent.

**Agent Member** means a member of, or a participant in, the Depositary.

**APE** means the *acuerdo preventivo extrajudicial*, an out-of-court restructuring agreement governed by Law No. 24,522 and approved (*homologado*) by the Reviewing Court.

**Applicable Fixed Rate** means, for any date, the rate set forth below in the row opposite such date in the column corresponding to the **Denomination** of the Note:

**SERIES A NOTES**

<u>Date</u>	<u>Denomination</u>			
	<u>Dollar Notes</u>	<u>Euro Notes</u>	<u>Peso Notes</u>	<u>Yen Notes</u>
Issuance Date through October 15, 2008	5.53%	4.83%	3.23%	1.93%
October 16, 2008 through maturity	8.00%	6.89%	3.42%	3.69%

**SERIES B NOTES**

<u>Date</u>	<u>Dollar Notes</u>
Issuance Date through October 15, 2005	9.00%
October 16, 2005 through October 15, 2008	10.00%
October 16, 2008 through maturity	11.00%

**Argentina** means the Republic of Argentina.



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**Argentine Bankruptcy Law** has the meaning set forth in the recitals hereof.

**Argentine GAAP** means generally accepted accounting principles in Argentina in accordance with accounting principles adopted by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires, or

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CPCECABA, and in accordance with the accounting regulations adopted by the CNV applicable to all public companies in Argentina. As used herein, any reference to Argentine GAAP relating to calculation of consolidated financial information for the Issuer and its Subsidiaries (excluding Telecom Personal and its Subsidiaries) shall mean conformity to such principals except for the elimination of Telecom Personal and its Subsidiaries in consolidation. In the event Argentine GAAP should require in the future the application of inflation adjustments, calculations made hereunder shall be made using non-inflation adjusted figures.

**Argentine Government Obligations** means obligations issued or directly and fully guaranteed or insured by Argentina or by any agent or instrumentality thereof; *provided* that the full faith and credit of Argentina is pledged in support thereof.

**Arm s-Length Transaction** has the meaning set forth in Section 3.16.

**Asset Sale** means any sale, lease, transfer or other disposition of any assets by the Issuer or any Restricted Subsidiary (other than Telecom Personal or any Subsidiary thereof), including by means of a merger, consolidation or similar transaction or distribution of assets (other than cash or Cash Equivalents or shares in the Issuer) to any Person (each of the above referred to as a disposition ); *provided* that the following are not included in the definition of Asset Sale :

- (1) the disposition by the Issuer or any Restricted Subsidiary in the ordinary course of business of (i) cash and cash management investments and financial investments that are Cash Equivalents or Permitted Investments, (ii) inventory and other assets acquired and held for resale in the ordinary course of business, (iii) damaged, worn out or obsolete assets or (iv) rights granted to others pursuant to leases or licenses;
- (2) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof and the disposition of Receivables and Related Assets in a Permitted Receivables Financing;
- (3) the lease, assignment or sublease of any real or personal property in the ordinary course of business;
- (4) a transaction permitted by Section 8.01, including the disposition by the Issuer of all or substantially all of its assets for consideration other than cash;
- (5) any Restricted Payment permitted under Section 3.13 or any Permitted Investment; or

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- (6) any disposition in a transaction or series of related transactions of assets with a fair market value of less than U.S.\$5 million (or its equivalent in other currencies).

**Attributable Debt** means, with respect to any lease that is the subject of any Sale and Leaseback Transaction, at the date of determination, the present value, discounted at the rate of interest set forth or implicit in the terms of such lease (or, if not practicable to determine such rate, the weighted average interest rate borne by the New Debt then Outstanding), compounded annually, of the total net amount of rent required to be paid under such lease during the remaining term thereof, including renewal terms at the option of the lessor (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents).

**Authentication Agent** means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities of one of more series.

**Board of Directors** means the board of directors of the Issuer.

**Board Resolution** means any resolution or resolutions of the Board of Directors certified by the Director of Legal Affairs or any Officer of the Issuer to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee with an English translation of the same to be delivered reasonably thereafter.

**Business Day** means any day except a Saturday, Sunday or other day on which commercial banks are authorized or required by law or regulation to close in New York City or in Buenos Aires, or on which TARGET System is not operating.

**Calculation Date** has the meaning set forth in Section 10.02.

**Capital Lease** means, with respect to any Person, any lease of any property which, in conformity with Argentine GAAP, is required to be capitalized on the balance sheet of such Person.

**Capital Stock** means capital stock or other equity participation, including partnership interests, or warrants, options or other rights to acquire capital stock or other equity participations, but excluding any debt security that is convertible into, or exchangeable for, capital stock or other such equity participations.

**Cash Balance** means, as of any Calculation Date, the closing amount of cash and Cash Equivalents as shown on the consolidated cash flow statement for the Issuer and its Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) prepared in accordance with Argentine GAAP (except for the exclusion of Telecom Personal and its Subsidiaries in the consolidation) and

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including any amounts in the Reserve Account as of such date that the Issuer is entitled to withdraw and use for its own account.

**Cash Equivalents** means

- (1) Dollars, Euro, Pesos, the other official currencies of any member of the European Union or money in other currencies received or acquired in the ordinary course of business,
- (2) U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations, or securities issued directly and fully guaranteed or insured by any member of the European Union, or any agency or instrumentality thereof (provided that the full faith and credit of such member is pledged in support of those securities or other sovereign debt obligations (other than those of Argentina) rated A or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act, in each case with maturities not exceeding one year from the date of acquisition,
- (3) Argentine Government Obligations (including those of the Central Bank) or certificates representing an ownership interest in Argentine Government Obligations (including those of the Central Bank) with maturities not exceeding one year from the date of acquisition,
- (4) (i) demand deposits; (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers acceptance with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of Argentina or any state thereof.
- (5) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the United States of America or any state thereof or under the laws of any member state of the European Union, in each case whose short-term debt is rated A-2 or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act,
- (6) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (2) and (5)

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above entered into with any financial institution meeting the qualifications specified in clause (5) above,

- (7) commercial paper rated A-2 or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act and maturing within six months after the date of acquisition,
- (8) money market funds at least 95% of the assets of which consist of investments of the type described in clauses (1) through (7) above, and
- (9) substantially similar investments, of comparable credit quality, denominated in Dollars or in the currency of any jurisdiction in which such Person conducts business.

**Central Bank** means the Central Bank of the Republic of Argentina ( *Banco Central de la República Argentina* ).

**CER** means the *Coefficiente de Estabilización de Referencia* or the reference stabilization coefficient as calculated by the Central Bank, or any successor thereto, in accordance with the formula set forth in Annex I of Argentine Law No. 25,713. If the CER is abrogated, found to be inapplicable or not published, references to CER shall refer to any replacement measure adopted under Argentine law or, in the absence of any such replacement measure, any adjustment that shall be necessary to provide a substantially equivalent rate of return on the Peso Notes in comparison with similar Dollar Notes.

**Change in Working Capital** means, for any Excess Cash Period, the lesser of (i) the amount equal to the Working Capital as of the end of such period *minus* the Working Capital at the beginning of such period and (ii) 5% of the revenues of the Issuer and its Restricted Subsidiaries (excluding Telecom Personal and its Subsidiaries) for the last four consecutive fiscal quarters ending on such date.

**Change of Control** means any person or group (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than (x) Nortel or Sofora (for so long as either of them continue to be held, directly or indirectly, by Telecom Italia and W de Argentina Inversiones S.L.) or (y) an Eligible Telecommunications Operator, is or becomes the beneficial owner (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that any merger or consolidation with, or sale to, an Eligible Telecommunications Operator shall not be considered a Change of Control.

**Clearstream** means Clearstream Banking, *société anonyme*, Luxembourg.

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**CNV** means the Argentine National Securities Commission ( *Comisión Nacional de Valores* ).

**Commission** means the United States of America Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act of 1939, then the body performing such duties on such date.

**CONSOB** means the Italian Securities and Exchange Commission ( *Commissione Nazionale per la Società e la Borsa* ).

**Consolidated Net Worth** means, as of any date of determination, the shareholders' equity of the Issuer and its Restricted Subsidiaries or of the surviving entity (as such term is used under Section 8.01), as applicable.

**Consolidated Subsidiary** of any Person means a Subsidiary which for financial reporting purposes, in accordance with Argentine GAAP, is accounted for by such Person as a consolidated subsidiary.

**Corporate Trust Office** means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date hereof at 101 Barclay Street, Floor 21 West, New York, New York 10286.

**Court Approval** has the meaning set forth in the recitals hereof.

**Default** means any event that, with giving of any notice, the passage of time, or both, would be an Event of Default.

**Definitive Note** means a Note issued in definitive form to a Person other than the Depositary in accordance with Section 2.04.

**Depositary** means the depositary of each Global Note, which initially will be DTC, a nominee of DTC or a common depositary for Euroclear and Clearstream, or such other depositary as may be designated with respect to the Notes of any Series issuable or issued in whole or in part in the form of one or more Global Notes, and, if at any time there is more than one depositary, **Depositary** as used with respect to the Notes of that Series shall mean the Depositary with respect to the Global Notes of that Series.

**Devaluation Event Cure Period** has the meaning assigned under Section 10.14.

**Disqualified Stock** means, with respect to any Person, any Capital Stock which, by its terms (or by the terms of any security into which it is



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convertible or for which it is exchangeable), or upon the happening of any event, carries the right to any mandatory dividend or distribution payment (other than a right that is expressly subject to compliance by the Issuer with its obligations under this Indenture), matures or is mandatorily redeemable, in whole or in part, pursuant to a sinking fund obligation or otherwise, is exchangeable for Indebtedness, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the maturity date of the relevant Note.

**Distribution Payment** means (i) the payment by the Issuer of any dividend or other distribution on any Equity Interest in cash or Cash Equivalents and (ii) the reduction of capital by the Issuer paid with retained earnings or free reserves. For the purpose of determining the amount of any dividend or distribution made in Cash Equivalents, the Dollar Amount of such Cash Equivalents shall be calculated as of three Business Days prior to the record date for such dividend or distribution.

**Dollar Amount** means, as of any date, (i) with respect to outstanding Dollar Notes, the principal amount of such Dollar Notes, (ii) with respect to outstanding Euro Notes, the Dollar equivalent of the principal amount of such Euro Notes converted at the Dollar Exchange Rate for such date, (iii) with respect to outstanding Yen Notes, the Dollar equivalent of the principal amount of such Yen Notes converted at the Dollar Exchange Rate for such date, and (iv) with respect to outstanding Peso Notes, the Dollar equivalent of the principal amount of such Peso Notes converted at the Dollar Exchange Rate for such date.

**Dollar Exchange Rate** means, for any date, (i) with respect to Euro, the exchange rate for Dollars quoted by Bloomberg L.P. at 4:59 p.m., New York City time, on such date (or any successor or substitute service providing rate quotations comparable to those currently provided by such service, for purposes of providing quotations of exchange rates applicable to Dollars), (ii) with respect to Yen, the exchange rate for Dollars quoted by Bloomberg L.P. at 4:59 p.m., New York City time, on such date and (iii) with respect to Pesos, the Prevailing Exchange Rate.

**Dollar Note** means any Note denominated in Dollars.

**Dollars** and the sign \$ or U.S.\$ mean the lawful currency of the United States of America.

**DTC** means The Depository Trust Company, a New York corporation.

**EBITDA** means, for any period, the operating profit/loss for the Issuer and its Restricted Subsidiaries (excluding Telecom Personal and its Subsidiaries) on a consolidated basis for such period *plus*, without duplication and to the extent deducted in determining such operating profit/loss, the sum of (a) amortization of intangible assets for such period and (b) depreciation of fixed assets for such period.



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**Eligible Telecommunications Operator** means Telecom Italia or any internationally recognized telecommunications operator that meets the requirements of the *Pliego de Bases y Condiciones* approved by Argentine Decree No. 62/90, as amended, and that has a long-term debt rating that is Investment Grade.

**EMU Legislation** means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states of the European Union.

**Equity Interests** means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Indebtedness convertible into equity.

**Euro, euro** or means the single lawful currency of the member states of the European Union as constituted by the treaty establishing the European Community being the Treaty of Rome, as amended from time to time and as referred to in the EMU Legislation.

**Euroclear** means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

**Euro Note** means any Note denominated in Euro.

**Event of Default** means any event or condition specified as such in Section 4.01.

**Excess Cash** means, for any given Excess Cash Period, the amount equal to the sum of the following items for the Issuer and its Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries):

- (1) EBITDA increased by the sum of dividends received and interest income; *plus/minus*
- (2) any negative/positive Change in Working Capital; *minus*
- (3) aggregate amount of net financial expenses paid during such period (excluding deferred charges and financial interest); *minus*
- (4) all income taxes and other similar taxes paid during such Excess Cash Period; *minus*
- (5) all scheduled principal and interest payments (including any direct taxes on interest payment) under the New Debt and other Indebtedness of the Issuer permitted under the New Debt paid in cash during such Excess Cash Period using cash generated in such Excess Cash Period; *minus*



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- (6) all Permitted Capital Expenditures paid in cash during such period (other than Permitted Capital Expenditures financed pursuant to item (4) of the definition of Permitted Indebtedness, which are not paid in cash) *minus*
- (7) the amount of any Permitted Investment made pursuant to the following items of the definition of Permitted Investments paid during such period: items (7) and (14), and item (12) to the extent the acquired obligations were not applied in payments of taxes or other obligations under Argentine law during such period; *plus/minus*
- (8) any cash collateral required to be released/posted during such period in connection with Hedging Contracts; *minus*
- (9) 50% of any Regulatory Capital Expenditures paid in cash during such period; *minus*
- (10) 50% of any Mandatory Investments paid in cash during such period; *minus*
- (11) without duplication, any other cash expenses paid in the period and not included in the calculation of operating income; *plus*
- (12) an amount equal to any payment of principal made during a Devaluation Event Cure Period on Indebtedness of the Issuer Incurred after the Issuance Date having an original term of three years or more;

*provided, however*, that for the initial Excess Cash Period the amount of Excess Cash shall be the greater of (i) the amount of Excess Cash for such period calculated pursuant to the formula set forth above or (ii) the amount (if any) by which the Cash Balance as of the Calculation Date exceeds U.S.\$50 million (or its equivalent in other currencies), all as determined in Pesos in accordance with Argentine GAAP (except for the exclusion of Telecom Personal and its Subsidiaries in the consolidation). In the event Argentine GAAP should require in the future the application of inflation adjustments, Excess Cash shall be calculated using non-inflation adjusted figures.

For the purposes of determining Excess Cash, to the extent any cash amounts included in items (3) through (12) above are included in the calculation of Change in Working Capital, such amount shall not be duplicated in calculating items (3) through (12) above.

**Excess Cash Period** has the meaning set forth in Section 10.02.

**Exchange Act** means the United States of America Securities Exchange Act of 1934, as amended.

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**Existing Debt** has the meaning set forth in the recitals hereof.

**Existing Loans** has the meaning set forth in the recitals hereof.

**Existing Notes** has the meaning set forth in the recitals hereof.

**Extinguished Covenants** has the meaning set forth in Section 3.28.

**Global Note** means a Note evidencing all or part of a Series of Notes issued to the Depository for such Series in accordance with Section 2.04.

**Guarantee** means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other financial obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part; *provided* that the term **Guarantee** does not include endorsements for collection or deposit in the ordinary course of business or guarantees of performance that do not include any contingent payment obligation. The term **Guarantee** used as a verb has a corresponding meaning.

**Hedging Contract** means (i) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates or (ii) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates, in each case entered into in the ordinary course of business and not for speculative purposes.

**Holder, Holder of Notes, Noteholder** or other similar terms means, with respect to any Note, the Person in whose name at the time such Note is registered in the Register.

**Incur** and **Incurrence** mean, with respect to any Indebtedness, to incur, create, issue, assume or Guarantee such Indebtedness. The accretion of original issue discount or payment of interest in kind will not be considered an Incurrence of Indebtedness.

**Indebtedness** means, with respect to any Person, without duplication,

- (1) all obligations of such Person for borrowed money;



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- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person for the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;
- (4) all Attributable Debt under Sale and Leaseback Transactions under which such Person is a lessee;
- (5) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments, excluding obligations in respect of trade letters of credit or bankers' acceptances issued in respect of trade payables;
- (6) all sales of Receivables and Related Assets of such Person together with any obligation of such Person to pay any discount, interest, fees, indemnities, penalties, recourse, expenses or other amounts in connection therewith (except to the extent such sales of Receivables and Related Assets are non-recourse);
- (7) all obligations of such Person under Hedging Contracts;
- (8) Disqualified Stock of such Person;
- (9) all Indebtedness of others secured by any Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; and
- (10) all Indebtedness of other Persons Guaranteed by such Person to the extent so Guaranteed.

The amount of Indebtedness of any Person will be deemed to be:

- (1) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation;
- (2) with respect to Indebtedness secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the fair market value of such asset on the date the Lien attached and (y) the amount of such Indebtedness;
- (3) with respect to any Indebtedness issued with original issue discount, the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness;
- (4) with respect to any Hedging Contract, the net amount payable if such Hedging Contract terminated at that time due to default by such Person;

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- (5) with respect to any sale of Receivables and Related Assets, the amount of the unrecovered capital or principal investment of the purchase (other than the Issuer or a wholly owned Restricted Subsidiary of the Issuer) thereof, excluding amounts representative of yield or interest earned on such investment; and
- (6) otherwise, the outstanding principal amount thereof.

The outstanding principal amount of any particular Indebtedness shall be counted only once and any obligations arising under any Guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness shall not be double counted.

**Indenture** means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and such term shall include the forms and terms of particular Notes established as contemplated hereunder.

**Interest Payment Date** means April 15 and October 15 of each year, commencing after the date hereof; *provided* that if any Interest Payment Date would fall on a day other than a Business Day, such Interest Payment Date shall be the next succeeding Business Day with the same force and effect as if made on such April 15 or October 15, as applicable, with no accrual of interest for the period after such date.

**Interest Period** means (a) initially, the period commencing on the Issuance Date and ending on the first Interest Payment Date and (b) thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Interest Payment Date.

**International Standards** has the meaning set forth in Section 2.14.

**Investment** means,

- (1) any direct or indirect advance, loan or other extension of credit to another Person;
- (2) any capital contribution to another Person, by means of any transfer of cash or other property or in any other form;
- (3) any purchase or acquisition of Equity Interests, Indebtedness or other instruments or securities issued by another Person, including the receipt of any of the above as consideration for the disposition of assets or rendering of services; or
- (4) any Guarantee of any obligation of another Person, but only when payment has been made thereunder or such arrangement would be

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classified and accounted for as a liability on the balance sheet of the guarantor.

For the avoidance of doubt, Investments do not include capital expenditures.

If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary so that, after giving effect to that sale or disposition, such Person is no longer a Subsidiary of the Issuer, or designates any Restricted Subsidiary as an Unrestricted Subsidiary in accordance with Section 3.24, all remaining Investments of the Issuer and its Restricted Subsidiaries in such Person shall be deemed to have been made at that time.

**Investment Grade** means a rating of BBB-/Baa3 or higher or such similar equivalent or higher rating by an internationally recognized statistical rating organization including a statistical rating organization recognized by the Commission as a nationally recognized statistical rating organization.

**Issuer** means Telecom Argentina S.A., a *sociedad anónima* organized under the laws of Argentina, and, subject to Article 8, its successors and assigns.

**Issuance Date** means the date of issuance and delivery of the Notes.

**Issuer Order** means a written statement, request or order of the Issuer signed in its name by any two of the Chairman of the Board of Directors, the vice president of the Board of Directors and the chief financial officer of the Issuer.

**Leverage Ratio** means, as of any date of determination, the ratio of (i) total outstanding Indebtedness as of such date (calculated without giving effect to the discount to net present value applied to restructured debt under Argentine GAAP pursuant to Technical Resolution no. 17 of the CPCECABA or any similar standard then in effect), to (ii) EBITDA for the most recently completed period of four consecutive fiscal quarters, in each case for the Issuer and its Restricted Subsidiaries (excluding Telecom Personal and its Subsidiaries) on a consolidated basis as prepared in accordance with Argentine GAAP (except for the exclusion of Telecom Personal and its Subsidiaries in the consolidation).

**Leverage Ratio Adjustment Event** means (i) the making of a Distribution Payment by the Issuer or (ii) the incurrence of any capital expenditure in excess of the Permitted Capital Expenditures using funds from the Reserve Account or (iii) the making of a Mandatory Investment using funds from the Reserve Account.

**Lien** means, with respect to any asset, any mortgage, assignment, security interest, pledge, lien, encumbrance, trust, or any preferential arrangement



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having the practical effect of constituting a security interest with respect to such asset.

**Listed Notes** has the meaning set forth in the recitals hereof.

**Loan Agreement** has the meaning set forth in Section 12.13.

**Major Asset Sale** has the meaning set forth in Section 3.14.

**Major Devaluation Event** means any act or series of acts taken by the government of Argentina, general market conditions or any other event which results in real devaluation of the Peso of 25% or more in any period of six consecutive months after the Issuance Date as compared to January 1, 2004. The calculation of the real devaluation of the Peso will be based on the average of the United States Consumer Price Index and the Argentine Consumer Price Index for the relevant six month period (based on the last business day of each month during such period).

**Mandatory Investment** means Investments in the *Fideicomiso de Inversión y Desarrollo: Complejo Industrial Nacional de las Telecomunicaciones* or similar vehicle created for the purpose of financing development of the Argentine telecommunications industry and related purposes.

**Mandatory Prepayment Date** has the meaning set forth in Section 10.02.

**Market Purchase** means the purchase of any New Debt available for sale in the secondary market through broker-dealers or similar intermediaries at a price lower than the principal amount thereof; *provided* that any New Debt so purchased shall be surrendered promptly to the Trustee for cancellation.

**Measurement Date** means the end of business on the third day next preceding the applicable record date for the payment or redemption of any Note; *provided* that if any such day falls on a day that is not a Business Day, the next succeeding Business Day.

**Negotiable Obligations Law** means the Negotiable Obligations Law of Argentina, Law No. 23,576, as amended.

**Net Cash Proceeds** means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash (including (i) payments in respect of deferred payment obligations to the extent corresponding to principal, but not interest, when received in the form of cash and (ii) proceeds from the conversion of other consideration received when converted to cash), net of, without duplication,

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- (1) brokerage commissions and other fees and expenses related to such Asset Sale, including, without limitation, reasonable fees and expenses of counsel, accountants, currency exchange agents and investment bankers;
- (2) provisions for taxes and all other governmental charges and claims of any nature whatsoever payable as result of such Asset Sale;
- (3) payments required to be made as a result of such Asset Sale or to repay Indebtedness at the time of such Asset Sale that is secured by a Lien on the property or assets sold or is required to be repaid out of the proceeds of such Asset Sale; and
- (4) appropriate amounts to be provided as a reserve against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash.

**Net Debt Proceeds** means with respect to Incurrence by the Issuer of any Indebtedness after the Issuance Date (excluding Permitted Indebtedness and Indebtedness relating to Sale and Leaseback Transactions), except to the extent that such Indebtedness does not result in cash proceeds, the aggregate net proceeds received in cash, after the payment of reasonable expenses, commissions and the like incurred in connection therewith.

**Net Equity Proceeds** means, with respect to any sale of Qualified Equity Interests of the Issuer by the Issuer or any sale of Qualified Equity Interests by any of the Issuer's Restricted Subsidiaries to parties other than the Issuer and its Restricted Subsidiaries, the aggregate net proceeds received in cash, after the payment of reasonable expenses, commissions and the like incurred in connection therewith. If Disqualified Stock or Indebtedness is converted into Qualified Equity Interests of the Issuer, the amount so converted shall be deemed to be Net Equity Proceeds received at the time of conversion.

**Net Income** means, for any Person for such period, the net income (loss) of such Person determined in accordance with Argentine GAAP.

**Net Revenues** means, for any period, the net revenues of the Issuer and Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) determined in accordance with Argentine GAAP (except for the exclusion of Telecom Personal and its Subsidiaries in the consolidation).

**Net Tangible Assets** means, for any Person, the aggregate amount of assets of such Person determined in accordance with Argentine GAAP consistent

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with those applied in the preparation of such Person's annual audited financial statements, less goodwill, organizational expenses, research and development expenses, trademarks, trade names, copyrights, patents, patent applications, licenses and rights in any thereof, and other similar intangibles and any items not included in the foregoing which are treated as intangibles in conformity with Argentine GAAP.

**New Debt** means the Notes and the New Loans.

**New Loans** has the meaning set forth in Section 12.13.

**Note** or **Notes** means any Series A Note or Series B Note that have been authenticated and delivered under this Indenture.

**Note Payment** means the payment of the Outstanding Series A Notes and Series B Notes, together with accrued interest, if any, to the date fixed for payment and any Additional Amounts, which payment shall be applied to the remaining installments of the Notes in direct order of maturity, with such payment being made pro rata among the Notes based on the next remaining scheduled amortization payments; *provided* that any such payment made during a Devaluation Event Cure Period will be paid to Holders of Notes pro rata.

**Nortel** means Nortel Inversora S.A.

**Núcleo** means Núcleo S.A.

**Núcleo Refinancing** means the refinancing of the Núcleo Syndicated Loan by agreement among Núcleo and the lenders who are parties to such syndicated loan, and the refinancing of additional indebtedness of Núcleo that is related to or conditional on the refinancing of such syndicated loan.

**Núcleo Syndicated Loan** means the syndicated loan dated October 7, 1999 between Núcleo and a group of lending banks in an original amount equal to U.S.\$55 million.

**Offer to Prepay** has the meaning assigned to such term in the Loan Agreement.

**Offer to Redeem** has the meaning set forth in Section 10.03.

**Officer** means, when used with respect to the Issuer, the president, chief executive officer, chief financial officer, chief accounting officer, any member of the Board of Directors, or any of their respective attorneys-in-fact designated by the Issuer.

**Officers Certificate** means a certificate signed by any two Officers of the Issuer.

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**Operating Subsidiary** means (a) any Restricted Subsidiary of the Issuer that is (i) engaged directly or indirectly in and whose business consists primarily of or is related to, or whose income derives directly from, operating, acquiring, developing or constructing any telecommunications services and related business and (ii) whose business does not consist primarily of acting as a holding company or finance company or vehicle for one or more other members of the Restricted Subsidiaries or (b) any Subsidiary of an Operating Subsidiary described in clause (a).

**Opinion of Counsel** means an opinion in writing signed by legal counsel who may be an employee of or counsel to the Issuer or other counsel which opinion and which counsel shall be reasonably satisfactory to the Trustee.

**Optional Redemption** has the meaning set forth under Section 10.06.

**Outstanding** when used with reference to Notes, subject to the provisions of Section 6.04, means, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except

- (1) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Notes, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer for the Holders of such Notes (if the Issuer shall act as its own paying agent); *provided* that if such Notes, or portions thereof, are to be redeemed prior to the maturity thereof, written notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and
- (3) Notes in substitution for which other Notes shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 2.11 (except with respect to any such Note as to which proof satisfactory to the Trustee is presented that such Note is held by a Person in whose hands such Note is a legal, valid and binding obligation of the Issuer).

**Participating Holder** means the holder of the Issuer's Existing Debt that participated in the APE by granting a power of attorney to execute the APE on its behalf or executed the APE.

**Paying Agent** means a paying agent with respect to any Series of Notes appointed by the Issuer as contemplated by Section 3.02 and Section 3.04.

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**Permitted Business** means any business conducted by the Issuer or its Subsidiaries as of the Issuance Date, and any business providing telecommunications services or any business reasonably related, incidental, complementary or ancillary thereto.

**Permitted Capital Expenditures** means the following expenditure by the Issuer or any Restricted Subsidiary (excluding Telecom Personal and any Subsidiary thereof) for investment in the business of the Issuer or any Restricted Subsidiary (other than Telecom Personal and any Subsidiary thereof):

- (1) (a) for the fiscal years 2004 through 2011, the greater of (i) 15% of Net Revenues for the prior fiscal year and (ii) U.S.\$75 million (or its equivalent in other currencies) for fiscal year 2004, U.S.\$110 million (or its equivalent in other currencies) for fiscal year 2005, U.S.\$170 million (or its equivalent in other currencies) for fiscal year 2006, U.S.\$185 million (or its equivalent in other currencies) for fiscal year 2007, U.S.\$160 million (or its equivalent in other currencies) for each of fiscal years 2008 and 2009, U.S.\$155 million (or its equivalent in other currencies) for each of fiscal years 2010 and 2011, respectively, and (b) for the fiscal year 2012 and thereafter, 15% of Net Revenues for the prior fiscal year ( **Scheduled Permitted Capital Expenditures** ), *plus*
- (2) for any fiscal year, the amount (if any) by which (i) the aggregate amount of Permitted Capital Expenditures for the immediately preceding fiscal year exceeds (ii) the aggregate amount of capital expenditures actually made during such preceding fiscal year (excluding those made by application of Net Equity Proceeds or Net Cash Proceeds) calculated based on the exchange rate in effect at the end of the Issuer's most recently completed fiscal quarter ( **Carry-over Amount** ); *provided* that for any fiscal year, the maximum Carry-over Amount shall be the amount of Scheduled Permitted Capital Expenditures for the immediately preceding fiscal year, *minus*
- (3) 50% of any Regulatory Capital Expenditures.

Notwithstanding the foregoing, during the Devaluation Event Cure Period, the amount of Permitted Capital Expenditures shall be reduced to 50% of the Permitted Capital Expenditures for the Devaluation Event Cure Period; *provided* that such reduction in Permitted Capital Expenditures shall be applied to increase the Permitted Capital Expenditures for the succeeding twelve month period equally over such period.

**Permitted Indebtedness** has the meaning set forth in Section 3.12.

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**Permitted Investment** means:

- (1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer (other than Telecom Personal) that is engaged in a Permitted Business;
- (2) any Investment in Cash Equivalents;
- (3) any Investment by the Issuer or any Subsidiary of the Issuer in a Person, if as a result of such Investment,
  - (A) such Person becomes a Restricted Subsidiary of the Issuer engaged in a Permitted Business, or
  - (B) such Person is merged or consolidated with or into, or transfers or conveys substantially all its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary engaged in a Permitted Business;
- (4) Investments received as non-cash consideration in an Asset Sale made pursuant to and in compliance with Section 3.14 or received as non-cash consideration in a refinancing of an existing Investment;
- (5) any Investment acquired solely in exchange for Qualified Equity Interests in the Issuer;
- (6) Hedging Contracts otherwise permitted under this Indenture;
- (7) the following Investments in Telecom Personal:
  - (A) up to an aggregate of U.S.\$150 million (or its equivalent in other currencies) of Investments in Telecom Personal during the term of the New Debt; *provided* that, if at any time the Issuer's direct or indirect ownership interest in Telecom Personal falls below 90%, the amount of Investments permitted under this clause shall be reduced to the following levels: (i) if the Issuer's ownership interest is less than 90% but equal to or more than 85%, U.S.\$100 million (or its equivalent in other currencies); (ii) if the Issuer's ownership interest is less than 85% but equal to or more than 80%, U.S.\$50 million (or its equivalent in other currencies); and (iii) if the Issuer's ownership interest is less than 80%, zero, it being understood that any Investment permitted under this clause at the time the Investment is made will remain a Permitted Investment notwithstanding a subsequent reduction in the amounts permitted hereunder; and
  - (B) any Investment in Telecom Personal required to be made pursuant to Section 3.21;

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- (8) Investments in a Securitization Subsidiary in connection with a Permitted Receivables Financing, which Investment consists of the transfer of Receivables and Related Assets;
- (9) any Mandatory Investments;
- (10) (i) receivables owing to the Issuer or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business, (ii) Hedging Contracts and any Cash Equivalents or other cash management investments or liquid or portfolio securities pledged on collateral pursuant to Hedging Contracts, (iii) endorsements for collection or deposit in the ordinary course of business, (iv) securities, instruments or other obligations (and related Hedging Contracts) received in compromise or settlement of debts created in the ordinary course of business, or by reason of a composition or readjustment of debts or reorganization of another Person, or in satisfaction of claims or judgments, and (v) securities, instruments or other obligations received in the ordinary course of business and related Hedging Contracts received in connection with mandatory or voluntary exchange offers set up by the federal, provincial or municipal government of Argentina;
- (11) payroll, travel and other loans or advances to, or Guarantees issued to support the obligations of, officers and employees, in each case in the ordinary course of business;
- (12) national, provincial or other Argentine Government Obligations acquired in the ordinary course of business, which obligations can be applied in payment of taxes or other obligations under Argentine law;
- (13) any Investment by Telecom Personal permitted under the Telecom Personal Debt; and
- (14) in addition to Investments listed above, Investments in an aggregate amount, taken together with all other Investments made in reliance on this clause, not to exceed U.S.\$30 million (or its equivalent in other currencies) (net of, with respect to the Investment in any particular Person made pursuant to this clause, the cash return thereon received after the Issuance Date as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization not to exceed the amount of such Investments in such Person made after the Issuance Date in reliance on this clause); *provided* that the U.S.\$30 million amount of Permitted Investments under this clause will be reduced by 50% of any Mandatory Investment made by the Issuer or any Restricted Subsidiary (other than such Mandatory Investments funded out of the Reserve Account); it being understood that any Investment permitted under



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this clause at the time the Investment is made will remain a Permitted Investment notwithstanding a subsequent reduction in the amounts permitted hereunder; *provided further* that the U.S.\$30 million amount of Permitted Investments under this clause may not be used to repurchase New Debt or any Indebtedness of any Subsidiary of the Issuer.

**Permitted Lien** has the meaning set forth in Section 3.11.

**Permitted Receivables Financing** means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary or any third party including a trustee purchases or otherwise acquires accounts receivable of the Issuer or any Restricted Subsidiary and enters into a third party financing thereof on terms that the Board of Directors has concluded are customary and market terms fair to the Issuer and its Restricted Subsidiaries; *provided* that (i) accounts receivable used in connection with such Permitted Receivables Financing transactions shall not exceed U.S.\$50 million in the aggregate during the term of the New Debt, (ii) any debt obligation related to such Permitted Receivables Financing shall be non-recourse and (iii) neither the Issuer nor any Restricted Subsidiary shall be obligated to generate accounts receivable at any point pursuant to any such transaction.

**Permitted Refinancing Indebtedness** means an extension or renewal of, replacement of, or substitution for, or issue of Indebtedness in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance (all of the above, for purposes of this clause, refinance ) then Outstanding Indebtedness of the Issuer or any of its Restricted Subsidiaries Incurred under Section 3.12 in an amount not to exceed the principal amount of the Indebtedness so refinanced, plus accrued interest, premiums, fees and expenses; *provided* that any such refinancing (other than a refinancing that results in the repayment of all of the New Debt then Outstanding) (i) shall not provide for any mandatory redemption, amortization or sinking fund requirement in an amount greater than or at a time prior to the amounts and times specified in the Indebtedness being replaced, renewed, refinanced or extended and (ii) in case the Indebtedness being refinanced is *pari passu* to the Notes, any such refinancing Indebtedness is made *pari passu* or subordinated to the Notes and, in case the Indebtedness being refinanced is subordinated indebtedness, such refinancing Indebtedness is subordinated to the Notes to the same extent as the Indebtedness being refinanced.

**Person** means any individual, corporation, partnership, joint venture, association, company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**Peso, Pesos or P\$** means freely transferable lawful currency of Argentina.

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**Peso Note** means any Note denominated in Pesos.

**Prevailing Exchange Rate** means the exchange rate for converting Pesos into Dollars published by *Banco de la Nación Argentina* or, if such exchange rate is not published by *Banco de la Nación Argentina* or reflects a rate of exchange that differs from the average rates available in the free exchange market on such day by 10% or more, the average rates for such day.

**Process Agent** has the meaning set forth in Section 12.07.

**Property** means any asset, revenue or other property, whether tangible or intangible, real or personal, including, without limitation, any right to receive income.

**Qualified Equity Interests** means all Capital Stock of a Person other than Disqualified Stock.

**Qualified Telecom Personal Indebtedness** has the meaning assigned under Section 3.13.

**Receivables and Related Assets** means any account receivable (whether now existing or arising thereafter) of the Issuer or any Restricted Subsidiary, and any assets, related thereto, including all collateral securing such accounts receivable, all contracts and contract rights and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable.

**Record** has the meaning set forth in Section 2.08.

**Record Date** means the end of business on the fifteenth day preceding an Interest Payment Date whether or not such date is a Business Day; *provided* that in the event the first Interest Payment Date occurs less than 15 days after the Issuance Date, the Record Date shall mean the date on or prior to the Issuance Date which shall be specified by the Issuer.

**Register** has the meaning set forth in Section 2.08.

**Registered Notes** means Notes in registered form without interest coupons authenticated and delivered pursuant to this Indenture.

**Registrar** has the meaning set forth in Section 2.08.

**Regulation S** means Regulation S under the Securities Act.

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**Regulation S Global Note** means any Global Note that represents, in whole or in part, a Series of Notes distributed pursuant to Regulation S and that bears the Restricted Legend.

**Regulation S Note** means any Note distributed pursuant to Regulation S and that bears the Restricted Legend.

**Regulatory Capital Expenditures** means any capital expenditure made by the Issuer or any of its Restricted Subsidiaries in order to comply with applicable laws and regulations.

**Related Proceeding** has the meaning set forth in Section 12.07

**Reserve Account** has the meaning set forth in Section 3.29.

**Reserved Excess Cash** has the meaning set forth in Section 10.02.

**Responsible Officer** means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters relating to this Indenture.

**Restricted Legend** means the legend set forth on Exhibit C hereto.

**Restricted Payments** has the meaning set forth in Section 3.13.

**Restricted Period** means, with respect to any Series of Notes distributed pursuant to Regulation S, the period beginning on the date of the original issuance of such Series of Notes and ending 40 days thereafter.

**Restricted Subsidiary** means any direct or indirect Subsidiary of the Issuer, other than an Unrestricted Subsidiary.

**Sale and Leaseback Transaction** means, with respect to the Issuer or any Restricted Subsidiary, any transaction or series of related transactions (excluding, however, any such transaction between the Issuer and one or more Restricted Subsidiaries or between or among any two or more Restricted Subsidiaries) pursuant to which the Issuer or any Restricted Subsidiary sells or transfers any property in connection with the leasing, or the resale against installment payments, or as part of an arrangement involving the leasing or resale against installment payments, of such Property to the seller or transferor and which transaction or series of transactions is accounted for as a Capital Lease.

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**Securities Act** means the United States of America Securities Act of 1933, as amended.

**Securitization Subsidiary** means a Subsidiary of the Issuer

(1) that is designated a Securitization Subsidiary by the Board of Directors,

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- (2) that does not engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto,
  
- (3) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which
  - (A) is Guaranteed by the Issuer or any of its Restricted Subsidiaries,
  
  - (B) is recourse to or obligates the Issuer or any of its Restricted Subsidiaries in any way, or
  
  - (C) subjects any property or asset of the Issuer or any of its Restricted Subsidiaries, directly or indirectly, contingently or otherwise, to the satisfaction thereof,
  
- (4) with respect to which neither the Issuer or any of its Restricted Subsidiaries (other than an Unrestricted Subsidiary) has any obligation to maintain or preserve its financial condition or cause it to achieve certain levels of operating results

other than, in respect of clauses (3) and (4), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.

**Series** has the meaning set forth in Section 2.03.

**Series A Notes** mean the Series A Listed Notes and Series A Unlisted Notes, as each such term is defined in Section 2.03.

**Series B Notes** mean the Series B Listed Notes and Series B Unlisted Notes, as each such term is defined in Section 2.03.

**Sofora** means *Sofora Telecomunicaciones Sociedad Anónima* or any successor holding company formed by Telecom Italia as a direct or indirect holding company holding shares of Capital Stock of Nortel.

**Solicitation Statement** has the meaning set forth in the recitals hereof.

**Specified Courts** has the meaning set forth Section 12.07.

**Subordinated Indebtedness** means any Indebtedness of the Issuer that is subordinated in right of payment to the Notes pursuant to a written agreement to that effect.



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**Subsidiary** means:

- (1) a corporation a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is at the time directly or indirectly owned by the Issuer, or
- (2) any other Person (other than a corporation) in which the Issuer, directly or indirectly at the date of determination thereof, has at least a majority ownership interest.

**Supervisory Committee** means the *Comisión Fiscalizadora* or Supervisory Committee of the Issuer.

**TARGET System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

**Telecom Italia** means Telecom Italia S.p.A.

**Telecom Personal** means Telecom Personal S.A.

**Telecom Personal Debt** means new debt instruments entered into by Telecom Personal in connection with its debt restructuring and any refinancings thereof.

**Telecom Personal Distribution Payment** means (i) the payment by Telecom Personal of any dividend or other distribution on any Equity Interest and (ii) the reduction of capital by Telecom Personal paid with retained earnings or free reserves. For the purpose of determining the amount of any dividend payment or distribution made in Cash Equivalents, the Dollar Amount of such Cash Equivalents shall be calculated as of three Business Days prior to the record date for such dividend payment or distribution. Any defined terms used in this definition have the meanings assigned to such term in the Telecom Personal Debt.

**Telecom Personal EBITDA** means, for any period, the operating profit/loss for Telecom Personal and its Restricted Subsidiaries (excluding Núcleo and its Subsidiaries) on a consolidated basis for such period *plus*, without duplication and to the extent deducted in determining such operating profit/loss, the sum of (a) amortization of intangible assets for such period and (b) depreciation of fixed assets for such period.

**Telecom Personal Net Revenues** means, for any period, the net revenues of Telecom Personal and its Subsidiaries which are Restricted Subsidiaries determined in accordance with Argentine GAAP.



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**Telecom Personal Permitted Capital Expenditures** means the following expenditures by Telecom Personal or any Restricted Subsidiary (other than Núcleo and any Subsidiary thereof) for investment in the business of Telecom Personal and any Restricted Subsidiary (other than Núcleo and any Subsidiary thereof):

- (1) (a) for the fiscal years 2004 through 2011, the greater of (i) 50% of Telecom Personal EBITDA for the prior fiscal year and (ii) U.S.\$85 million (or its equivalent in other currencies) for each of fiscal year 2004 and 2005, U.S.\$80 million (or its equivalent in other currencies) for each of fiscal year 2006 through 2009, U.S.\$85 million (or its equivalent in other currencies) for fiscal year 2010, U.S.\$90 million (or its equivalent in other currencies) for fiscal year 2011 and (b) for the fiscal year 2012 and thereafter, 50% of Telecom Personal EBITDA for the prior fiscal year ( **Telecom Personal Scheduled Permitted Capital Expenditures** ), *plus*
- (2) for any fiscal year, the amount (if any) by which (i) the aggregate amount of Telecom Personal Permitted Capital Expenditures for the immediately preceding fiscal year exceeds (ii) the aggregate amount of capital expenditures actually made during such preceding fiscal year (excluding those made by application of Net Equity Proceeds or Net Cash Proceeds) calculated based on the exchange rate in effect at the end of the most recently completed fiscal quarter of Telecom Personal ( **Telecom Personal Carry-over Amount** ); *provided* that for any fiscal year, the maximum amount of the Telecom Personal Carry-over Amount shall be the amount of Telecom Personal Scheduled Permitted Capital Expenditures for the immediately preceding fiscal year, *minus*
- (3) 50% of capital expenditures that are required by applicable laws or regulations.

Notwithstanding the foregoing, during the Devaluation Event Cure Period, the amount of Telecom Personal Permitted Capital Expenditures shall be reduced to 50% of the Telecom Personal Permitted Capital Expenditures for the Devaluation Event Cure Period; *provided* that such reduction in the Telecom Personal Permitted Capital Expenditures shall be applied to increase the Telecom Personal Permitted Capital Expenditures for the succeeding twelve month period.

**Tranches** has the meaning set forth in Section 2.03.

**Transfer Agent** means a transfer agent with respect to any Series of Notes appointed by the Issuer as contemplated by Section 3.02.

**Trust Indenture Act of 1939** (except as otherwise provided in Section 7.06) means the Trust Indenture Act of 1939 as in force at the date of this Indenture.

**Trustee** means the Person identified as the Trustee in the first paragraph hereof and, subject to the provisions of Article 5, shall also include any successor trustee. Trustee shall also mean or include each Person who is then a trustee hereunder and if at any time there is more than one such Person, Trustee

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as used with respect to the Notes of any Series shall mean the trustee with respect to the Notes of such Series.

**Trustee's Representative** means Banco Rio de la Plata S.A. Buenos Aires, Argentina and its successors and assigns.

**Trustee's Representative Fee Proposal** means the fee proposal made by the Trustee's Representative on July 21, 2005.

**Unlisted Notes** has the meaning set forth in the recitals hereof.

**Unrestricted Global Note** means any Global Note which does not bear the Restricted Legend.

**Unrestricted Note** means any Note which does not bear the Restricted Legend.

**Unrestricted Subsidiary** means any Subsidiary of the Issuer that at the time of determination has been designated an Unrestricted Subsidiary and has not subsequently been designated a Restricted Subsidiary, in accordance with Section 3.24.

**U.S. Government Obligations** means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof; *provided* that the full faith and credit of the United States of America is pledged in support thereof.

**Voluntary Reduction of Capital** means any reduction of capital or optional revaluation of assets undertaken by the Issuer, other than (i) any such action that is required by applicable laws or regulations, including accounting regulations applicable to publicly listed companies in Argentina and (ii) any such reduction of capital paid with retained earnings or free reserves.

**Voting Stock** means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

**Working Capital** means, as of any date, the amount equal to the current assets (excluding cash and banks, investments, credits related to income tax and similar taxes) minus the current liabilities (excluding current financial debt, reserves, liabilities related to income tax, similar taxes and liabilities related to capital expenditures) of the Issuer and its Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) prepared in accordance with Argentine GAAP.

**Yen** or **¥** means freely transferable lawful currency of Japan.



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**Yen Note** means any Note denominated in Yen.

Section 1.02 . *Rules of Construction.* Unless the context otherwise requires or except as otherwise expressly provided,

- (1) an accounting term not otherwise defined has the meaning assigned to it in accordance with Argentine GAAP or in accordance with generally accepted accounting principles applicable to the primary financial statements of any Subsidiary of the Issuer;
- (2) herein, hereof and other words of similar import refer to the Indenture as a whole and not to any particular Section, Article or other subdivision;
- (3) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to the Indenture unless otherwise indicated;
- (4) references to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations, as amended from time to time (or to successor statutes and regulations); and
- (5) in the event that a transaction meets the criteria of more than one category of permitted transactions or listed exceptions the Issuer may classify such transaction as it, in its sole discretion, determines.

ARTICLE 2

NOTES

Section 2.01 . *Forms and Terms of the Notes.* (a) The Notes shall be issued as Registered Notes without interest coupons, substantially in the forms as set forth in Exhibits A and B hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or to conform to general usage, all as may be determined by the officers of the Issuer executing such Note, as evidenced by their execution of such Note. The Notes shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plan as the officers of the Issuer executing the same may determine with the approval of the Trustee as evidenced by the execution and authentication thereof. The Listed Notes will initially be issued in the form of one or more Global Notes. The Unlisted Notes will be issued only in the form of Definitive Notes.

(b) The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee,

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by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(c) The Notes issued in global form shall be substantially in the form of Exhibits A and B hereto, (including the Global Note Legend specified in Section 2.05(c) and the Schedule of Increases/Decreases of Interests in the Global Note attached as Schedule A thereto). Each Global Note shall represent such amount of Outstanding Notes of a Series as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of Outstanding Notes of such Series from time to time endorsed thereon and that the aggregate principal amount of Outstanding Notes of such Series represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of Outstanding Notes represented thereby shall be made by the Trustee or the Depositary, at the direction of the Trustee.

(d) The Notes issued in definitive form shall be substantially in the form of Exhibits A and B hereto (without the Global Note Legend specified in Section 2.05(c) and without the Schedule of Increases/Decreases of Interests in the Global Note attached as Schedule A thereto). Definitive Notes shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the Issuer, as evidenced by its execution of such Notes and subject to regulations of the CNV. Notwithstanding anything to the contrary in Section 2.01, Definitive Notes issued in exchange for beneficial interests in Global Notes pursuant to Section 2.08 may be issued in the same denominations as such beneficial interests.

Section 2.02 . *Form of Trustee s Certificate of Authentication.* (a) The Trustee s certificate of authentication on all Notes shall be in substantially the following form:

This is one of the Notes of a Series designated herein and referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By:

Authorized Signatory

Section 2.03 . *Notes Issuable in Series; Aggregate Principal Amount Limited.* (a) The Notes may be issued in multiple Series. All Notes to be issued pursuant to this Indenture, having the same maturity, interest payment dates and

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other terms (including terms as to form and listing of the Notes), shall constitute a single Series of Notes pursuant to this Indenture (each, a **Series** ). There shall be up to four Series of Notes issued under this Indenture, as follows: there shall be a Series of Notes designated **Series A Listed Notes** , a Series of Notes designated **Series A Unlisted Notes** , a Series of Notes designated **Series B Listed Notes** and a Series of Notes designated **Series B Unlisted Notes** . The Listed Notes will be issued as Series A Listed Notes and Series B Listed Notes. The Unlisted Notes will be issued as Series A Unlisted Notes and Series B Unlisted Notes. Series A Notes may be issued in one or more tranches ( **Tranches** ). The Series A Listed Notes may be denominated in Dollars or Euro and the Series A Unlisted Notes may be denominated in Dollars, Euro, Pesos and Yen. Series B Notes will be issued in Dollars.

(b) There is no limit to the aggregate principal amount of Series A Notes that may be authenticated and delivered under this Indenture. The aggregate principal amount of Series B Notes that may be authenticated and delivered under this Indenture may not exceed U.S.\$999.1 million (or the equivalent thereof in other currencies) at the time of issuance.

Section 2.04 . *Authentication and Delivery of Notes.* (a) The Issuer shall deliver Notes of any Series duly executed by the Issuer to the Trustee for authentication together with the applicable documents referred to below in this Section, and the Trustee shall thereafter authenticate and deliver the Notes of such Series to or upon the order of the Issuer or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by an Issuer Order. Such Issuer Order may be transmitted via facsimile (with the original to be delivered by mail) and may provide instructions or provide for further instructions from the Issuer, as to the amount, form and terms of the Notes of such Series. In authenticating the Notes of such Series and accepting the additional responsibilities under this Indenture in relation to such Notes, the Trustee shall be entitled to receive and shall be fully protected in relying upon an Issuer Order requesting such authentication setting forth instructions as to delivery (if the Notes are not to be delivered to the Issuer) and completion of any terms not set forth in such Notes as executed by the Issuer or setting forth procedures acceptable to the Trustee as to such completion and delivery; and

(b) The Trustee shall have the right to decline to authenticate and deliver any Notes under this Section if the Trustee, (x) being advised by counsel determines that such action may not lawfully be taken, (y) acting in good faith through its Board of Directors or board of trustees, executive committee, or a trust committee of directors or trustees or Responsible Officers shall determine that such action would expose the Trustee to personal liability to Holders or (z) determines that such action will affect its rights, duties, obligations or immunities hereunder in a manner not reasonably acceptable to it.

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Section 2.05 . *Execution of Notes.* (a) The Notes shall be executed on behalf of the Issuer by each of (i) a member of its Board of Directors and (ii) a member of its Supervisory Committee. Such signatures may be the manual or, if authorized by the CNV, facsimile signatures of the present or any future Officers. Typographical and other minor errors or defects in any such signature shall not affect the validity or enforceability of any Note that has been duly authenticated and delivered by the Trustee.

In case any director or member of the Supervisory Committee who shall have signed any of the Notes shall cease to be a director or member of the Supervisory Committee before the Note so signed shall be authenticated and delivered by the Trustee or disposed of by or on behalf of the Issuer, such Note nevertheless may be authenticated and delivered or disposed of as though the Person who signed such Note had not ceased to be such director or member of the Supervisory Committee; and any Note may be signed on behalf of the Issuer by such director or member of the Supervisory Committee as, at the actual date of the execution of such Note, shall be the proper director or member of the Supervisory Committee of the Issuer, although at the date of the execution and delivery of this Indenture any such Person was not a director or member of the Supervisory Committee.

(b) In connection with the issuance of any Global Notes, the Issuer shall execute, and the Trustee shall authenticate and deliver for such Series of Notes one or more Global Notes that (i) initially shall represent an aggregate amount equal to the aggregate principal amount of the Outstanding Notes of such Series, (ii) shall be registered in the name of the Depository or the nominee of the Depository and (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction.

(c) Any Global Notes including, for the avoidance of doubt, any Regulation S Global Notes, shall include a legend substantially to the following effect (or in the form required by the Depository):

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF [THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ( DTC )] [THE BANK OF NEW YORK (DEPOSITORY) NOMINEES LTD, AS COMMON DEPOSITORY (THE DEPOSITORY ) FOR EUROCLEAR BANK S.A./N.V., AS OPERATOR OF THE EUROCLEAR SYSTEM, AND FOR CLEARSTREAM BANKING, SOCIETE ANONYME], TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF [CEDE & CO.] [THE BANK OF NEW YORK (DEPOSITORY) NOMINEES LTD] OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF [DTC] [THE DEPOSITORY] (AND ANY PAYMENT IS MADE TO [CEDE & CO.] [THE BANK OF NEW YORK (DEPOSITORY)

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NOMINEES LTD] OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF [DTC] [THE DEPOSITARY]), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, [CEDE & CO.] [THE BANK OF NEW YORK (DEPOSITARY) NOMINEES LTD], HAS A BENEFICIAL INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE DESCRIBED HEREIN, THIS NOTE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE DEPOSITARY OR TO A SUCCESSOR DEPOSITARY OR TO A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

(d) In connection with the issuance of any Notes of a Series represented by Definitive Notes, the Issuer shall execute, and the Trustee shall authenticate and deliver Definitive Notes that will be registered in the name of the Holder thereof or its nominee.

Section 2.06 . *Certificate of Authentication.* Only such Notes as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by the manual signature of one of its authorized signatories, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Note executed by or on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

Section 2.07 . *Denomination and Date of Notes; Payments and Paying Agencies; Payment of Interest.* (a) The Global Notes of each Series which are denominated in Dollars, Euro or Pesos shall be issued in denominations of U.S.\$1, 1 or P\$1, and integral multiples of U.S.\$1, 1 or P\$1, in excess thereof, as applicable.

(i) The Global Notes of each Series which are denominated in Yen shall be issued in denominations of ¥100, and integral multiples of ¥100, in excess thereof.

(ii) The Unlisted Notes of each Series shall initially be issued in denominations equal to the principal face amount of Existing Loan restructured pursuant to the APE plus capitalized interest, if any (computed as described in the APE), which is to be issued to the relevant creditor in the form of Unlisted Notes of such Series pursuant to the APE.

(b) Each Note shall be dated as of the date of its authentication.



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(c) Subject to Section 12.08, all payments on the Notes will be made in the currency in which such Notes are denominated or, in the event that such currency is no longer in circulation, in such funds as may then be customary for the settlement of international transactions in lieu of such currency.

(d) Payment of principal of, and interest on, the Notes will be made (i) in the case of a Global Note, by wire transfer in immediately available funds to an account maintained by the Depositary with a bank in New York City, (ii) in the case of a Definitive Notes, either (A) by a check drawn on a bank in New York City mailed to the Holder at such Holder's registered address or (B) at the Issuer's option, or upon application to the Trustee by the Holder of at least U.S.\$1 million, 1 million, P\$1 million or ¥100 million, as applicable, in principal amount of Definitive Notes of a particular Series not later than the relevant Record Date, by wire transfer in immediately available funds to an account maintained by the Holder with a bank in New York City.

Payments with respect to principal of the Notes at maturity will be payable to the registered Holder against surrender of such Notes.

Payment with respect to principal of, and interest (including any Additional Amounts) on, the Notes (other than at maturity) will be made to the Person in whose name any Note is registered at the close of business on any Record Date notwithstanding the cancellation of such Note upon any exchange or transfer subsequent to the Record Date and prior to such Interest Payment Date; *provided* that if and to the extent the Issuer shall default in the payment of the interest (including Additional Amounts) due on an Interest Payment Date, such defaulted interest (including Additional Amounts) shall be paid to the Person in whose name such Note is registered at the close of business on a subsequent record date established by written notice given by mail by or on behalf of the Issuer to the Holders of such Notes not less than 15 days preceding such subsequent record date; *provided further* that the interest payable upon maturity, redemption or repayment (whether or not the date of maturity, redemption or repayment is an Interest Payment Date) will be payable to the person to whom principal is payable.

(e) Whenever it is necessary to compute any amount of accrued interest for a period of less than a full year, such interest shall be calculated (i) with respect to any Dollar Note, on the basis of a 360-day year of twelve 30-day months and (ii) with respect to any Euro Note, Yen Note or Peso Note, on the basis of a year of 365 days (in the case of a leap year, 366 days) and paid for the actual number of days elapsed (including the first day but excluding the last day).

(f) Interest payments on the Notes will be the amount of interest accrued from and including the Issuance Date, or from and including the last date to which interest has been paid to or duly provided for, to but excluding the Interest Payment Date or date of maturity, redemption or repayment.

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(g) Interest on any principal of, and interest on, a Note that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, will accrue, to the fullest extent permitted by law, at a rate per annum equal at all times to 2% per annum plus the rate otherwise applicable to such Note.

Section 2.08 . *Registration, Transfer and Exchange of Notes.* (a) The Trustee is hereby initially appointed to act as registrar (the **Registrar** ) and will keep a record of all Notes of each Series (the **Register** ) at the Corporate Trust Office. The Register will show the amount of the Notes, the date of issue, all subsequent transfers and changes of ownership in respect thereof and the names, tax identification numbers (if relevant to a specific Holder) and addresses of the Holders of the Notes and any payment instructions with respect thereto (if different from a Holder's registered address). The Registrar will also maintain a record (the **Record** ) that will include notations as to whether the Notes have been paid or cancelled, and, in the case of mutilated, destroyed, stolen or lost Notes, whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Record will include notations of the Note so replaced, and the Note issued in replacement thereof. In the case of the cancellation of any of the Notes, the Record will include notations of the Note so cancelled and the date on which such Note was cancelled. The Registrar shall at all reasonable times during office hours make the Register and the Record available to the Trustee (if the Trustee is not the Registrar), the Issuer or any Person authorized by the Issuer in writing for inspection and for the taking of copies thereof or extracts therefrom, and at the expense and written direction of the Issuer the Registrar shall deliver to such Persons all lists of Holders of Notes, their addresses and amounts of such holdings as they may request in writing.

The Register and the Record shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time.

As long as it is required by Argentine law or by the CNV, the Issuer will cause Banco Río de la Plata S.A., Buenos Aires, Argentina, or in the Issuer's sole discretion, any other entity in Buenos Aires, Argentina with powers to act as registrar, to keep a duplicate of the Register and the Record in such form in the Spanish language in Argentina.

(b) Agent Members will have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, a Holder that is a beneficial owner of a Global Note will have the right (i) to obtain evidence of its beneficial ownership interest in a Global Note in accordance with Argentine Decree 677/01, as amended, from Caja de Valores S.A. (or any other securities clearing service or

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collective deposit system, including DTC, Euroclear and Clearstream) and (ii) to pursue remedies against the Issuer and assert rights in a legal action brought in Argentina under Argentine law in respect of its beneficial ownership interest in a Global Note (including the right to initiate summary proceedings (*acción ejecutiva*) in the manner provided by the Negotiable Obligations Law with respect thereto), and for such purposes, such beneficial owner will be treated as the owner of that portion of the global note which represents its beneficial ownership interest therein. Notwithstanding the foregoing, the Depositary or its nominee may grant proxies and otherwise authorize any person (including any Agent Member and any person that holds a beneficial interest in a Global Note through an Agent Member) to take any action which a Holder is entitled to take under this Indenture or the Notes, and nothing herein will impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(c) If (i) the Depositary notifies the Issuer that it is unwilling or unable to continue to act as Depositary for a Global Note or ceases to be a clearing agency registered under the Exchange Act and a successor depositary is not promptly appointed within 120 days of such notice, (ii) the Depositary is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (iii) the non-payment when due of amounts payable on the Notes (whether, in each case, on account of interest, redemption amounts or otherwise) shall have occurred and be continuing for 30 days, the Trustee will promptly, upon provision of executed Notes delivered to it by the Issuer therefor, exchange each beneficial interest in such Global Note for one or more Definitive Notes in equal principal amount registered in the name of the owner of such beneficial interest, as identified to the Trustee by the Depositary, and thereupon such Global Note will be deemed canceled.

If there is an Event of Default under the Notes of any or all Series, and the Trustee has been advised by counsel that in connection with such Event of Default it is necessary or appropriate for the Trustee to obtain possession of the Notes, the Trustee may, in the reasonable exercise of its discretion, determine that the Notes represented by Global Notes shall no longer be represented by such Global Notes. In such event, the Issuer hereby agrees to execute and the Trustee will authenticate and deliver, in exchange for such Global Notes, Definitive Notes (and if the Trustee has in its possession Definitive Notes previously executed by the Issuer, the Trustee will authenticate and deliver such Definitive Notes), in authorized denominations, in an aggregate principal amount equal to the principal amount of such Global Notes.

In the case of a Regulation S Global Note, unless the exchange takes place during the Restricted Period, the Definitive Notes issued in exchange therefor will not bear the Restricted Legend.

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(d) Subject to Section 2.10, a Holder may transfer a Note to another person or exchange a Note for another Note or Notes of the same Series and Tranche of any authorized denomination by presenting to the Registrar a written request therefor stating the name of the proposed transferee or requesting such an exchange, accompanied by any certification, opinion or other document required by Section 2.10. The Registrar will promptly register any such transfer or exchange that meets the requirements of this Section by noting the same in the register maintained by the Registrar for such purpose; *provided* that (i) no transfer or exchange will be effective until such transfer or exchange is registered in such register and (ii) the Trustee will not be required (x) to issue, register the transfer of or exchange any Note for a period of 15 days before a selection of Notes to be redeemed, (y) to register the transfer of or exchange any Note so selected for redemption in whole or in part, except, in the case of a partial redemption, that portion of any such Note not being redeemed, or (z) if a redemption is to occur after a Record Date but on or before the corresponding interest payment date, to register the transfer or exchange of any Note on or after such Record Date and before such date of redemption. Prior to the registration of any transfer, the Issuer, the Trustee and their agents will treat the person in whose name the Note is registered as the owner and Holder thereof for all purposes (whether or not the Note is overdue), and will not be affected by notice to the contrary.

From time to time the Issuer will execute and the Trustee will authenticate additional Notes as necessary in order to permit the registration of a transfer or exchange in accordance with this Section 2.08.

Transfer, registration and exchange shall be permitted as provided in this Indenture without any charge to the Holder except for the expenses of delivery (if any) not made by regular mail and except, if the Issuer shall so require, the payment of a sum sufficient to cover any stamp duty, tax or governmental charge or insurance charge that may be imposed in relation thereto. Registration of the transfer of a Note by the Registrar shall be deemed to be the acknowledgment of such transfer on behalf of the Issuer.

(e) *Procedures to be Followed by the Trustee.* (i) *Global Note to Global Note.* If a beneficial interest in a Global Note is transferred or exchanged for a beneficial interest in another Global Note, the Trustee will (x) record a decrease in the principal amount of the Global Note being transferred or exchanged equal to the principal amount of such transfer or exchange and (y) record a like increase in the principal amount of the other Global Note. Any beneficial interest in one Global Note that is transferred to a person who takes delivery in the form of an interest in another Global Note, or exchanged for an interest in another Global Note, will, upon transfer or exchange, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer and exchange restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

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(ii) *Global Note to Definitive Note.* If a beneficial interest in a Global Note is transferred or exchanged for a Definitive Note, the Trustee will (x) record a decrease in the principal amount of such Global Note equal to the principal amount of such transfer or exchange and (y) deliver a new Definitive Note in like principal amount to the transferee (in the case of a transfer) or the owner of such beneficial interest (in the case of an exchange) specified in writing by Depository, registered in the name of such transferee or owner, as applicable.

(iii) *Definitive Note to Definitive Note.* If a Definitive Note is transferred or exchanged for another Definitive Note, the Trustee will (x) cancel the Definitive Note being transferred or exchanged, (y) deliver a new Definitive Note in principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the Holder of the canceled Definitive Note (in the case of an exchange), registered in the name of such transferee or Holder, as applicable, and (z) if such transfer or exchange involves less than the entire principal amount of the canceled Definitive Note, deliver to the Holder thereof a new Definitive Note in principal amount equal to the untransferred or unexchanged portion of the canceled Definitive Note, registered in the name of the Holder thereof.

Section 2.09 . *Restricted Legend.* (a) Each Regulation S Note will bear the Restricted Legend during the Restricted Period.

(b) If the Issuer determines that the Restricted Legend is no longer necessary or appropriate in order to ensure that subsequent transfers of such Note (or a beneficial interest therein) are effected in compliance with the Securities Act, the Issuer may instruct the Trustee in writing to cancel such Note and issue to the Holder thereof (or to its transferee) a new Note of like tenor and amount, registered in the name of the Holder thereof (or its transferee), that does not bear the Restricted Legend and the Trustee will comply with such instruction.

(c) By its acceptance of any Note bearing the Restricted Legend (or any beneficial interest in such a Note), each Holder thereof and each owner of a beneficial interest therein acknowledges the restrictions on transfer of such Note (and any such beneficial interest) set forth in this Indenture and in the Restricted Legend and agrees that it will transfer such Note (and any such beneficial interest) only in accordance with this Indenture and the Restricted Legend.

Section 2.10 . *Restrictions on Transfer and Exchange.* (a) The transfer or exchange of any Note (or a beneficial interest therein) may only be made in accordance with this Section 2.10 and, in the case of a Global Note (or a beneficial interest therein), the applicable rules and procedures of the Depository. The Trustee shall refuse to register any requested transfer or exchange that does not comply with this Section 2.10.

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(b) Exchanges may be made only for Notes of the same Series and Tranche. For the avoidance of doubt, no exchanges shall be permitted between Series A Listed Notes and Series A Unlisted Notes, between Series B Listed Notes and Series B Unlisted Notes or between Series A Listed Note denominated in Dollars and Series A Listed Notes denominated in currencies other than Dollars.

(c) Registration of transfer of Unlisted Notes will be made in the amount equal to (i) U.S.\$5 million, 5 million, P\$5 million or ¥500 million and integral multiples of U.S.\$1.00, 1.00, P\$1.00 or ¥100, in excess thereof, as applicable or (ii) the amount equal to the amount of such Unlisted Note.

(d) Notwithstanding any other provision of this Section, unless and until it is exchanged in whole or in part for the Notes represented thereby pursuant to this Indenture, a Global Note representing all or a portion of the Notes of any Series may not be transferred except as a whole by the Depository to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

(e) During the Restricted Period, no transfer or exchange of a Regulation S Note (or a beneficial interest in a Regulation S Global Note) of a Series may be made for an Unrestricted Note (or a beneficial interest in an Unrestricted Global Note) of the same Series.

(f) During the Restricted Period, any Holder requesting a transfer or exchange of a Regulation S Note will be required to deliver or cause to be delivered to the Trustee a duly completed Regulation S Certificate in the form of Exhibit D hereto and, if required by the Issuer, an opinion of counsel and such other certifications and evidence as the Issuer may reasonably require in order to determine that the proposed transfer or exchange is being made in compliance with the Securities Act and any applicable securities laws of any State of the United States of America.

(g) During the Restricted Period, beneficial interests in a Regulation S Global Note may be held through the Depository only through Euroclear and Clearstream, and their respective direct and indirect participants.

Section 2.11 . *Mutilated, Defaced, Destroyed, Stolen and Lost Notes; Cancellation and Destruction Of Notes.* (a) The Issuer shall execute and deliver to the Trustee, Definitive Notes in such amounts and at such times as to enable the Trustee to fulfill its responsibilities under this Indenture and the Notes.

(b) The Trustee is hereby authorized, in accordance with and subject to applicable law, exchange regulations any terms and conditions set forth in the Notes, and upon provision of evidence satisfactory to the Trustee and to the Issuer that any Note was mutilated, defaced, destroyed, stolen or lost, together with such

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security or indemnity as each of the Trustee and the Issuer may require, to authenticate and deliver from time to time such Notes in exchange for or in lieu of such Notes that become mutilated, defaced, destroyed, stolen or lost. Each Note delivered in exchange for or in lieu of any other Note shall carry all the rights to interest (including rights to accrued and unpaid interest and Additional Amounts) that were carried by such other Note.

(c) All Notes surrendered for payment or exchange shall be delivered to the Trustee. The Trustee shall cancel and may destroy all such Notes surrendered for payment or exchange, in accordance with its security destruction policy; *provided, however*, that the Trustee shall not be required to destroy cancelled Notes.

(d) Upon the issuance of any substitute Note of any Series, the Holder of such Note, if so requested by the Issuer, will pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expense (including the fees and expenses of the Trustee) connected with the preparation and issuance of the substitute Note.

(e) All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

Section 2.12 . *Purchase and Cancellation*. The Issuer may at any time and from time to time purchase Notes pursuant to Market Purchase or Optional Redemption transactions or a Note Payment, except that the Issuer is not permitted to purchase any Notes during any time that a Devaluation Event Cure Period shall have occurred and be continuing. Other than as stated in the preceding sentence, the Issuer shall not purchase any Notes or any other outstanding Indebtedness of the Issuer or any of its Subsidiaries (except for Qualified Telecom Personal Indebtedness or Permitted Refinancing Indebtedness). Any Notes so purchased by the Issuer shall be surrendered promptly to the Trustee for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of Holders of Notes and shall not be deemed to be Outstanding for the purpose of calculating quorums at meetings of Holders of Notes. The Issuer will not acquire any Note or any beneficial interest in a Global Note, and will not permit any of its Restricted Subsidiaries to acquire any Note or any beneficial interest in any Global Note unless the Issuer or the acquiring company shall notify the Trustee in writing of such acquisition. The Trustee and all Holders of Notes shall be entitled to rely without further investigation on any such notification (or the lack thereof). The Trustee shall have no responsibilities or liability for compliance by the Issuer with this provision.

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Section 2.13 . *CUSIP Numbers*. The Issuer in issuing the Notes may use CUSIP and/or CINS and/or ISIN and/or Common Code numbers (if then generally in use), and, if so, the Trustee shall use CUSIP and/or CINS and/or ISIN or Common Code numbers in notices of payment or redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

Section 2.14 . *Special Provisions Regarding Unlisted Notes*. (a) Each Holder of Unlisted Notes shall provide to the Issuer in writing the following information (v) within fifteen Business Days after the Issuance Date; (w) as promptly as practicable upon acquiring the Unlisted Notes subsequent to the Issuance Date but not later than fifteen Business Days prior to the first scheduled payment date after such acquisition; (x) promptly upon any change in the information previously provided but in no case later than the 15<sup>th</sup> Business Day prior to the first scheduled payment date subsequent to such change; (y) no later than fifteen Business Days after December 31 of each year with respect to such information as of December 31 of such year; and (z) such other time as the Issuer shall request:

(i) name, address, and residence for tax purposes and whether it is an individual or legal person;

(ii) in case such Holder is a legal person, it shall state whether it is a banking or financial institution, and, if so, it shall also state (A) whether it is located in a country the relevant governmental authority of which has adopted the international standards approved by the Basle Committee on Banking Regulations and Supervisory Practices (the **International Standards** ), (B) whether it is located in a jurisdiction not deemed to be a low tax jurisdiction according to the Argentine income tax law and its regulatory decree, or whether it is located in a jurisdiction that has entered into an agreement of exchange of information with Argentina and if, pursuant to the applicable secrecy laws and regulations of such jurisdiction, banks can disclose information upon request of tax authorities and (C) whether such banking or financial institution is under the supervision of the relevant central bank or equivalent agency;

(iii) if such Holder is a resident of a country that has in force a tax treaty with Argentina, and according to such treaty, an exemption from all or part of the applicable tax, duty, assessment or governmental charge is available, such Holder shall provide the information and documentation that allows the application of such tax treaty; and



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(iv) any other information, documents or evidence that may be requested by the Issuer pursuant to applicable law, statute, treaty or regulation of Argentina, or any written administrative instruction of the AFIP that may allow the Issuer to determine the tax treatment of the payments to such Holder in respect of the Notes.

Pursuant to Section 2.14(a)(iii), each Holder of Unlisted Notes shall provide to the Issuer the statement required by General Resolution No. 3497 issued by the AFIP (or any similar rule or provision that may be imposed in the future), duly certified and legalized by the corresponding tax authority, on the terms and conditions set forth in such resolution; *provided* that such statement shall be provided (w) within fifteen Business Days after the Issuance Date; (x) as promptly as practicable upon acquiring the Unlisted Notes subsequent to the Issuance Date but not later than fifteen Business Days prior to the first scheduled payment after such acquisition; (y) promptly upon any change in the information previously provided but in no case later than the 15<sup>th</sup> Business Day prior to the first scheduled payment date subsequent to such change; and (z) every 15 months after the Issuance Date or upon acquiring such Unlisted Notes, as applicable, or more frequently as may be requested by the AFIP.

(b) Each Holder of Unlisted Notes who is a legal person shall provide to the Issuer in writing, (i) as promptly as practicable upon acquiring the Unlisted Notes, (ii) no later than fifteen Business Days prior to each scheduled payment date with respect to such information as of such date, provided that in case of any change with respect to the information so provided prior to the applicable record date, the holder shall on such record date resubmit the information as of such date, (iii) no later than fifteen Business Days after December 31 of each year with respect to such information as of December 31 of such year, (iv) promptly upon any change in the information previously provided and (v) such other time as the Issuer shall request:

(A) whether its country of residence requires securities to be held in registered form ( *régimen de nominatividad de títulos valores* ) and, if not, such Holder shall also state;

(B) whether it is an insurance company, open-end investment fund, pension fund or bank or financial entity the head office of which is located in a country whose relevant governmental authority has adopted the International Standards.

If neither (A) nor (B) is applicable to such Holder, it shall state and declare whether pursuant to its by-laws or juridical nature ( *naturaleza jurídica* ), such Holder (i) does not, as its principal activity, invest outside the jurisdiction of its incorporation or (ii) is not prohibited from performing certain transactions under its by-laws or applicable laws and regulations of the jurisdiction of its incorporation.

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(c) As a proof of the exemptions mentioned in Section 2.14(b), each Holder of the Unlisted Notes shall submit:

(i) if its country of residence does require securities to be held in registered form, a certificate issued by the relevant authority of the jurisdiction of incorporation which states that the shares or other securities representing the capital of such Holder, or in the case of a permanent establishment, the securities representing the capital of its parent company, are considered to be in registered form by the applicable law in the country of its incorporation;

(ii) if such Holder is an insurance company, open-end investment fund or pension fund, it shall submit the by-laws or articles of incorporation of such Holder and its parent company;

(iii) if such Holder is a banking or financial institution, it shall submit a certificate from the relevant central bank or the relevant authority of the country of incorporation or the parent company, certified by an authorized professional, stating whether the jurisdiction of its incorporation has adopted the International Standards; or

(iv) if such Holder declares that pursuant to its by-laws or its juridical nature, such Holder (A) does not, as its principal activity, invest outside the jurisdiction of its incorporation or (B) is not prohibited from performing certain transactions under its by-laws or applicable laws and regulations of the jurisdiction of its incorporation, such Holder shall submit its by-laws and articles of incorporation. In the case of permanent establishment, it may submit a certificate certifying as to such declarations issued by its parent company duly certified by an authorized professional.

(d) The documents to be provided pursuant to this Section 2.14 shall be notarized and, if executed outside of Argentina, either apostilled in accordance with the Hague convention or consularized by the Argentine Consulate of the country of incorporation of such entities.

(e) If the Holders of Unlisted Notes do not timely provide all or part of the information, documents or evidence that may be required by the Issuer from time to time as described in this Section 2.14, the Issuer will not pay any Additional Amounts and will withhold or deduct the maximum amount that may be required by Argentine law in the absence of such information, documents or evidence. The Issuer will inform the Trustee in writing if the Issuer will not be obligated to pay any Additional Amounts in respect of any Holder pursuant to the information received from such Holder.

Section 2.15 . *Special Provision Regarding Title VI of the Argentine Income Tax Law.* Holders of Listed Notes who elect to receive payment of principal and/or interest or the redemption price, if any, in Argentina, must file an

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application at the specified domicile of the Paying Agent in Argentina between the fifth and the third Business Day prior to the relevant Interest Payment Date or redemption date therefor or at maturity in order to receive such payment on the relevant Interest Payment Date or redemption date or at maturity. Such filing shall be made by completing an application for payment, which is available at the specified domicile of the Paying Agent in Argentina. In such application for payment, each such Holder will be required to indicate, among other things, whether or not such Holder is subject to Section 4 of Decree 1076/92 of the executive branch of Argentina and to Title VI of the Argentine Income Tax Law (text of 1997, as restated). In the event that any such Holder shall fail to make such filing between the fifth and third Business Day prior to the relevant Interest Payment Date or redemption date or at maturity, as applicable, such Holder shall be entitled to receive the relevant payment on the third Business Day after such filing with the Paying Agent has taken place.

Notwithstanding any other provision in Section 2.07, all payments to be made by the Paying Agent in Argentina with respect to Listed Notes shall be in cash or by wire transfer to an account of the Holder in a bank located outside the United States of America (provided that the Holder has provided the Paying Agent in Argentina with sufficient information concerning such account and bank not less than five Business Days prior to the relevant Interest Payment Date or redemption date therefor or maturity).

Any Holder of the Listed Notes subject to Title VI of the Argentine Income Tax Law (text of 1997 as restated) must present its Listed Notes exclusively to the Paying Agent in Argentina and comply with the preceding paragraphs in order to receive payments of principal and/or interest thereof or the redemption price thereof.

ARTICLE 3

COVENANTS OF THE ISSUER AND THE TRUSTEE

Section 3.01 . *Payment of Principal and Interest.* The Issuer covenants and agrees for the benefit of each Series of Notes that it will duly and punctually pay or cause to be paid in immediately available funds to the Trustee or one or more Paying Agents appointed by it hereunder no later than 12:00 noon (New York City time) one Business Day prior to any date of payment, the principal of and interest on each of such Notes and any other payments to be made by the Issuer under such Notes and this Indenture due on such date of payment.

Section 3.02 . *Offices for Payments, etc.* So long as any of the Notes remain Outstanding, the Issuer will maintain in New York City the following for each Series: a Paying Agent or Registrar (i) where the Notes may be presented for payment, (ii) where the Notes may be presented for exchange, transfer or registration of transfer as provided in this Indenture, and (iii) where notices and

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demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer hereby initially designates the Corporate Trust Office as the office to be maintained by it for each such purpose and where the Register will be maintained, and hereby appoints the Trustee as its Paying Agent and Transfer Agent, and the Trustee hereby accepts such appointment. In case the Issuer shall fail to so designate or maintain any such Agent or Registrar or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and written notices may be served at the Corporate Trust Office.

So long as any Series of Notes are authorized for their public offering in Argentina and the rules of the CNV or other applicable Argentine law so require, or are listed on the Buenos Aires Stock Exchange or on the Mercado Abierto Electrónico S.A. and the rules of the Buenos Aires Stock Exchange, or of the Mercado Abierto Electrónico S.A., as the case may be, so require, the Issuer will maintain a Registrar, a Paying Agent and a Transfer Agent in Argentina and the Trustee will maintain a representative in Argentina. Banco Río de la Plata S.A. Buenos Aires, Argentina, will initially act as such Paying Agent and Transfer Agent and Trustee's Representative.

So long as the Notes of any Series are listed on the Luxembourg Stock Exchange and the Luxembourg Stock Exchange rules so require, there will be a Paying Agent and a Transfer Agent in Luxembourg. The Bank of New York (Luxembourg) S.A. will initially act as such Paying Agent and Transfer Agent.

The Issuer will give to the Trustee written notice of the location of any such Agent or Registrar and of any change of location thereof.

Section 3.03 . *Appointment to Fill a Vacancy in Office of Trustee.* The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 5.10, a Trustee, so that there shall at all times be a Trustee with respect to each Series of Notes hereunder.

Section 3.04 . *Payments and Paying Agents.* (a) At least three Business Days prior to the first Interest Payment Date or the first principal payment date and, if there has been any change with respect to the matters set forth in the below-mentioned certificate, at least three Business Days prior to each Interest Payment Date or principal payment date thereafter, the Issuer shall furnish the Trustee with an Issuer Order instructing the Trustee as to any circumstances in which payments of principal or interest on the Notes of any Series due on such date shall be subject to deduction or withholding for or on account of any taxes and the rate of any such deduction or withholding. If any such deduction or withholding shall be required and if the Issuer therefore becomes liable to pay Additional Amounts pursuant to the terms of the Notes of such Series, then at least three Business Days prior to each Interest Payment Date or principal payment date, the Issuer will furnish the Trustee with an Issuer Order that

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specifies the amount required to be withheld on such payment date to Holders of Notes of such Series and the Additional Amounts due to Holders of such Notes and certifies that the Issuer shall withhold such amount on such payment date from such payment, and shall pay such amount to the appropriate governmental authorities and will pay to the Trustee such Additional Amounts as shall be required to be paid to such Holders.

The Issuer agrees to indemnify each of the Trustee and the Paying Agents for, and to hold each of them harmless against, any loss, liability or expense arising out of or in connection with actions taken or omitted by it in reliance on any Issuer Order furnished pursuant to this Section or the failure of the Issuer to furnish any such Issuer Order, except to the extent that such loss, liability or expense results from its own negligence or bad faith.

(b) Whenever the Issuer shall appoint a Paying Agent other than the Trustee for the purpose of paying amounts due in respect of the Notes of any Series, it will cause such Paying Agent to execute and deliver to the Trustee a written instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section:

(i) that it will hold all sums received by it as such agent for the payment of the principal of or interest on or redemption payments on the Notes of such Series (whether such sums have been paid to it by or on behalf of the Issuer or by any other obligor on the Notes of such Series) in trust for the benefit of Holders of the Notes of such Series or of the Trustee;

(ii) that it will give the Trustee written notice of any failure by the Issuer to make any payment of the principal of or interest on the Notes of such Series and any other payments to be made by or on behalf of the Issuer under this Indenture or the Notes of such Series when the same shall be due and payable; and

(iii) that it will pay any such sums so held in trust by it to the Trustee upon the Trustee's written request at any time during the continuance of the failure referred to in clause (ii) above.

The Trustee, in its capacity as the principal Paying Agent, shall arrange with all such Paying Agents for the payment, from funds furnished by the Issuer to the Trustee pursuant to this Indenture, of the principal of and interest on, and any required redemption payments on, the Notes and of the compensation of such Paying Agents for their services as such.

If the Issuer shall act as its own Paying Agent with respect to the Notes of any Series, it will, on or before each due date of the principal of or interest on the Notes of such Series, and any required redemption payments on, set aside, segregate and hold in trust for the benefit of Holders of the Notes of such Series a

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sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee in writing of any failure to take such action.

Anything in this Section 3.04 to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all Series of Notes hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such Series by the Issuer or any Paying Agent hereunder, as required by this Section 3.04, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section 3.04 to the contrary notwithstanding, the agreements to hold sums in trust as provided in this Section are subject to the provisions of Section 9.03 and 9.04.

Section 3.05 . *Taxation.* (a) All payments by the Issuer in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed or levied by or on behalf of Argentina or any political subdivision or authority thereof or therein having power to tax, unless the Issuer is compelled by law to deduct or withhold such taxes, duties, assessments or other governmental charges. In such event, the Issuer will pay such additional amounts ( **Additional Amounts** ) as may be necessary to ensure that the net amounts paid by the Issuer after such withholding or deduction shall equal the respective amounts of principal and interest that would have been payable by the Issuer in respect of the Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of any Note:

(i) if any such tax, duty, assessment or other governmental charge would not have been so imposed but for the presentation by the Holder of any such Note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(ii) if any such tax, duty, assessment or other governmental charge would not have been imposed or withheld but for the failure by the Holder of Notes or, any other Person as required under applicable law, statute, treaty or regulation of Argentina or written administrative instruction of the *Administración Federal de Ingresos Públicos*, or AFIP, (whether or not such Holder or Person is lawfully able to do so) to provide information, documents or other evidence, in the form and conditions as required under applicable law, statute, treaty, or regulation of Argentina or written administrative instruction of the AFIP concerning the nationality, residence, identity, or connection with Argentina of such Holder or Person or other significant information which is required or imposed by a law, statute, treaty, or regulation of Argentina or written administrative

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instruction of the AFIP as a precondition to exemption from all or part of such tax, duty, assessment or governmental charge;

(iii) held by or on behalf of a Holder of Notes who is liable for taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with Argentina (or any political subdivision or authority thereof) other than the mere purchase, holding or disposition of such Note, or the receipt of principal or interest in respect thereof;

(iv) for any estate, inheritance, gift, sales, transfer, personal property tax or any similar tax, assessment or governmental charge;

(v) for any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding or deduction from payments on or in respect of any Note;

(vi) if the Issuer is compelled by law to make any withholding or deduction for or on account of, or is obligated to act as substitute obligor for the Argentine personal assets tax established by the Argentine Law No. 23,966, as amended and implemented; or

(vii) any combination of (i), (ii), (iii), (iv), (v) or (vi).

(b) In any event, with respect to payment on any Unlisted Note the Issuer shall not pay any Additional Amounts with respect to any payment under any such Unlisted Note to any such Holder of Unlisted Notes to the extent any such tax, duty, assessment or other governmental charge is required to be deducted, withheld or otherwise imposed in an amount greater than the deduction or withholding that would be imposed on a person set forth in Section 93(c)(1) of the Argentine Income Tax Law or any amendment to such section.

(c) Nor shall Additional Amounts be paid with respect to any payment under any Unlisted Note to any Holder of Unlisted Notes who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor or beneficial owner would not have been entitled to any Additional Amounts had such beneficiary or settlor or beneficial owner been the Holder of Unlisted Notes. For purposes of determining whether Additional Amounts shall be paid, the Issuer will request the information as provided in Section 2.14.

(d) The Issuer will also: (i) make such withholding or deduction compelled by applicable law, and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

(e) The obligation to pay Additional Amounts is subject to the provisions of Section 2.14 and 2.15 of this Indenture.

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(f) The Issuer will furnish to the Trustee, upon written request from Holders of the Notes through the Trustee, copies of such receipts evidencing the payment of any taxes, duties, assessments or other governmental charges so deducted or withheld in such form as provided in the normal course by the taxing authority imposing such taxes, duties, assessments or other governmental charges and as is reasonably available to the Issuer to the Trustee within 60 days after the date of receipt of such evidence. The Trustee will make such evidence available to Holders of Notes upon written request.

(g) The Issuer will pay any present or future stamp, or documentary taxes, which arise in Argentina from the execution, delivery or registration of the Notes or any other document or instrument referred to in the Notes.

(h) If the Holders of Notes do not timely provide all or part of the information, documents or evidence that may be required by the Issuer from time to time pursuant to applicable law, statute, treaty or regulation of Argentina, or any written administrative instruction of the AFIP, the Issuer will not pay any Additional Amounts and will withhold or deduct the maximum amount that may be required by Argentine law.

Section 3.06 . *Ranking*. The Issuer will ensure that its obligations under each Note will at all times constitute direct, unsubordinated and unconditional obligations of the Issuer ranking at all times at least *pari passu* in priority of payment, in right of security and in all other respects with all other New Debt and with all other unsecured Indebtedness of the Issuer now or hereafter outstanding, except to the extent that such other Indebtedness may be preferred by mandatory provisions of applicable law.

Section 3.07 . *Noteholders Lists*. If and so long as the Trustee shall not be the Registrar for the Notes of any Series, the Issuer will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of Holders of the Notes of such Series pursuant to Section 312 of the Trust Indenture Act of 1939 (i) semiannually not more than 5 Business Days after each Record Date for the payment of interest on such Notes, as hereinabove specified, as of such Record Date, and (ii) at such other times as the Trustee may request in writing, within ten days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished. The Trustee shall preserve in as current a form as is reasonably practicable all information furnished to it or received by it pursuant to this Section 3.07 or received by it in the capacity of Paying Agent and the Trustee shall otherwise comply with Section 312(a) of the Trust Indenture Act of 1939. In addition to the obligations of the Issuer hereinbefore mentioned in this Section 3.07, the Issuer shall otherwise comply with Section 312(a) of the Trust Indenture Act of 1939.



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Section 3.08 . *Notice of Default*. The Issuer will promptly notify the Trustee by facsimile or electronic mail (receipt confirmed telephonically or by electronic mail or by electronic mail receipt) promptly after it becomes aware of the occurrence of any Event of Default, or any condition or event which with the giving of notice, lapse of time or satisfaction of any other condition or any combination of the foregoing would, unless cured or waived, become an Event of Default. Each notice given pursuant to this Section shall be accompanied by a certificate of an Officer of the Issuer setting forth the details of the occurrence referred to therein and stating what action the Issuer proposes to take with respect thereto.

Section 3.09 . *Maintenance of Existence*. Except as otherwise permitted by Section 3.14 or Section 8.01, the Issuer will, and will cause each of its Restricted Subsidiaries to, at all times continue to maintain its corporate existence and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

Section 3.10 . *Line of Business*. The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business, except for immaterial operations incidental to acquired businesses.

Section 3.11 . *Limitation on Liens*. The Issuer will not, and will not permit any of its Restricted Subsidiaries to, incur, assume or suffer to exist, any Lien upon its property, assets or revenues, whether now owned or hereafter acquired, securing any Indebtedness of any Person, unless the Notes are equally and ratably secured by such Liens, other than the following ( **Permitted Liens** ):

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; *provided*, that adequate reserves with respect thereto are maintained on the books of the Issuer or such Restricted Subsidiary, as the case may be, in conformity with generally accepted accounting principles applicable to the primary financial statements of the Issuer or such Restricted Subsidiary;

(b) Liens incurred in the ordinary course of business on all or part of any assets to secure Indebtedness incurred solely for purposes of financing the acquisition, construction or installation thereof;

(c) Liens arising in the ordinary course of business which do not secure Indebtedness and are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

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(e) Liens arising by reason of (i) any judgment, decree or order of any court, so long as such Lien is being contested in good faith and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired; (ii) security for payment of workers compensation or other insurance or obligations arising from other social security laws; and (iii) operation of law in favor of carriers, warehousemen, landlords, mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

(f) easements, rights-of-way, zoning and similar covenants and restrictions and other similar encumbrances or title defects which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the Issuer and its Subsidiaries' business;

(g) Liens on property at the time the Issuer or any of its Restricted Subsidiaries acquires such property, including any acquisition by means of a merger or consolidation with or into the Issuer or a Restricted Subsidiary of such Person; *provided* that such Liens were not created in contemplation thereof and do not extend to any other property of the Issuer or any Restricted Subsidiary;

(h) escrow deposits, trusts or similar accounts for the payment of debt service obligations under the New Debt; *provided* that such payments are applied to scheduled payments of principal and interest in direct order of maturity;

(i) customary Liens in favor of trustees and escrow agents, and netting and setoff rights, bankers' liens and the like in favor of financial institutions and counterparties to financial obligations and instruments, including Hedging Contracts;

(j) Liens securing obligations under Hedging Contracts so long as such Hedging Contracts relate to Indebtedness that is permitted under this Indenture;

(k) Liens on accounts receivable and related assets and proceeds therefrom arising in connection with a Permitted Receivables Financing;

(l) any interest or title of a lessor under any Capital Lease;

(m) Liens securing Indebtedness in an aggregate principal amount not in excess of U.S.\$20 million (or its equivalent in other currencies) at any time outstanding;

(n) Liens in existence on the Issuance Date and any renewals or extensions thereof, so long as (i) such renewal or extension Lien does not extend

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to any property other than that originally subject to the Liens being renewed or extended and (ii) the principal amount of the Indebtedness secured by such Lien is not increased; and

(o) Liens required under this Indenture or permitted or required under the Telecom Personal Debt.

Section 3.12 . *Limitation on Indebtedness.* (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness unless on the date of the Incurrence of such Indebtedness, after giving effect to such Incurrence and the receipt and application of the proceeds therefrom, the Leverage Ratio does not exceed 2.75 to 1 or, if a Leverage Ratio Adjustment Event has occurred, 2.25 to 1.

(b) Notwithstanding the foregoing, the Issuer and any of its Restricted Subsidiaries may, to the extent provided below, Incur the following Indebtedness ( **Permitted Indebtedness** ):

(i) Indebtedness outstanding on the Issuance Date;

(ii) Indebtedness issued pursuant to the APE (including the New Debt) and Telecom Personal Debt;

(iii) Indebtedness of the Issuer or any of its Restricted Subsidiaries constituting Permitted Refinancing Indebtedness;

(iv) Indebtedness of the Issuer, which may include Capital Leases, Incurred for purposes of financing Permitted Capital Expenditures; *provided* that the principal amount of any Indebtedness Incurred pursuant to this Section 3.12 may not exceed U.S.\$50 million (or its equivalent in other currencies) at any time outstanding;

(v) Hedging Contracts of the Issuer relating to Indebtedness permitted under this Indenture;

(vi) Indebtedness with respect to letters of credit and bankers' acceptances issued in the ordinary course of business and not supporting Indebtedness, including letters of credit supporting performance bonds;

(vii) Indebtedness of the Issuer or any of its Restricted Subsidiaries to the Issuer or any of its Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) so long as such Indebtedness continues to be owed to the Issuer or a Restricted Subsidiary (other than Telecom Personal and its Subsidiaries) and which, if the obligor is the Issuer, is subordinated in right of payment to the Notes;

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(viii) Indebtedness of Telecom Personal or any of its Subsidiaries that is permitted under the Telecom Personal Debt;

(ix) Up to an aggregate of U.S.\$30 million (or its equivalent in other currencies) of Attributable Debt under Sale and Leaseback Transactions Incurred by the Issuer during the term of the New Debt; and

(x) Indebtedness of the Issuer Incurred on or after the Issuance Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed U.S.\$60 million (or its equivalent in other currencies); *provided* that such Indebtedness is Incurred for purposes relating to the operation of the business of the Issuer or any of the Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries), including for Permitted Investments, capital expenditures, purchase of assets, payment of expenses, debt service, purchase or payment of Indebtedness (including through Market Purchase or Optional Redemption transactions or Note Payments), refinancing of Indebtedness, funding of intercompany loans and funding of working capital.

(c) Notwithstanding Section 3.12(b), the Issuer will not permit any of its Restricted Subsidiaries to Guarantee any Indebtedness of any other Person.

(d) For the purposes of determining compliance with this Section 3.12, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness permitted by Section 3.12(b) or is entitled to be Incurred pursuant to Section 3.12(a), the Issuer in its sole discretion shall classify such item of Indebtedness into one or more available categories as of the date of Incurrence.

Section 3.13 . *Limitations on Restricted Payments.* (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly (the payments and other actions described in the following clauses being collectively **Restricted Payments** ):

(i) purchase any Equity Interests of the Issuer;

(ii) repay, redeem, repurchase, defease or otherwise acquire or retire for value, or make any payment on or with respect to, any Subordinated Indebtedness except scheduled payments of interest or principal; or

(iii) make any Investments other than Permitted Investments.

(b) (i) For so long as any Telecom Personal Debt is outstanding in substantially the same form as issued by Telecom Personal in its restructuring, any Investment by the Issuer in Telecom Personal (other than item (7)(B) of the definition of **Permitted Investment** ) will be made solely in the form of debt

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instruments having the same terms and conditions as the Telecom Personal Debt then outstanding having the shortest maturity (including an amortization schedule matching the remaining amortization schedule of such Telecom Personal Debt), and ranking *pari passu* with such Telecom Personal Debt (such debt, together with any Investment described in clause (iv) below, **Qualified Telecom Personal Indebtedness** ). The Issuer will not permit Telecom Personal to apply the net cash proceeds from any Qualified Telecom Personal Indebtedness for any purpose other than to fund capital expenditures, operational expenses or debt service requirements that Telecom Personal is not able to satisfy with available cash.

(ii) Any such Qualified Telecom Personal Indebtedness issued to the Issuer by Telecom Personal in accordance with clause (i) will be held in trust for the benefit of holders of the New Debt for so long as it is held by the Issuer.

(iii) The Issuer will use its best efforts to sell such Qualified Telecom Personal Indebtedness in the secondary market as promptly as practicable following the issuance date of such Indebtedness; *provided* that the Issuer will not be required to sell such Qualified Telecom Personal Indebtedness if it is unable to obtain a sale price providing a yield to maturity for such Indebtedness that is equal to or higher than the yield to maturity for the Issuer notes having terms and conditions most comparable to such Qualified Telecom Personal Indebtedness, less 200 basis points.

(iv) If no Telecom Personal Debt is outstanding in substantially the same form as issued by Telecom Personal in its restructuring, any Investment by the Issuer in Telecom Personal will be made solely in the form of (A) secured obligations that rank senior to other Indebtedness of Telecom Personal or (B) debt instruments having the same terms and conditions as outstanding Indebtedness of Telecom Personal for which a secondary market is available; *provided* that the Issuer shall use its best efforts to sell such Indebtedness in the secondary market as promptly as practicable following the issuance of such Indebtedness. Any such Indebtedness issued to the Issuer by Telecom Personal shall be held in trust for the benefit of holders of the New Debt for so long as it is held by the Issuer.

Section 3.14 . *Limitation on Asset Sales.* (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Sale unless the following conditions are met:

(i) the Asset Sale is for fair market value, as determined in good faith by the Board of Directors;

(ii) at least 75% of the value of the consideration therefrom received is in the form of cash or Cash Equivalents; and

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(iii) immediately before and immediately after giving effect to such Asset Sale, no Default or Event of Default shall have occurred and be continuing.

(b) Within 45 days of completion of any Asset Sale comprising (i) any sale by the Issuer of Equity Interests of Telecom Personal held by the Issuer on the Issuance Date or Equity Interests of any Operating Subsidiary of the Issuer (other than Telecom Personal or any Subsidiary thereof) or (ii) any sale by the Issuer of Qualified Telecom Personal Indebtedness or (iii) any disposition by the Issuer or any Operating Subsidiary (other than Telecom Personal or any Subsidiary thereof) of all or substantially all of its assets for cash (each such transaction, a **Major Asset Sale**), the Issuer shall, at its election, apply the Net Cash Proceeds of such Asset Sale to purchase or prepay the New Debt through Market Purchase or Optional Redemption transactions or through a Note Payment; *provided* that, if the Net Cash Proceeds are less than U.S.\$5 million, the Issuer may elect to pay the Net Cash Proceeds that are not otherwise applied as described above into the Reserve Account.

(c) Within 270 days after the receipt of the Net Cash Proceeds from an Asset Sale other than a Major Asset Sale, the Issuer shall, at its election, apply the Net Cash Proceeds of such Asset Sale to (i) purchase or prepay the New Debt through Market Purchase or Optional Redemption transactions or through a Note Payment or (ii) acquire all or substantially all of the assets of a Permitted Business, or a majority of the Voting Stock of another Person that thereupon becomes a Restricted Subsidiary engaged in a Permitted Business, or to make capital expenditures or otherwise acquire long-term assets that are to be used by the Issuer or a Restricted Subsidiary in a Permitted Business. Pending application of the Net Cash Proceeds of any Asset Sale as described in this Section 3.14(c), any such Net Cash Proceeds shall be paid into the Reserve Account.

(d) Notwithstanding the foregoing, this Section 3.14 shall not apply to any Asset Sale by Telecom Personal or its Subsidiaries made in compliance with the Telecom Personal Debt.

Section 3.15 . *Limitations on Sale and Leaseback Transactions.* Within 45 days of completion of any Sale and Leaseback Transaction, the Issuer shall apply any net cash proceeds of such Sale and Leaseback Transaction, at the Issuer's election, to purchase or prepay the New Debt through Market Purchase or Optional Redemption transactions or through a Note Payment.

Section 3.16 . *Limitation on Transactions with Shareholders and Affiliates.* (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, renew or extend any transaction or arrangement including the purchase, sale, lease or exchange of property or assets, or the rendering of any service, with any holder of 10% or more of the Capital Stock of the Issuer, except upon terms not less favorable to the Issuer or

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such Restricted Subsidiary than those that could be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of the Issuer (an **Arm's-Length Transaction**).

(b) In addition, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, renew or extend any transaction or arrangement including the purchase, sale, lease or exchange of property or assets, or the rendering of any service, with any Affiliate of the Issuer, except for Arm's-Length Transactions. If any such transaction or series of related transactions has an aggregate value in excess of 1% of the Issuer's net worth as set forth in the Issuer's latest publicly available financial statements, the Issuer will, prior to such transaction, (i) obtain a favorable written opinion from either (A) the audit committee of the Board of Directors, which committee shall include at least two independent members of the Board of Directors or (B) at least one independent consultant that the terms of the transaction are consistent with those obtained in an Arm's-Length Transaction and (ii) obtain the approval of a majority of the Board of Directors who are disinterested in the subject matter of the transaction pursuant to a resolution of the Board of Directors.

(c) The foregoing Section 3.16(a) and (b) do not apply to:

(i) any transaction between the Issuer and any of its Restricted Subsidiaries (excluding Telecom Personal and its Subsidiaries) or between Restricted Subsidiaries of the Issuer (excluding Telecom Personal and its Subsidiaries);

(ii) any transaction between the Issuer and Telecom Personal (or any of its Subsidiaries) that is of the type entered into in the ordinary course of business as of the Issuance Date and the subsequent continuation or renewal thereof on comparable terms including, without limitation, finance, administrative and legal services and interconnection services;

(iii) any transaction permitted under the Telecom Personal Debt, except for transactions between the Issuer and its Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries), on the one hand, and Telecom Personal and its Subsidiaries, on the other hand, which insofar as the Indenture and the Notes are concerned, are addressed solely in this Section 3.16;

(iv) any payment of reasonable and customary fees to directors of the Issuer;

(v) any transaction or payment required pursuant to Argentine laws and regulations;

(vi) any Investment in Telecom Personal that is required under Section 3.21;

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(vii) any transaction or payment pursuant to any employee, officer or director compensation or benefit plans or arrangements entered into in the ordinary course of business; or

(viii) up to U.S.\$10 million (or its equivalent in other currencies) in any fiscal year in aggregate payments (including out-of-pocket costs and expenses) relating to technical services, assistance with specified projects undertaken at the request of the Issuer's Board of Directors and services of highly qualified personnel under the Management Contract dated August 9, 1999, as amended, modified or replaced from time to time so long as the amended, modified or new provisions, taken as a whole, are no less favorable to the Issuer and its Restricted Subsidiaries than those in effect on the Issuance Date.

Section 3.17 . *Limitation on Capital Expenditures.* (a) The Issuer will not, and will not permit any Restricted Subsidiary to, make any capital expenditure other than Permitted Capital Expenditures, Telecom Personal Permitted Capital Expenditures and Regulatory Capital Expenditures.

(b) Notwithstanding the foregoing, the Issuer and any Restricted Subsidiary may apply Net Equity Proceeds, Net Cash Proceeds from any Asset Sale (other than a Major Asset Sale) or amounts expressly permitted to be withdrawn from the Reserve Account for capital expenditures in excess of Permitted Capital Expenditures without regard to this Section 3.17 and the application of such amounts will not reduce the aggregate amount of Permitted Capital Expenditures that may be made in any fiscal year under this Section 3.17.

(c) This Section 3.17 shall not apply to any capital expenditures made by Núcleo.

Section 3.18 . *Limitations on Payment Restrictions Affecting Restricted Subsidiaries.* (a) Except as provided in Section 3.18(b), the Issuer will not, and will not permit any of its Restricted Subsidiaries to (i) create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to make, or (ii) agree to include as an event of default or prepayment event under any debt obligation or other agreement to which any Restricted Subsidiary is a party upon:

(A) any payment of dividends or making of any other distributions on any Equity Interests of the Restricted Subsidiary owned by the Issuer or any other Restricted Subsidiary, or

(B) any payment of any Indebtedness or other obligation owed to the Issuer or any other Restricted Subsidiary.



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(b) The provisions of Section 3.18(a) do not apply to any encumbrances or restrictions:

(i) existing under or by reason of applicable law,

(ii) existing with respect to any Person, or to the property or assets of any Person, at the time the Person is acquired by the Issuer or any Restricted Subsidiary or with respect to any Unrestricted Subsidiary, at the time it is designated as a Restricted Subsidiary, which encumbrances or restrictions (i) are not applicable to any other Person or the property or assets of any other Person and (ii) were not put in place in anticipation of such event and any extensions, renewals, replacements or refinancings of any of the foregoing; *provided* that the encumbrances and restrictions in the extension, renewal, replacement or refinancing are, taken as a whole, no less favorable in any material respect to Holders of Notes than the encumbrances or restrictions being extended, renewed, replaced or refinanced,

(iii) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, the Restricted Subsidiary that is permitted by Section 3.14,

(iv) existing pursuant to the terms of the New Debt, or

(v) existing pursuant to or expressly permitted under the terms of the Telecom Personal Debt.

Section 3.19 . *Limitation on Issuance of Equity Interests of Telecom Personal.* The Issuer will not permit Telecom Personal to issue any Equity Interests if, after giving effect to the issuance, the Issuer, directly or indirectly, would no longer own at least 50.1% of the total voting power of the Voting Stock of Telecom Personal.

Section 3.20 . *Restriction on Voluntary Capital Reduction.* The Issuer will not undertake a Voluntary Reduction of Capital without the prior consent of the Holders of Notes. Such consent shall be obtained as provided in Section 6.08.

Section 3.21 . *Reinvestment of Dividends Paid by Telecom Personal.* If Telecom Personal pays any Telecom Personal Distribution Payment to the Issuer in cash or Cash Equivalents, the Issuer will reinvest any such Telecom Personal Distribution Payment received by it in Telecom Personal. Such investment shall be made, at the Issuer's option, by the subscription of common stock or non-redeemable shares issued by Telecom Personal, or by contribution to Telecom Personal's capital account in the form of irrevocable capital contributions ( *aportes irrevocables* ).

Section 3.22 . *Limitation on Use of Proceeds of Incurrence of Indebtedness.* In the event that the Issuer Incurs any Indebtedness (other than Permitted Indebtedness and Indebtedness relating to Sale and Leaseback

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Transactions, the use of proceeds from which is addressed separately) (a) at least 50% of the Net Debt Proceeds therefrom shall be applied, within 45 days after such Incurrence, to prepay the New Debt through a Note Payment and (b) the remainder thereof shall be paid into the Reserve Account to be used by the Issuer during the twelve-month period following the deposit of such funds for purposes relating to the operation of the Issuer or any of the Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) business, including for Permitted Investments, capital expenditures, purchase of assets, payment of expenses, debt service, purchase or payment of Indebtedness (including through Market Purchase or Optional Redemption transactions or Note Payments), refinancing of Indebtedness, funding of intercompany loans and funding of working capital, and any such proceeds remaining in the Reserve Account at the expiration of such twelve-month period shall be applied as set forth under Section 10.02(a)(iii) on or before the next succeeding Mandatory Prepayment Date.

Section 3.23 . *Redemption of Notes Upon a Change of Control.* Not later than 60 days following a Change of Control, the Issuer will make an Offer to Redeem all outstanding Notes at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued but unpaid interest to the date of purchase.

Section 3.24 . *Designation of Restricted and Unrestricted Subsidiaries.* (a) The Board of Directors may designate any Subsidiary, including a newly acquired or created Subsidiary, to be an Unrestricted Subsidiary if:

(i) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such designation;

(ii) the Issuer could Incur at least U.S.\$1.00 of Indebtedness under Section 3.12;

(iii) such Subsidiary does not own any Capital Stock of the Issuer or any Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Issuer or any Restricted Subsidiary; and

(iv) the Subsidiary is not party to any transaction or arrangement with the Issuer or any Restricted Subsidiary that would not be permitted under Section 3.16.

If the Subsidiary being designated as an Unrestricted Subsidiary is, at the time of designation, a Restricted Subsidiary, the consequences set forth in Section 3.24(c) will apply. Once so designated the Subsidiary will remain an Unrestricted Subsidiary, subject to Section 3.24(b).

(b) (i) A Subsidiary previously designated an Unrestricted Subsidiary which fails to meet the qualifications set forth in Section 3.24(a) will be deemed

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to become at that time a Restricted Subsidiary, subject to the consequences set forth in Section 3.24(d).

(ii) The Board of Directors may designate an Unrestricted Subsidiary to be a Restricted Subsidiary if the designation would not cause a Default.

(c) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary:

(i) all existing Investments of the Issuer and the Restricted Subsidiaries therein valued at the Issuer's proportional share of the fair market value of its assets less liabilities will be deemed made at that time;

(ii) all existing Indebtedness of the Issuer or a Restricted Subsidiary held by it will be deemed Incurred at that time, and all Liens on property of the Issuer or a Restricted Subsidiary held by it will be deemed incurred at that time;

(iii) all existing transactions between it and the Issuer or any Restricted Subsidiary will be deemed entered into at that time; and

(iv) it will cease to be subject to the provisions of this Indenture and the Notes as a Restricted Subsidiary.

(d) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary:

(i) all of its Indebtedness and Disqualified Stock will be deemed Incurred at that time for purposes of Section 3.12,

(ii) Investments therein previously charged under Section 3.13, as adjusted to reflect any change in the Issuer's proportional share of the fair market value of its assets less liabilities, will be credited thereunder; and

(iii) it will thenceforward be subject to the provisions of this Indenture and the Notes as a Restricted Subsidiary.

Any designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary shall, unless so Noted by the Issuer, be deemed to include the designation of all of the Subsidiaries of such Subsidiary.

(e) Any designation by the Board of Directors of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary will be evidenced to the Trustee by delivering to the Trustee a copy of the resolutions of the Board of Directors giving effect to the designation and an Officers

Certificate certifying that the

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designation complied with the foregoing provisions not later than the next succeeding delivery of financial statements as required under Section 3.25.

Section 3.25. *Reports by the Issuer.* (a) The Issuer will furnish to the Trustee:

(i) as soon as available, but in any event within 120 days after the end of each fiscal year of the Issuer, a copy of the consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of such year and the related consolidated statements of income and cash flows for such fiscal year, certified by independent accountants selected by the Issuer and of internationally recognized standing;

(ii) as soon as available, but in any event within 75 days after the end of each of the first three fiscal quarters of the Issuer, a copy of the unaudited consolidated balance sheet of the Issuer and its Consolidated Subsidiaries as of the end of each such quarter and the related unaudited consolidated statements of income and cash flows of the Issuer for such quarter and the portion of the fiscal year through such date, certified by the chief financial officer of the Issuer as presenting fairly the financial condition and results of operations of the Issuer and its Consolidated Subsidiaries (subject to normal year-end audit adjustments);

(iii) concurrently with the delivery of the financial statements referred to in clause (i) above, a certificate of such independent accountants certifying such financial statements, stating whether in the course of the normal audit procedures anything came to their attention (except for the APE procedure) to cause them to believe that there existed on the date of such statements any Event of Default, or any condition or event which with the giving of notice, lapse of time or satisfaction of any other condition or any combination of the foregoing would, unless cured or waived, become an Event of Default, and if so, specifying the nature and period of existence thereof, it being understood that such independent accountants shall not be obligated to expand the scope of their examination beyond that required by their normal audit procedures (including, if applicable, procedures for companies conducting APE procedures);

(iv) concurrently with the delivery of the financial statements referred to in clause (i) above and the financial statements for the second fiscal quarter of the Issuer referred to in clause (ii) above, a certificate of the Issuer's independent accountants certifying the calculation of Excess Cash; and

(v) concurrently with the delivery of the financial statements referred to in clauses (i) and (ii) above, a certificate of the chief financial officer of the Issuer (i) stating whether, to the best of such Officer's

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knowledge, the Issuer during such period has kept, observed, performed and fulfilled each and every covenant and condition contained herein and whether, to the best of such Officer's knowledge, anything came to his or her attention (except for the APE procedure) to cause him or her to believe that there existed on the date of such statements any Event of Default, or any condition or event which with the giving of notice, lapse of time or satisfaction of any other condition or any combination of the foregoing would, unless cured or waived, become an Event of Default, and if so, specifying the nature and period of existence thereof and (ii) if the Issuer purchased any New Debt in a Market Purchase during the applicable fiscal quarter, (a) the price at which the New Debt was purchased and (b) the aggregate principal amount of the New Debt that was purchased.

(b) All of the financial statements referred to in (a)(i) and (a)(ii) above are to be complete and correct in all material respects, to be prepared in reasonable detail and in accordance with Argentine GAAP applied consistently throughout the periods reflected therein and to be delivered in both the English and Spanish languages.

(c) Whether or not the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Issuer agrees to provide the Trustee within the time periods specified in those sections with:

(i) all annual financial information that would be required to be contained in a filing with the Commission on Form 20-F if the Issuer were required to file such forms, including an Operating and Financial Review and Prospects and an audit report on such annual financial information by the Issuer's certified independent accountants, and

(ii) all current reports that would be required to be filed with the Commission on Form 6-K if the Issuer were required to file such reports.

In addition, whether or not required by the Commission, the Issuer will, if the Commission will accept the filing, file a copy of all of the information and reports referred to in clauses (a)(i) and (a)(ii) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations.

Section 3.26. *Reports by the Trustee.* Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted to Holders as provided in Section 313(c) of the Trust Indenture Act of 1939 on or before July 15 in each year following the date hereof, so long as any Notes are Outstanding hereunder, and shall be dated as of a date convenient to the Trustee no more than 60 nor less than 45 days prior thereto. At the time it delivers such report, the Trustee shall deliver a copy thereof to the Issuer.

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The Trustee also shall comply with Sections 313(b) and 313(c) of the Trust Indenture Act of 1939. A copy of each report at the time of its mailing to Noteholders shall be mailed to the Issuer and filed with the Commission and each securities exchange, if any, on which the Notes are listed. The Issuer shall notify the Trustee in writing if the Notes become listed on any securities exchange.

Section 3.27. *Listing.* With respect to the Listed Notes, the Issuer will use its best efforts to maintain a listing on the Buenos Aires Stock Exchange or the Mercado Abierto Electrónico S.A. and, with respect to the Listed Notes denominated in Euro, on the Luxembourg Stock Exchange, provided that the Issuer will not be required to maintain a Luxembourg Stock Exchange listing if it determines that compliance with the listing requirements would be unduly burdensome. In the event there are changes in the Luxembourg Stock Exchange listing requirements or the Luxembourg Stock Exchange determines not to accept the Issuer's financial statements prepared under Argentine GAAP, the Issuer may conclude that continued listing on the Luxembourg Stock Exchange is unduly burdensome. A copy of the Luxembourg Stock Exchange listing application will be available at the office of the Luxembourg agent when complete.

Section 3.28. *Limitation of Applicability of Certain Covenants.* Notwithstanding the foregoing, the Issuer's obligations to comply with the covenants described in Section 3.12 and Section 3.17 (collectively, the **Extinguished Covenants**) will terminate and cease to have any further effect from and after the first date that the Issuer attains from two internationally recognized statistical rating organizations (including any statistical rating organizations recognized by the Commission as a nationally recognized statistical rating organization) a rating on its long-term debt denominated in currencies other than Pesos that is Investment Grade; *provided* that if either of such statistical rating organizations subsequently ceases to provide the Issuer's long-term debt an Investment Grade rating, then, from and after the time the Issuer's long-term debt ceases to be rated Investment Grade by either rating organization, the Issuer and its Restricted Subsidiaries' obligation to comply with the Extinguished Covenants shall be reinstated.

The Extinguished Covenants will not, however, be of any effect with regard to actions of the Issuer properly taken while the Issuer's long-term debt was rated Investment Grade, and no Default will be deemed to have occurred solely by reason of any Indebtedness Incurred or capital expenditures made while the covenants were suspended.

Section 3.29. *Maintenance of the Reserve Account.* (a) The Issuer will establish one or more segregated bank and securities accounts (collectively, the **Reserve Account**) to hold the following funds in the form of cash or Cash Equivalents for purposes of satisfying its obligations under the New Debt:

- (i) 50% of any Net Debt Proceeds;

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(ii) the Reserved Excess Cash;

(iii) Net Cash Proceeds from Asset Sales (other than Major Asset Sales); and

(iv) Excess Cash amounts required to be deposited in the Reserve Account.

Upon a written request, the Issuer shall provide to the Trustee the information regarding the amount and nature of funds held in the Reserve Account.

(b) The Issuer will be entitled to withdraw from the Reserve Account the following funds:

(i) Any Net Debt Proceeds may be withdrawn by the Issuer during the twelve-month period following the deposit of such funds and used for purposes relating to the operation of the Issuer or any of the Restricted Subsidiaries (other than Telecom Personal and its Subsidiaries) business, including for Permitted Investments, capital expenditures, purchase of assets, payment of expenses, debt service, purchase or payment of Indebtedness (including through Market Purchase or Optional Redemption transactions or Note Payments), refinancing of Indebtedness, funding of intercompany loans and funding of working capital;

(ii) The deposit of the Reserved Excess Cash generated in any Excess Cash Period may be withdrawn by the Issuer during the six-month period following the deposit of such funds and (A) any and all of such funds may be used by the Issuer for purposes of making Distribution Payments, for making Mandatory Investments or for purchase of notes through Market Purchase or Optional Redemption transactions or through Note Payments and (B) 50% of such funds may be used by the Issuer for purposes of making capital expenditures (including capital expenditures in excess of Permitted Capital Expenditures); and

(iii) Net Cash Proceeds from Asset Sales (other than Major Asset Sales) may be withdrawn and applied as permitted under this Indenture.

(c) The funds in the Reserve Account will, to the fullest extent permitted by Argentine law and regulations of the Central Bank, be denominated in Dollars and Euro. Any funds held in the Reserve Account (other than funds that the Issuer is entitled to withdraw and use for its own account) as of the Calculation Date will be applied as set forth under Section 10.02(a)(iii). Notwithstanding the foregoing, the Issuer may apply any amounts remaining in the Reserve Account after the Notes have been paid in full in its sole discretion.



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ARTICLE 4

REMEDIES OF THE TRUSTEE AND NOTEHOLDERS ON EVENT OF DEFAULT

Section 4.01. *Events of Default*. Each of the following events with respect to any Series of Notes (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall be an event of default ( **Event of Default** ):

(a) default in the payment of principal of any of the Notes of such Series as and when the same shall become due and payable, whether at maturity, upon redemption, by declaration, by prepayment or otherwise and continuance of such default for five Business Days; *provided, however,* that any failure to make any principal payment under circumstances provided for, and in compliance with Section 10.14 shall not constitute an Event of Default; or

(b) default in the payment of any interest or Additional Amounts upon any of the Notes of such Series as and when the same shall become due and payable, and such default continues for 30 days; or

(c) any failure to comply with the provisions of Section 8.01; or

(d) any failure to make or consummate an Offer to Redeem in accordance with the provisions of Section 3.23; or

(e) any failure to apply the Net Cash Proceeds from an Asset Sale in accordance with the provisions of Section 3.14; or

(f) the Liens incurred for the benefit of Holders of the Notes in connection with the pledge of the Qualified Telecom Personal Indebtedness become or are declared to become invalid or ineffective; or

(g) any failure to apply Excess Cash to purchase Notes in accordance with the provisions of Section 10.02 and continuance of such default for five Business Days; or

(h) any failure on the part of the Issuer to duly observe or perform any of the covenants or agreements of the Issuer in respect of the Series A Notes or Series B Notes, respectively (other than those referred to in (a) through (g) above) for a period of more than 30 days after the date on which written notice thereof requiring the Issuer to remedy the same shall have been given to the Issuer by the Trustee or the Holders of at least 25% in aggregate principal amount of the Series A Notes or Series B Notes, respectively; or

(i) there occurs with respect to any Indebtedness (including New Debt of the same or another Series) of the Issuer or its Restricted Subsidiaries having a



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principal amount of U.S.\$20 million (or its equivalent in other currencies) or more in the aggregate for all such Indebtedness of all such Persons (i) an event of default that results in such Indebtedness being due and payable prior to its scheduled maturity or (ii) failure to make a principal payment when due and such defaulted payment is not made, waived or extended within the applicable grace period, except (i) for any such default existing within 30 days of the Issuance Date of the Notes under Indebtedness of Telecom Personal or its Subsidiaries Incurred prior to the date of the APE; *provided* that the Issuer shall be actively seeking a waiver of this default under the New Debt or under such Indebtedness and (ii) that this clause (i) shall not apply with respect to the Indebtedness of Núcleo prior to completion of the Núcleo Refinancing; or

(j) any event or condition shall occur or exist which results in or is reasonably likely to result in the loss or revocation of the license to operate (or a portion thereof) of the Issuer or any of its Restricted Subsidiaries by any governmental authority or court or other person or entity purporting to act under the authority of the government of Argentina, which loss or revocation of license (or a portion thereof) has or could reasonably be expected to have a material adverse effect on the business, operations, assets or condition, financial or otherwise, of the Issuer and its Restricted Subsidiaries taken as a whole; or

(k) there shall have been entered against the Issuer or any of its Restricted Subsidiaries a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be taken or, within the applicable period to appeal, is taken for the payment of money, or the forfeiture of property with an aggregate value, in excess of U.S.\$20 million (or its equivalent in other currencies) and 60 days shall have passed since the entry of the order without it being satisfied, discharged or stayed; or

(l) the Issuer or any of its Restricted Subsidiaries shall, after the Issuance Date hereof:

(i) apply for or consent to the appointment of a receiver, trustee, liquidator or the like for itself or of its property,

(ii) make a general assignment for the benefit of its creditors,

(iii) admit in writing that it is insolvent or admit in writing its inability to pay its debts generally as they become due,

(iv) be adjudicated bankrupt or insolvent,

(v) (A) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors pursuant to a *concurso preventivo de acreedores*, (B) seek approval of its creditors for an *acuerdo preventivo extrajudicial* through any means, including the distribution of an offering circular or similar disclosure

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materials to creditors in connection with such *acuerdo preventivo extrajudicial*, (C) file for court approval of an *acuerdo preventivo extrajudicial* or (D) make a similar court filing seeking to take advantage of any applicable insolvency law, or

(vi) file any answer admitting the material allegation of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or

(m) after the Issuance Date hereof and without its application, approval or consent, a proceeding shall be instituted in any court of competent jurisdiction, seeking in respect of the Issuer or any of its Restricted Subsidiaries: adjudication in bankruptcy, reorganization, dissolution, winding-up, liquidation, a composition or arrangement with creditors, the appointment of a trustee, a receiver, liquidator or the like of the Issuer or any of its Restricted Subsidiaries or of all or any asset thereof or other like relief in respect of the Issuer or any of its Restricted Subsidiaries under any applicable bankruptcy or insolvency law, and either

(i) such proceeding shall not be actively contested by the Issuer or any of its Restricted Subsidiaries in good faith, or

(ii) any order, judgment or decree shall be entered by any court of competent jurisdiction to effect any of the foregoing; or

(n) the authorization of the CNV pursuant to Law No. 17,811, as amended, and the rules and regulations of the CNV with respect to the public offering of the Listed Notes shall cease to be in full force and effect; or

(o) any authorization, consent, approval, license, filing or registration now or hereafter legally necessary to enable the Issuer to perform its obligations under the Notes, or any law, rule or regulation necessary for a holder to enforce the Issuer's obligations under the Notes in accordance with the terms of the Notes, shall be revoked, withdrawn, withheld or modified or shall cease to remain in full force and effect which revocation, modification or cessation would reasonably be expected to have a material adverse effect on the Issuer's ability to perform its obligations under the Notes, or it shall become unlawful for the Issuer to perform its obligations under the Notes or any governmental agency shall contest the legality or validity of any of the Notes in a formal administrative, legislative or judicial proceeding and, in each such case, such revocation, withdrawal, cessation, illegality or invalidity shall be determined to be final and non-appealable; or

(p) any condemnation, seizure, compulsory purchase or expropriation by any governmental authority or agency of assets of the Issuer or its Restricted Subsidiaries which, in the aggregate, would be likely to have a material adverse effect upon the business and results of operations of the Issuer and its Restricted Subsidiaries taken as a whole; or

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(q) a general moratorium shall be agreed or declared in respect of the payment or performance of the obligations of the Issuer or any of its Restricted Subsidiaries.

Section 4.02. *Acceleration.* (a) If an Event of Default shall have occurred and is continuing with respect to the Series A Notes or the Series B Notes, respectively, at the written direction or written request of Holders of not less than 25% in the Dollar Amount of the then outstanding aggregate principal amount of the Series A Notes or the Series B Notes, respectively, the Trustee shall, by notice in writing to the Issuer declare the principal amount of all such Series A Notes or the Series B Notes, respectively, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable upon the date that such written notice is received by or on behalf of the Issuer; *provided* that, if an Event of Default shall have occurred and be continuing with respect to an individual Series of Notes, such direction or request may be made by the Holders of not less than 25% of the Dollar Amount of the then outstanding aggregate principal amount of the Notes of such individual Series, and the Trustee shall, by notice in writing to the Issuer declare the principal amount of all such Series of Notes to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable upon the date that such written notice is received by or on behalf of the Issuer.

(b) After a declaration of acceleration of the Series A Notes or the Series B Notes, or any individual Series of Notes, respectively, but before a judgment or decree of the money due in respect of such Series of Notes has been obtained, Holders of not less than a majority in the Dollar Amount of the then outstanding aggregate principal amount of the Series A Notes or the Series B Notes, or such Series of Notes, respectively, may rescind by written notice to the Trustee an acceleration and its consequences if all existing Events of Default (other than the nonpayment of principal and interest and any Additional Amounts on such Series of Notes which have become due solely by virtue of such acceleration) have been cured or waived and if the rescission would not conflict with any judgment or decree. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereto.

Section 4.03. *Collection of Indebtedness by Trustee; Trustee May Prove Indebtedness.* The Issuer covenants that (i) in case there shall be a default in the payment of any installment of interest (including Additional Amounts) on any Notes of any Series when such interest (including Additional Amounts) shall have become due and payable, and such default shall have continued for a period of 30 days or (ii) in case there shall be a default in the payment of all or any part of the principal (including Additional Amounts) of any Notes of any Series when the same shall have become due and payable, whether upon maturity of such Notes or upon any redemption or by declaration or otherwise and such default shall have continued for a period of five Business Days, then upon demand by the Trustee,

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the Issuer will pay to the Trustee or Paying Agents for the benefit of Holders of the Notes of such Series the whole amount that then shall have become due and payable on all the Notes for principal or interest (including Additional Amounts), as the case may be (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the rate or rates of interest specified in the Notes of such Series); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee and each predecessor Trustee, their respective agents, attorneys and counsel, and any expenses and liabilities incurred, and all advances in respect of costs and expenses of collection made, by the Trustee and each predecessor Trustee, as provided in Section 5.06, except costs and expenses incurred as a result of its negligence or bad faith.

Until such demand is made by the Trustee, the Issuer may pay the principal of and interest on any Notes of any Series (including Additional Amounts) to the Trustee or Paying Agents for the benefit of Holders thereof, whether or not the principal of and interest on such Notes (including Additional Amounts) be overdue.

In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or other obligor upon such Notes of such Series and collect in the manner provided by law out of the property of the Issuer or other obligor upon such Notes of such Series, wherever situated, the moneys adjudged or decreed to be payable.

All rights of action and of asserting claims under this Indenture or under any Notes of any Series may be enforced by the Trustee without the possession of any of the Notes of such Series or the production thereof at any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of Holders of the Notes of such Series in respect of which such action was taken.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all of Holders of the Notes in respect to which such action was taken, and it shall not be necessary to make any Holders of such Notes parties to any such proceedings.

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In case there shall be pending proceedings relative to the Issuer upon the Notes under any applicable bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its Property, or in case of any other comparable judicial proceedings relative to the Issuer upon the Notes of any Series, or to the creditors or Property of the Issuer, the Trustee, irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes of any Series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence or bad faith) and of Holders allowed in any judicial proceedings relative to the Issuer upon the Notes of any Series, or to the creditors or Property of the Issuer,

(b) unless prohibited by applicable law and regulations, to vote on behalf of Holders of the Notes of any Series in any election of a trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings or Person performing similar functions in comparable proceedings, and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of Holders and of the Trustee on their behalf; and any trustee, receiver, or liquidator, custodian or other similar official is hereby authorized by each of Holders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to Holders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agent, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith and all other amounts due to the Trustee or any predecessor Trustee pursuant to Section 5.06.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Holders any plan or reorganization, arrangement, adjustment or composition affecting the Notes of any Series or the rights of any Holder thereof, or to authorize the Trustee

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to vote in respect of the claim of any Holders in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

Section 4.04. *Application of Proceeds.* Any moneys collected by the Trustee pursuant to this Article in respect of any Notes of any Series shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal (including Additional Amounts), upon presentation of the several Notes in respect of which moneys have been collected and stamping (or otherwise noting) thereon the payment, or issuing Notes in reduced principal amounts in exchange for the presented Notes if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses applicable to such Notes in respect of which moneys have been collected, including compensation to the Trustee and each predecessor Trustee and their respective agents and attorneys and of all expenses and liabilities incurred, and all advances in respect of costs and expenses and costs of collection made, by the Trustee and each predecessor Trustee, as provided in Section 5.06, except as a result of negligence or bad faith, and all other amounts due to the Trustee or any predecessor Trustee pursuant to Section 5.06;

SECOND: In case the principal of the Notes in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of overdue interest (including Additional Amounts) on such Notes in default in the order of the maturity of the installments of such interest (including Additional Amounts), with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest (including Additional Amounts) at the rate or rates of interest specified in such Notes, such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Notes in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all such Notes for principal and interest (including Additional Amounts), with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest (including Additional Amounts) at the rate or rates of interest specified in such Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Notes, then first, to the payment of all interest (including Additional Amounts) and second, to principal; and

FOURTH: To the payment of the remainder, if any, to the Issuer or any other Person lawfully entitled thereto.



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Section 4.05. *Suits For Enforcement.* In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion (but is not required to) proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 4.06. *Restoration of Rights on Abandonment of Proceedings.* In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Noteholders shall continue as though no such proceedings had been taken.

Section 4.07. *Limitations on Suits by Noteholders.* Except as provided in Section 4.08, no Holder of any Note shall have any right by virtue or by availing itself of any provision of this Indenture or of the Notes to institute any suit, action or proceeding at law or in equity, or otherwise, upon or under or with respect to this Indenture or the Notes or for any remedy thereunder, unless (i) such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, (ii) Holders of not less than 25% in the Dollar Amount of the aggregate principal amount of the then Outstanding Series A Notes or Series B Notes, or, in the case of a Default in the Notes of any individual Series, the Notes of such Series, as the case may be, shall have made written request upon the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have offered to the Trustee such indemnity satisfactory to it as it may require against the costs, expenses and liabilities to be incurred therein or thereby and (iii) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 4.10; it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee, that no one or more Holders of Notes shall have any right in any manner whatever by virtue or by availing itself of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of Notes, or to obtain or seek to obtain priority over or preference to any other Holder or to enforce any right under this Indenture or under the Notes, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Notes of the applicable Series. For the protection and enforcement of the provisions of this Section, each and every Noteholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

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Section 4.08. *Unconditional Right of Noteholders to Institute Certain Suits.* Notwithstanding any other provision in this Indenture and any provision of any Note, the right of any Holder of any Note of any Series to receive payment of the principal of and interest on such Note (including Additional Amounts) on or after the respective due dates expressed in such Note, or to institute suit, including any *acción ejecutiva individual* pursuant to Article 29 of the Negotiable Obligations Law, for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the prior consent of such Holder. To that effect, any beneficial owner of Global Notes will have the right to obtain evidence of its beneficial ownership interest in a Global Notes in accordance with Argentine Decree 677/01, as amended (including for initiating summary proceedings (*acción ejecutiva*) in the manner provided by the Negotiable Obligations Law), and for such purposes, such beneficial owner will be treated as the owner of that portion of the Global Note which represents its beneficial ownership interest therein.

Section 4.09. *Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default.* Except as provided in Section 4.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Noteholder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to Section 4.07, every power and remedy given by this Indenture or by law to the Trustee or to Noteholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Noteholders.

Section 4.10. *Control by Noteholders.* Subject to Section 5.02(iv) hereof, the Holders of a majority in the Dollar Amount of the then Outstanding aggregate principal amount of the Series A Notes or Series B Notes (to the extent Series A Notes or Series B Notes are affected), or in the case the Notes of an individual Series is affected, the Notes of such Series, respectively (each voting as a separate class) shall have the right to direct in writing the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to the Series A Notes, the Series B Notes or the Notes of such Series, as applicable, by this Indenture; *provided* that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture; *provided further* that (subject to the provisions of Section 5.01) the Trustee shall have the right to decline to follow

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any such direction if the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by action of its board of directors, the executive committee, or a trust committee of directors or Responsible Officers of the Trustee shall determine that the action or proceedings so directed would involve the Trustee in personal liability or if the Trustee in good faith shall so determine that the actions or forbearance specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders of the Notes of all Series so affected not joining in the giving of said direction, it being understood that (subject to Section 5.01) the Trustee shall have no duty to ascertain whether or not such actions or forbearance are unduly prejudicial to such Holders. This paragraph of this Section 4.10 shall be in lieu of Section 316(a)(1)(A) of the Trust Indenture Act of 1939, and such Section 316(a)(1)(A) of the Trust Indenture Act of 1939 is hereby expressly excluded from this Indenture and the Notes, as permitted by the Trust Indenture Act of 1939.

Nothing in this Indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Noteholders.

Section 4.11. *Waiver of Past Defaults.* Prior to a declaration of the acceleration of the maturity of the Notes of a Series, Holders of at least a majority in the Dollar Amount of the then Outstanding aggregate principal amount of the Series A Notes or Series B Notes (to the extent Series A Notes or Series B Notes are affected), or in the case the Notes of an individual Series is affected, the Notes of such Series, respectively (each voting as a separate class) may, on behalf of Holders of all Series A Notes, Series B Notes, or the Notes of such individual Series, respectively, waive any past default or Event of Default in respect of the Series A Notes, Series B Notes or the Notes of such Series, as applicable, except a default in respect of a covenant or provision hereof that cannot be modified or amended without the unanimous consent of each Holder affected as provided in Section 7.02. In the case of any such waiver, the Issuer, the Trustee and Holders of the Notes shall be restored to their former positions and rights hereunder, respectively. This paragraph of this Section 4.11 shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act of 1939, and such Section 316(a)(1)(B) of the Trust Indenture Act of 1939 is hereby expressly excluded from this Indenture and the Notes, as permitted by the Trust Indenture Act of 1939.

Upon any such waiver, such default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of this Indenture. No such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 4.12. *Payments After a Default.* Upon the occurrence of an Event of Default with respect to the Notes of any Series and the subsequent declaration

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by the Trustee that the principal amount of all the Notes of any Series is due and payable immediately, the Trustee may by notice in writing: (i) to the Issuer and any Paying Agent, require each paying agent to deliver all such Notes and all moneys, documents and records held by them with respect to the Notes to the Trustee or as the Trustee otherwise directs in such notice; and (ii) require any Paying Agent to act as agent of the Trustee under this Indenture and the Notes, and thereafter to hold all Notes and all moneys, documents and records held by it in respect of such Notes on behalf of the Trustee.

Section 4.13. *Undertaking for Costs.* All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Issuer, to any suit instituted by the Trustee, to any suit instituted by a Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Notes of any Series, or to any suit instituted by any Holder of any Note for the enforcement of the payment of the principal of or any premium or interest (including any Additional Amounts) on any Note on or after the stated maturity or maturities expressed in such Note (or, in the case of redemption, on or after the redemption date). This Section 4.13 shall be in lieu of Section 315(e) of the Trust Indenture Act of 1939, and such Section 315(e) of the Trust Indenture Act of 1939 is hereby expressly excluded from this Indenture, as permitted by the Trust Indenture Act of 1939.

ARTICLE 5

CONCERNING THE TRUSTEES

Section 5.01. *Duties and Responsibilities of the Trustee.* (a) With respect to Holders of any Series of Notes issued hereunder, prior to the occurrence of an Event of Default with respect to the Notes of a particular Series and after the curing or waiving of all Events of Default which may have occurred with respect to such Series of Notes, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default with respect to the Notes of a Series has occurred (which has not been cured or waived), the Trustee shall with respect to such Series of Notes exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise under the circumstances in the conduct of his/her own affairs.

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(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) prior to the occurrence of an Event of Default with respect to such Series of Notes and after the curing or waiving of all such Events of Default with respect to such Series of Notes which may have occurred, (A) the duties and obligations of the Trustee with respect to the Notes of any Series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and (B) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Holders of such Series of Notes pursuant to Section 4.10 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not satisfactorily assured to it.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to this Section 5.01.

The provisions of this Section 5.01 are in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

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Section 5.02. *Certain Rights of the Trustee.* In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 5.01:

(i) the Trustee may rely and shall be protected in acting or refraining from acting upon any Board Resolution, Issuer Order, Officers Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Order (unless other evidence in respect thereof is herein specifically prescribed); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer;

(iii) the Trustee may consult with counsel and other experts and any advice or opinion of Counsel or experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or opinion of Counsel or expert, as the case may be;

(iv) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture unless such Noteholders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities that might be incurred thereby;

(v) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(vi) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by Holders of not less than a majority in the Dollar Amount of the then Outstanding aggregate principal amount of the Notes of all Series affected; *provided* that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require from Noteholders reasonable indemnity against such

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expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Issuer or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand; and

(vii) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, representatives or attorneys not regularly in its employ; *provided* that the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent, representative or attorney appointed by it hereunder with the approval of the Issuer and that is acting in a capacity that has been approved by the Issuer (which approval will not be unreasonably withheld).

Section 5.03. *Trustee Not Responsible for Recitals, Disposition of Notes or Application of Proceeds Thereof.* The recitals contained herein and in the Notes, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. Subject to the obligations imposed on the Trustee by paragraph (c) of Section 13 of the Negotiable Obligations Law, the Trustee through the Issuer, the Issuer's attorneys and accountants and its own attorneys, has confirmed the accuracy of the information set forth on the first page of this Indenture, has reviewed an English translation of the resolution of the Issuer's shareholders meetings dated November 2, 2004, and of the resolutions of the Board of Directors dated September 24, 2004, April 27, 2005 and July 25, 2005 and confirms that the terms and conditions of the Notes issued hereunder reflect accurately the terms of the resolution or resolutions adopted by the shareholders and the Board of Directors of the Issuer, respectively. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Issuer of any of the Notes or of the proceeds thereof.

Section 5.04. *Trustee and Agents May Hold Notes; Collections, etc.* The Trustee or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of securities with the same rights it would have if it were not the Trustee or such agent and may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent. The Trustee or any agent of the Issuer or the Trustee is entitled to enter into business transactions with the Issuer or any of its affiliates without accounting for any profit resulting from such transactions.

Section 5.05. *Moneys Held by Trustee.* Subject to the provisions of Section 9.04, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by

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mandatory provisions of U.S. law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on or investment of any moneys received by it hereunder.

Section 5.06. *Compensation and Indemnification of Trustee and its Prior Claim.* The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as shall be agreed with the Issuer in writing (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse each of the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other Persons not regularly in its employ) for services in its capacity as Trustee, Paying Agent, Registrar and/or Authentication Agent hereunder, as applicable except to the extent any such expense, disbursement or advance may arise from its negligence or bad faith. The Trustee shall provide to the Issuer such supporting documentation as may be available to it and reasonably requested in writing by the Issuer relating to such expenses, disbursements and advances. The Issuer also covenants to indemnify and defend each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, liability, damage, claim or expense (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other Persons not regularly in its employ) arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and the performance of its duties and the exercise of its rights hereunder as Trustee, Paying Agent, Registrar and/or Authentication Agent, including the costs and expenses of defending itself against or investigating any claim of liability in the premises, except to the extent such loss, liability or expense is due to its own negligence or bad faith. The obligations of the Issuer under this Section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the resignation or removal of such Trustee and the satisfaction and discharge of this Indenture. The Trustee shall have, with respect to such indebtedness, a prior lien to that of the Holders of the Notes on all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Notes.

Section 5.07. *Right of Trustee to Rely on Officers' Certificate, etc.* Subject to Sections 5.01 and 5.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof shall be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an



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Officers Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warranty to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 5.08. *Corporate Trustee Required; Eligibility.* There shall at all times be a Trustee for each Series of Notes hereunder which shall be either (i) a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal or state authority and having its Corporate Trust Office located in The City of New York or (ii) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee pursuant to a rule, regulation or order of the Commission, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States of America institutional trustees; in e