

CVR ENERGY INC
Form SC 14D9
March 01, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14D-9

SOLICITATION/RECOMMENDATION

STATEMENT UNDER SECTION 14(d)(4) OF THE

SECURITIES EXCHANGE ACT OF 1934

CVR ENERGY, INC.

(Name of Subject Company)

CVR ENERGY, INC.

(Name of Person Filing Statement)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

12662P108
(CUSIP Number of Class of Securities)

Edmund S. Gross

Senior Vice President, General Counsel and Secretary

CVR Energy, Inc.

2277 Plaza Drive, Suite 500

Sugar Land, Texas 77479

Telephone (281) 207-3200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person Filing Statement)

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Item 1. Subject Company Information.

Name and Address

The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (together with the exhibits hereto, this Statement) relates is CVR Energy, Inc., a Delaware corporation (the Company). The address of the principal executive offices of the Company is 2277 Plaza Drive, Suite 500, Sugar Land, Texas, 77479. The Company s telephone number at this address is (281) 207-3200.

Securities

The title of the class of equity securities to which this Statement relates is the Company s common stock, par value \$0.01 per share (the Common Stock), including the associated rights to purchase shares of Series A Preferred Stock (the Rights, and together with the shares of Common Stock, Shares), issued pursuant to the Rights Agreement, dated as of January 13, 2012, between the Company and American Stock Transfer & Trust Company, LLC, as rights agent (as amended from time to time, the Rights Agreement). As of February 23, 2012, there were 86,808,150 Shares outstanding and 1,700,616 Shares issuable upon the exercise of outstanding stock options and vesting of restricted shares.

Item 2. Identity and Background of Filing Person.

Name and Address

The name, business address and business telephone number of the Company, which is the subject company and the person filing this Statement, are set forth in Item 1 above. The Company s website address is www.cvrenergy.com. The information on the Company s website should not be considered a part of this Statement or incorporated herein by reference.

Tender Offer

This Statement relates to the unsolicited tender offer by IEP Energy LLC, a Delaware limited liability company (the Offeror), which, according to the Schedule TO (as defined below), is a wholly owned subsidiary of Icahn Enterprises Holdings L.P., a Delaware limited partnership (Icahn Enterprises Holdings), and by Icahn Enterprises Holdings as a co-bidder, along with other entities affiliated with Carl C. Icahn who may be deemed to be co-bidders, to purchase all of the issued and outstanding Shares at a price of \$30.00 per Share in cash, without interest and less any applicable withholding taxes, and one non-transferable contingent cash payment right (CCP) per Share. The value of the consideration offered, together with all of the terms and conditions applicable to the tender offer, is referred to in this Statement as the Offer. The Offer is subject to the terms and conditions set forth in the Tender Offer Statement on Schedule TO (together with the exhibits thereto, as amended, the Schedule TO), filed by the Offeror, Icahn Enterprises Holdings and the other co-bidders that are members of the Icahn Group (as defined below) with the Securities and Exchange Commission (the SEC) on February 23, 2012.

According to the Schedule TO, each CCP is non-transferable (with limited exceptions described in the Schedule TO) and represents the contingent right to receive an additional cash payment per Share equal to the net amount (whether in cash or non-cash consideration) in excess of

\$30.00 per Share for which the Company is sold (less fees and expenses), solely in the event that a definitive agreement for the sale of the Company is executed within nine months following the completion of the Offer (and such transaction closes).

The Schedule TO was filed jointly by the Offeror, Icahn Partners LP (Icahn Partners), Icahn Partners Master Fund LP (Icahn Master), Icahn Partners Master Fund II L.P. (Icahn Master II), Icahn Partners Master Fund III L.P. (Icahn Master III), High River Limited Partnership (High River), Hopper Investments LLC (Hopper), Barberry Corp. (Barberry), Icahn Onshore LP (Icahn Onshore), Icahn Offshore LP (Icahn Offshore), Icahn Capital L.P. (Icahn Capital), IPH GP LLC (IPH), Icahn Enterprises Holdings, Icahn Enterprises G.P. Inc. (Icahn Enterprises GP), Beckton Corp. (Beckton), and Mr. Icahn, a citizen of the United States of America (the Offeror, Icahn Partners, Icahn Master, Icahn Master II, Icahn Master III, High River, Hopper, Barberry, Icahn Onshore, Icahn Offshore, Icahn Capital, IPH, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton, and Mr. Icahn, collectively, the Icahn Group).

According to the Schedule TO, the purpose of the Offer is to acquire all Shares validly tendered and not properly withdrawn prior to the expiration date of the Offer, which is midnight, New York City time, on March 23, 2012, unless extended by the Offeror (the Expiration Date), and thereby provide immediate liquidity at a premium for those stockholders choosing to tender their Shares, if the Company is not put up for sale by the current board of directors of the Company. The Offeror has indicated that, if the Offer is consummated, it expects that the new board of directors, which will be comprised solely of directors nominated by Mr. Icahn, will commence a process to put the Company up for sale. Any such transaction would be subject to approval of the Company s new board of directors and stockholders, if necessary.

The Icahn Group has also stated that it intends to nominate, and solicit proxies for the election of, a slate of nominees for election to the board of directors at the Company s 2012 annual meeting of stockholders (the 2012 Annual Meeting).

The Offer is subject to numerous conditions, including, among others:

the Sale Condition the Company having not: commenced a process, on or prior to March 23, 2012, reasonably satisfactory to the Offeror to sell the Company and publicly announced that (i) the Company has immediately commenced its process to sell the Company through a nationally recognized investment banker and (ii) the Company will provide credible potential buyers with the opportunity to conduct typical due diligence (if the Sale Condition occurs, the Offeror may terminate the Offer, or may waive the Sale Condition);

the Minimum Condition there being validly tendered and not properly withdrawn prior to the Expiration Date that number of Shares which, when added to any Shares already owned by the Offeror, its subsidiaries and their affiliates, represents a majority of the issued and outstanding Shares on a fully diluted basis as of the Expiration Date;

the Poison Pill Condition the Rights being redeemed and otherwise being inapplicable to the Offer and the Offeror;

the No Material Adverse Effect Condition there not being any change or development that occurs or is threatened since the date of the Offer in the business,

properties, assets, liabilities, financial condition, operations, results of operations or prospects for the business of the Company that is outside the ordinary course of the Company's business or may be materially adverse to the Company, and the Offeror not becoming aware of any fact that has not been previously publicly disclosed by the Company that could reasonably be expected to have a material adverse effect on the value of the Shares; and

the Board Condition the election and seating as the new board of directors of the Company of the Icahn Group's full slate of nine nominees at the 2012 Annual Meeting.

In addition, the Offeror will not be required to accept for payment or pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for, Shares tendered, if at any time prior to the Expiration Date, any of the following conditions occur:

a preliminary or permanent injunction or other order of a governmental authority or agency is issued and remains in effect that (i) makes illegal, delays or otherwise directly or indirectly restrains or prohibits the making of the Offer or the acceptance for payment, purchase of or payment for any Shares by the Offeror; (ii) imposes or confirms limitations on the Offeror's ability to exercise full rights of ownership of any Shares, including, without limitation, the right to vote any of the Shares; (iii) imposes or confirms limitations on the Offeror's ability to fully exercise voting rights in respect of the Shares that are accepted for payment pursuant to the Offer; or (iv) requires the Offeror to divest any Shares (the No Injunction Condition);

there is any action taken, or any statute, rule, regulation or order proposed, enacted, enforced, promulgated, issued or deemed applicable to the Offer by any court or governmental authority, which might, directly or indirectly, result in any of the consequences referred to in clauses (i) through (iv) of the immediately preceding bullet (the No Limitation on Rights Condition);

there is any statute, rule, regulation or order proposed, enacted, enforced, promulgated, issued or deemed applicable to the Company by any federal or state court, government or governmental authority or agency, which would have a material adverse effect upon the Company or the value of the Shares resulting from a change of control in the Company (the No Adverse Effect or Diminution of Value Condition);

there occurs (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States; (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States; (iii) any limitation by any governmental authority on, or other event which might affect, the extension of credit by lending institutions or result in any imposition of currency controls in the United States; (iv) a commencement of a war or armed hostilities or other national or international calamity directly or indirectly involving the United States; (v) a material change in United States or other currency exchange rates or a suspension or a

limitation on the markets thereof; or (vi) a material acceleration or worsening of any of the foregoing that existed at the time of the commencement of the Offer (the No External Events Condition);

there is threatened, instituted or pending any action or proceeding before any court, governmental agency or other body or person challenging the acquisition of any Shares pursuant to the Offer or otherwise directly or indirectly relating to the Offer (the No Challenge Condition);

the Offeror becomes aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings prior to the date of the Offer in relation to all matters covered in earlier filings) in any document filed by or on behalf of the Company or its entities with the SEC that the Offeror determines in its reasonable judgment is materially adverse to the Company (the 10b-5 Condition);

after the date of the Offer, there occurs any change in the compensation paid or payable by the Company or its entities to their directors, officers or employees, including the granting of additional shares, stock options or bonuses, in each case outside the ordinary course of business or not consistent with past practice, or the adoption of additional severance or other payments payable in the event of a termination of employment or change of control (the No Change in Compensation Condition);

the Company: (i) issues, or authorizes or proposes the issuance of, any securities of any class, or any securities convertible into, or rights, warrants or options to acquire, any such securities or other convertible securities other than pursuant to the exercise or conversion of currently outstanding stock options or convertible securities; or (ii) issues or authorizes or proposes the issuance of any other securities, in respect of, in lieu of, or in substitution for, all or any of the presently outstanding Shares (the No Additional Issuance Condition);

the Company, the Company's Board of Directors (the Board) or any of the Company's subsidiaries or any governing body thereof authorizes, proposes or announces its intention to propose any material change to its articles of incorporation or bylaws, any merger, consolidation or business combination or reorganization transaction, acquisition of assets, disposition of assets or material change in its capitalization or indebtedness, or any comparable event not in the ordinary course of business (the No Material Change Condition);

a tender offer or exchange offer for some or all of the Shares has been made or publicly announced or proposed to be made, supplemented or amended by any person other than the Offeror (the No Competing Offer Condition); or

all waiting periods and any extensions thereof applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and the rules and regulations thereunder, have not expired or been terminated (the HSR Condition).

According to the Schedule TO, all of the conditions to the Offer (including the No Material Adverse Effect Condition, for example) are for the sole benefit of the Offeror (namely, Mr. Icahn), and may be asserted by Mr. Icahn regardless of the circumstances giving rise to any such condition. For a full description of the conditions to the Offer, please see Annex A to this Statement. The foregoing summary of the conditions to the Offer does not purport to be complete and is qualified in its entirety by reference to the contents of Annex A to this Statement.

The Schedule TO states that the principal business address of the Offeror is c/o Icahn Associates Corp., 767 Fifth Avenue, Suite 4700, New York, New York 10153, where the business phone number is (212) 702-4300.

Item 3. Past Contacts, Transactions, Negotiations and Agreements.

Except as described in this Statement or in the excerpts from the Company's Definitive Proxy Statement on Schedule 14A, dated and filed with the SEC on April 20, 2011 (the 2011 Proxy Statement), relating to the Company's 2011 annual meeting of stockholders, which excerpts are filed as Exhibit (e)(1) to this Statement and incorporated herein by reference, as of the date of this Statement there are no material agreements, arrangements or understandings, nor any actual or potential conflicts of interest, between the Company or any of its affiliates, on the one hand, and (i) the Company or any of its executive officers, directors, or affiliates, or (ii) the Offeror or any of its executive officers, directors, or affiliates, on the other hand. Exhibit (e)(1) is incorporated herein by reference and includes the following sections from the 2011 Proxy Statement: Certain Relationships and Related Party Transactions, Securities Ownership of Certain Beneficial Owners and Officers and Directors, Compensation Discussion and Analysis, Compensation of Executive Officers and Director Compensation for 2010.

Any information contained in the pages from the 2011 Proxy Statement incorporated by reference herein shall be deemed modified or superseded for purposes of this Statement to the extent that any information contained herein modifies or supersedes such information.

Relationship with the Offeror

According to the Schedule TO, as of February 23, 2012, affiliates of the Offeror beneficially owned 12,584,227 Shares, in the aggregate, representing approximately 14.5% of the issued and outstanding Shares.

Shares Held By the Non-Employee Directors and Executive Officers of the Company

As of February 23, 2012, the eight non-employee directors (directors who are not officers or employees of the Company or any affiliate of the Company) and seven executive officers of the Company held an aggregate of 478,845 Shares, excluding options and unvested restricted stock. The executive directors held an aggregate of 276,785 Shares and the non-employee directors held an aggregate of 202,060 Shares. If the non-employee directors and executive officers of the Company were to tender all of such Shares pursuant to the Offer and those Shares were accepted by Offeror at the offer price of \$30.00 per Share plus one CCP per Share, then the non-employee directors and executive officers of the Company would receive an aggregate of \$14,365,350 plus 478,845 CCPs. To the knowledge of the Company, none of the non-employee directors and executive officers of the Company intend to tender any Shares held of record or beneficially owned by such person for exchange pursuant to the Offer.

Equity-Based Awards Held By the Non-Employee Directors and Executive Officers of the Company

As of February 23, 2012, certain of the non-employee directors and executive officers of the Company held restricted stock or options issued pursuant to the Amended and Restated CVR Energy, Inc. 2007 Long Term Incentive Plan (LTIP). The effect of consummating the Offer on equity awards is described below.

Treatment of Options

As of February 23, 2012, three of the Company's non-employee directors, Messrs. Hobbs, Nordaker and Tomkins, held options to purchase 22,900 Shares, with exercise prices ranging from \$11.01 to \$24.96 and an aggregate weighted average exercise price of \$18.03 per Share, all of which were vested and exercisable as of that date. None of the executive officers or other non-employee directors hold options to purchase Shares.

If a non-employee director's service as a director is terminated other than for cause or due to his death or disability, including prior to, on, or after a change in control, then any of that non-employee director's options that are then vested and exercisable may be exercised at any time within 90 days following termination as a director.

The following table summarizes the aggregate, positive difference in value between the Offer price of \$30.00 per Share and the per Share exercise prices (the Spread Value) of the options to purchase Shares held by Messrs. Hobbs, Nordaker and Tomkins as of February 23, 2012. The table also summarizes the aggregate number of CCPs each individual listed below would receive if he were to tender all of the Shares subject to his options in accordance with and subject to the terms of the Offer. The table below does not take into account applicable tax withholdings or attribute cash value to the CCPs.

Non-employee Director Name	Shares Subject to Vested Options (#)	Aggregate Spread Value of Vested Options (\$)	Aggregate CCPs
C. Scott Hobbs	9,100	\$ 172,809	9,100
Steve A. Nordaker	4,350	\$ 21,924	4,350
Mark E. Tomkins	9,450	\$ 79,311	9,450
Total	22,900	\$ 274,044	22,900

Treatment of Restricted Stock

As of February 23, 2012, all seven of the Company's executive officers held restricted stock. Generally, transfer restrictions on restricted stock awards lapse in one-third annual increments on the first three anniversaries of the date of grant, subject to continued employment. In the aggregate, the executive officers held 1,043,202 unvested shares of restricted stock that are

scheduled to vest as follows: (i) 135,605 shares of restricted stock are scheduled to vest on July 16, 2012; (ii) 5,089 shares of restricted stock are scheduled to vest on December 18, 2012; (iii) 159,243 shares of restricted stock are scheduled to vest on December 30, 2012; (iv) 127,054 shares of restricted stock are scheduled to vest on December 31, 2012; (v) 11,691 shares of restricted stock are scheduled to vest on January 4, 2013; (vi) 135,604 shares of restricted stock are scheduled to vest on July 16, 2013; (vii) 159,242 shares of restricted stock are scheduled to vest on December 30, 2013; (viii) 127,053 shares of restricted stock are scheduled to vest on December 31, 2013; (ix) 11,690 shares of restricted stock are scheduled to vest on January 4, 2014; (x) 159,241 shares of restricted stock are scheduled to vest on December 30, 2014; and (xi) 11,690 shares of restricted stock are scheduled to vest on January 4, 2015.

Following the lapse of transfer restrictions on restricted stock, such Shares are subject to the ownership requirement described under *Share Retention Guidelines* below. In connection with their service on the Board, the Company's non-employee directors receive an annual grant of restricted stock, which vests immediately on the grant date. None of the non-employee directors holds unvested restricted stock. Following the lapse of transfer restrictions on restricted stock, such Shares are subject to the ownership requirement described under *Share Retention Guidelines* below.

If an executive officer's employment is terminated (i) either by the Company without cause and other than for disability or by that executive officer for good reason (as those terms are defined in the LTIP or the applicable employment agreement) within one year following a change in control (as defined in the LTIP or the applicable employment agreement) or (ii) either by the Company without cause, or by the executive for good reason, in each case prior to the date of a change in control and (a) the executive reasonably demonstrates that the termination or basis for good reason resignation (x) occurred in anticipation of a transaction that would constitute a change in control if consummated, or (y) was implemented at the request of a third party who indicated an intention or took steps reasonably calculated to effect a change in control, or (b) the termination or basis for good reason resignation occurred after the Company entered into a definitive agreement that would constitute a change in control (termination under the circumstances described in (i) and (ii), a *Qualifying Change in Control Termination*) then such executive officer's unvested restricted stock will vest immediately.

Regardless of whether there is a change in control of the Company, in the event that an executive officer retires after age 62, then such executive officer's restricted stock will vest immediately. As of February 23, 2012, none of the officers had reached retirement age under their employment agreements or the LTIP. However, in the event that Mr. Lipinski, Mr. Riemann, Mr. Pici, Mr. Gross, or Mr. Haugen is terminated by the Company, or a subsidiary or division of the Company, without cause and other than for disability at any time on or following the date that the applicable executive officer reaches age 60, then such executive officer's restricted stock will vest immediately. As of February 23, 2012, this acceleration provision would apply to Messrs. Lipinski, Riemann, and Gross who were each at least 60 years old as of that date.

The following table summarizes the amount and value of restricted stock held by each of the executive officers of the Company as of February 23, 2012 that would become vested if each executive officer experienced a *Qualifying Change in Control Termination* in connection with the Offer. The values are based on the Offer price of \$30.00 per Share. The table also

summarizes the aggregate number of CCPs each individual listed below would receive if he were to tender all of his restricted stock that became vested in connection with a Qualifying Change in Control Termination in accordance with and subject to the terms of the Offer. The table below does not take into account applicable tax withholdings or attribute cash value to the CCPs.

Executive Officer Name	Number of Unvested Restricted Shares	Aggregate Cash Consideration	Aggregate CCPs
John J. Lipinski	563,528	\$ 16,905,840	563,528
Stanley A. Riemann	171,344	\$ 5,140,320	171,344
Frank A. Pici	35,071	\$ 1,052,130	35,071
Edmund S. Gross	132,956	\$ 3,988,680	132,956
Robert W. Haugen	48,889	\$ 1,466,670	48,889
Wyatt E. Jernigan	43,943	\$ 1,318,290	43,943
Christopher G. Swanberg	47,471	\$ 1,424,130	47,471
Total	1,043,202	\$ 31,296,060	1,043,202

Share Retention Guidelines

All non-employee directors who receive any Shares issued or awarded as compensation from the Company are required to retain at least 60% of such Shares once they become vested for a period equal to the lesser of (i) three years, commencing with the date of the award, or (ii) as long as such non-employee director remains on the Company's Board. In addition, all officers and employees of the Company who receive Shares issued or awarded as compensation from the Company are required to retain at least 50% of such Shares once they become vested for a period equal to the lesser of (i) three years, commencing with the date of the award, or (ii) so long as such individual remains an officer or employee of the Company or any affiliate of the Company. These retention guidelines are administered and interpreted by the nominating and corporate governance committee of the Board.

Employment Agreements

The Company has entered into employment agreements with each of its executive officers that would require the Company to provide certain payments and benefits in the event of a termination of the executive officer's employment in connection with a change in control of the Company. The consummation of the Offer would be a change in control of the Company for purposes of these agreements.

Pursuant to the agreements, in the event of a Qualifying Change in Control Termination (as defined above in *Treatment of Restricted Stock*), the executive officer would be entitled to the payments and benefits described below.

For the purposes of the employment agreements, "good reason" means resignation by the executive officer within 30 days after the Company engages in any of the following: (i) a material diminution of the executive officer's position (with a qualification relating to CVR GP, LLC for Mr. Lipinski); (ii) relocation of the executive officer's principal place of employment that increases his commute by more than 50 miles; (iii) a reduction in his base salary (other than

general reductions applicable to similarly situated executives); or (iv) for Mr. Lipinski only, a change in control in which he does not concurrently receive an employment contract substantially in the form of his current agreement from the successor company. In any event, the executive officer must give the Company notice and 30 days to cure (10 business days for Mr. Lipinski). For Mr. Lipinski only, if an event giving rise to good reason occurs upon or following a change in control and before the 10th business day prior to the first anniversary of the change in control, a good reason resignation (i) may not be effective before the 90th day after the date of the change in control, and (ii) may be effective at any time within the period between 90 days after the change in control until the first anniversary of the date of the change in control, provided that Mr. Lipinski gives notice and 10 business days for the Company to cure.

For the purposes of the employment agreements, *cause* means that the applicable executive officer has engaged in any of the following (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice is given and the failure or refusal is not corrected within 10 business days (with certain exceptions for Mr. Lipinski); (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic or other violation outside the course of employment which does not adversely affect the Company and its affiliates or their reputation or the ability of the executive officer to perform his duties or represent the Company); provided that, if the executive officer is terminated for cause (A) and the indictment is subsequently dismissed or withdrawn or the executive officer is found to be not guilty in a court of law, then he will be entitled to payments and benefits consistent with a termination other than for cause, or (B) and the indictment relates to environmental matters but does not allege that the executive officer was directly involved or supervised the relevant actions, *cause* will not arise until the executive officer is convicted or enters a plea of guilty or nolo contendere; or (iv) material breach of the employment agreement's restrictive covenants or any material written policy of the Company or an affiliate after, if the breach can be cured, written notice is given and the executive officer does not cure the breach within 10 business days.

Mr. Lipinski's employment agreement commenced on January 1, 2011 and has a rolling three-year term, such that at the end of each calendar month after the commencement date it is automatically extended for an additional month. The employment agreement terms for Messrs. Riemann, Gross, Haugen, Jernigan and Swanberg commenced on January 1, 2011 and end on January 1, 2014. Mr. Pici's employment agreement term commenced on January 4, 2012 and ends on January 4, 2015.

For each executive officer, in the event of a Qualifying Change in Control Termination, the applicable executive officer is entitled to receive, in addition to any earned but unpaid salary and benefits and any unpaid annual bonus for a completed fiscal year, (i) salary continuation for 12 months for Messrs. Haugen, Jernigan and Swanberg, 24 months for Messrs. Gross and Pici, 30 months for Mr. Riemann, and 36 months for Mr. Lipinski, (ii) a pro-rata bonus for the year in which termination occurs (based on actual performance in the applicable year), (iii) the continuation of health and welfare benefits for 12 months for Messrs. Haugen, Jernigan and Swanberg, 24 months for Mr. Gross and Pici, 30 months for Mr. Riemann, and 36 months for Mr. Lipinski at active-employee rates or until such time as the executive officer becomes eligible for such benefits from a subsequent employer, and (iv) monthly payments equal to 1/12th of their respective target bonuses for the year of termination during the 12-, 24-, 30- or 36-month severance period, as applicable.

In the event that the executive officer whose employment was terminated is eligible to receive continuation of health and welfare benefits at active-employee rates but is not eligible to continue to receive benefits under the Company's plans pursuant to the terms of such plans or a determination by the insurance providers, the Company will use reasonable efforts to obtain individual insurance policies providing the executive with such benefits at the same cost to the Company as providing him with continued coverage under the Company's plans. If such coverage cannot be obtained, the Company will pay the executive on a monthly basis during the relevant continuation period an amount equal to the amount the Company would have paid had he continued participation in the Company's medical and dental plans.

As a condition to receiving these severance payments and benefits, the executive must (i) execute, deliver and not revoke a general release of claims and (ii) abide by the restrictive covenants detailed below. The agreements provide that if any payments or distributions due to an executive officer would be subject to the excise tax imposed under Section 4999 of the Code, then such payments or distributions will be cut back only if that reduction would be more beneficial to the executive officer on an after-tax basis than if there were no reduction. The agreements require each of the executive officers to abide by a perpetual restrictive covenant relating to non-disclosure, as well as covenants relating to non-solicitation and, except in the case of Mr. Gross, covenants relating to non-competition during their employment terms and for 12 months (36 months for Mr. Lipinski) following the end of their employment terms.

See Item 8. *Additional Information – Information Regarding Compensation for Termination in Connection With a Change in Control* below for information regarding potential payments to named executive officers upon a termination of employment in connection with a change in control of the Company.

Non-Employee Directors' Compensation

Under the Company's director compensation policy, only non-employee directors receive compensation for their services as directors. This compensation includes an annual \$60,000 cash retainer payable to each non-employee director, and the following for service on Board committees:

Committee	Committee Member Annual Retainer (Except Chairperson)	Chairperson Annual Retainer
Audit Committee	\$ 8,750	\$ 20,000
Compensation Committee	\$ 5,000	\$ 12,500
Nominating and Corporate Governance Committee	\$ 5,000	\$ 12,500
Environmental Health and Safety Committee	\$ 5,000	\$ 12,500

In addition, non-employee directors are paid meeting fees of \$1,500 per meeting for each meeting in excess of six meetings a year for the Board, Compensation Committee, Nominating and Corporate Governance Committee, and Environmental Health and Safety Committee, and twelve meetings a year for the Audit Committee.

All directors are reimbursed for travel expenses and other out-of-pocket costs incurred in connection with their attendance at meetings.

Annually, in December of each year, each non-employee director is granted a formula-based award of restricted stock with an approximate value of \$135,000, which is granted pursuant to the LTIP and related restricted stock award agreement. For 2011, the Company determined the number of shares of restricted stock to be granted, 7,208 shares of restricted stock per non-employee director, by dividing \$135,000 by the closing price of the Shares on December 30, 2011, which was \$18.73 per Share. Shares of restricted stock granted to non-employee directors become vested immediately upon grant, but remain subject to the Share retention requirement described under Share Retention Guidelines above.

Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law (the DGCL) permits the Company to indemnify any of its directors or officers against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of any action (other than an action by or in the right of the Company) arising by reason of the fact that a person is or was an officer or director of the Company if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. Section 145 of the DGCL also permits the Company to indemnify any such officer or director against expenses incurred in an action by or in the right of the Company if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, except in respect of any matter as to which such person is adjudged to be liable to the Company, in which case, court approval must be sought for indemnification. This statute requires indemnification of such officers and directors against expenses to the extent they have been successful on the merits or otherwise in defending any such action. This statute provides that indemnification and advancement of expenses under the statute shall not be deemed to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. The statute permits the purchase of liability insurance by the Company on behalf of officers and directors, and the Company has purchased such insurance.

Article VI of the Company's by-laws requires indemnification to the fullest extent permitted by, and in the manner required by, the laws of the State of Delaware to any person who was or is made a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including any appeal thereof), whether civil, criminal, administrative, regulatory or investigative in nature (other than an action by or in the right of the Company), by reason of the fact that such person is or was a director or officer of the Company, or, if at a time when he or she was a director or officer of the Company, is or was serving at the request of, or to represent the interests of, the Company as a director, officer, partner, member, trustee, fiduciary, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise including any charitable or not-for-profit public service organization or trade association. Article VI of the Company's by-laws also generally grants such persons the right to be paid by the Company the expenses

incurred in defending any such action, suit or proceeding in advance of its final disposition, upon delivery of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified in respect of such costs and expenses by the Company as authorized by that Article. The indemnification provided for in Article VI is expressly not exclusive of any other rights to which any director or officer may be entitled apart from the provisions of that Article.

In addition, the Company has entered into indemnification agreements with each of its directors and executive officers pursuant to which the Company has agreed to indemnify and advance expenses to such persons to the fullest extent permitted by law.

Item 4. The Solicitation or Recommendation.

Solicitation/Recommendation

After careful consideration, including a thorough review of the terms and conditions of the Offer and after consultation with the Company's financial and legal advisors, the Board, at a meeting held on February 29, 2012, unanimously determined that the Offer substantially undervalues the Company and is therefore inadequate to holders of Shares and is not in the best interests of the Company or its stockholders. **Accordingly, for the reasons described in more detail below, your Board unanimously recommends that all of the Company's stockholders REJECT the Offer and NOT tender any Shares pursuant to the Offer.**

If you have already tendered Shares, you can withdraw them at any time. For assistance in withdrawing your Shares, you can contact your broker or the Company's information agent, MacKenzie Partners, at the address and phone number below.

105 Madison Avenue

New York, NY 10016

Toll free: (800) 322-2885

Collect: (212) 929-5500

Copies of the press release and the letter to the Company's stockholders relating to the unanimous recommendation of the Board to reject the Offer are filed as Exhibits (a)(1) and (a)(2) to this Statement, respectively, and are incorporated herein by reference.

Background of the Offer and Reasons for Recommendation

Background of the Offer

The Company, which was formerly privately held by certain funds associated with GS Capital Partners and Kelso & Company, L.P. as well as by certain members of the Company's management team, became a publicly traded company on October 22, 2007.

The Company has delivered superior value to its stockholders, with a cumulative total stockholder return (defined as stock price appreciation plus dividends reinvested) as of February 24, 2012:

of 527% over the past three years; and

of 65% over the past year,
significantly outperforming its peers and the S&P 500 over those time periods.

The following chart demonstrates the Company's strong performance relative to its industry peers and the S&P 500:

Note: Total return based on period from October 22, 2007 to February 24, 2012. CVR initial value based on IPO price of \$19.00 per share. CVR total return compared to total return of refining selected companies: ALJ, DK, HFC, TSO and WNR. Selected companies index equal weighted

Source: Capital IQ

The Board has also taken a proactive approach to unlocking and returning value to stockholders through structural enhancements, including:

the initial public offering of the Company's fertilizer subsidiary CVR Partners, L.P. (CVR Partners), the proceeds of which were used to deleverage the Company's balance sheet;

the initiation of a regular distribution program by CVR Partners that provides the Company, as the owner of approximately 70% of CVR Partners' equity, with regular cash flow from CVR Partners; and

the initiation of a regular dividend at CVR Energy.

On January 12, 2012, Mr. John Lipinski, the Chairman of the Board, Chief Executive Officer and President of the Company, received a telephone message from representatives of Mr. Icahn. Mr. Frank Pici, the Company's Chief Financial Officer and Treasurer, returned the message, and spoke with Mr. Vincent Intrieri, one of Mr. Icahn's representatives, who informed Mr. Pici that the Icahn Group had taken a substantial position in the Company, and asked to schedule a meeting.

After the close of trading that day, the Icahn Group filed with the SEC an initial statement of beneficial ownership on Form 3 and a statement of changes in beneficial ownership on Form 4, and on January 13, 2012 filed a Schedule 13D, disclosing beneficial ownership of 12,584,227 shares of Common Stock, including shares of Common Stock underlying call options, representing in total approximately 14.54% of the Company's then outstanding shares of Common Stock. The Schedule 13D disclosed that the Icahn Group held 8,754,288 American-style call options to purchase shares of Common Stock, which represented approximately 70% of the Icahn Group's total beneficial ownership of Common Stock. The Schedule 13D also revealed that during the ten-day period between January 3, 2012 and the date of the Form 3 and Form 4 filings on January 12, 2012, the Icahn Group had accumulated beneficial ownership of 8,289,288 shares of Common Stock, or the equivalent of approximately 9.57% of the then outstanding shares of Common Stock. The acquisitions during such ten-day period were accomplished entirely through the use of derivatives.

On January 13, 2012, the Company issued a press release responding to the notice of investment in the Company by the Icahn Group. The press release quoted a statement by Mr. Lipinski that the Company appreciated Mr. Icahn's interest in the Company and his shared view that the Company is a valuable investment opportunity, and noting that the Company welcomes the views of all its stockholders and routinely considers their thoughts on business and strategy.

Later that day the Board held a telephonic special meeting at which certain members of the Company's management, as well as representatives from Deutsche Bank Securities Inc. (Deutsche Bank), the Company's regular external legal advisor, MacKenzie Partners, Inc. (MacKenzie) and the Abernathy MacGregor Group, Inc. (Abernathy) were present. Mr. Pici reviewed with the Board his conversation with Mr. Intrieri, and the Board discussed this conversation and the Icahn Group's recent SEC filings, as well as Mr. Icahn's intentions and the potential impact the Icahn Group's sudden and significant increase in its equity position in the Company might have on the Company and its stockholders. The Deutsche Bank representatives reviewed with the Board the state of the mergers and acquisitions market, Mr. Icahn's purchase of shares of Common Stock and call options and Mr. Icahn's history of activities with other companies. The representatives from Deutsche Bank and the Company's regular external legal advisor also reviewed with the Board the mechanics of a potential stockholder rights plan and related issues, and representatives of the Company's regular external legal advisor provided a review of the Board's fiduciary duties in connection with the decision whether to adopt such a plan. The Board then reviewed with its advisors various factors in determining whether it was appropriate and in the best interest of the Company's stockholders to adopt a stockholder rights plan, including, among other things, the Icahn Group's sudden and rapid ownership increase in the Company through the use of derivatives (which made it difficult for the Company and other stockholders to have notice of such increase), the potential impact of the

Icahn Group's stockholding on management's ability to focus on operation of the business and delivering long-term stockholder value, the cyclicity of the Company's industry and business, the near-term economic outlook and Mr. Icahn's history of activist campaigns.

After considering various factors, including those described in the immediately preceding paragraph, and concluding that the further accumulation by Mr. Icahn of additional shares of Common Stock and derivative positions in the Company was a threat to the Company and its stockholders, the Board unanimously determined that it was in the best interests of the Company and its stockholders to adopt a stockholder rights plan (the Rights Agreement). In doing so, the Company noted that the Rights Agreement was intended to ensure that all stockholders receive fair and equal treatment and maintain the ability to realize the long-term value of their investment in the Company. Later in the day on January 13, 2012, the Company issued a press release announcing that the Board had adopted the Rights Agreement, and noted that the Rights Agreement was intended to protect the Company's stockholders against the threats posed by inadequate or coercive takeover attempts, or other tactics that might be used to gain control of the Company without negotiating with the Board or paying all stockholders a fair price for their shares of Common Stock. The Company also stated that the Rights Agreement was not designed to prevent a takeover or an offer to acquire the Company, but rather intended to allow the Board adequate time to consider any and all alternatives that are presented.

After the Company issued this press release, Mr. Pici received an email from Mr. Intrieri expressing Mr. Icahn's disappointment with the Board's decision to adopt the Rights Agreement.

That weekend, the Board met telephonically with representatives of Goldman, Sachs & Co. (Goldman Sachs), for purposes of determining whether Goldman Sachs should serve as an additional financial advisor to the Board and the Company, and separately with representatives of Wachtell, Lipton, Rosen & Katz (Wachtell Lipton), for purposes of determining whether Wachtell Lipton should serve as legal advisor to the Board and the Company.

On January 17, 2012, Mr. Intrieri spoke with Mr. Pici to express again Mr. Icahn's disappointment with the Board's decision to adopt the Rights Agreement. Mr. Intrieri also requested a meeting between representatives of the Icahn Group and representatives of the Company, and Mr. Pici agreed that the representatives would meet the following week at Mr. Icahn's offices in New York.

On January 23, 2012, Messrs. Lipinski and Pici met with Messrs. Icahn and Intrieri, as well as George W. Hebard III, another of the Icahn Group's representatives, at Mr. Icahn's offices. Among other things, the parties discussed the Icahn Group's intentions and proposals with respect to the Company, none of which included a proposal to sell the Company. Mr. Icahn also requested an extension of the Company's February 18, 2012 deadline for nominating candidates to the Board and submitting proposals to be considered at the Company's upcoming annual meeting. At the close of the conversation, Messrs. Lipinski and Pici noted that they would discuss matters with the Board and would contact representatives of Mr. Icahn again in a few weeks.

On January 24, 2012, the Board held a telephonic meeting during which Messrs. Lipinski and Pici provided the directors with an update on the meeting with representatives of the Icahn

Group and recent meetings with other Company stockholders. Representatives of Wachtell Lipton also discussed with the Board their basic responsibilities. Following this discussion, the Board directed the Company's management and advisors to complete their in-depth evaluation of a number of strategic ideas, including the initiation of a regular and/or special dividend and implementation of a separation transaction involving CVR Partners, all of which and more had been under consideration by the Board for several months. The Board agreed to reconvene to review the analysis of the Company's advisors on February 2, 2012, at the offices of Wachtell Lipton in New York.

On February 1, 2012, Mr. Intrieri emailed Mr. Pici with respect to the status of their discussions. Mr. Pici replied that in accordance with its standard practice, the Board was considering a number of alternatives and would contact Mr. Icahn in a few weeks.

On February 2, 2012, the Board, members of the Company's management and representatives of its advisors met at the offices of Wachtell Lipton. Representatives of the Company's financial advisors described the financial analyses they had performed regarding various potential strategic alternatives, including a potential spin-off of a corporate holding company to hold the Company's limited partnership interests in CVR Partners (UAN Holdco) and potentially instituting a regular dividend to the stockholders and paying a special dividend to the stockholders funded through a sale of a portion of the Company's holdings in CVR Partners. The group discussed the likely impacts to the Company and its stockholders resulting from a spin-off of a UAN Holdco, noting the relatively tax inefficient corporate structure required to effect a tax-free spin-off transaction. The Board also discussed the fact that there were no direct comparable companies for a UAN Holdco and a strong likelihood that UAN Holdco would trade at a discount (on a current yield basis) to other publicly-traded corporate holding companies of master limited partnerships, and potentially to CVR Partners itself. Following extensive discussion among members of the Board and representatives of the advisors, the Board reached a consensus that the financial advisors should perform further financial analyses regarding the Company potentially instituting a regular cash dividend as well as potentially selling some portion of the Company's limited partnership interests in CVR partners to fund a special dividend to shareholders and to strengthen the Company's balance sheet. The Board also requested that the financial advisors analyze these potential alternatives in the event of a downturn in the refining and fertilizer markets over a period of time. The Board then agreed to reconvene early the following week to discuss the results of this additional financial analyses and to decide on a course of action.

On February 6, 2012, the Board met telephonically with members of the Company's management and representatives of the Company's advisors to discuss, among other things, the further analysis undertaken since the last meeting. After review of the advisors' analysis, it was the sense of the Board that, consistent with its goal of increasing long-term stockholder value, it was in the best interests of the Company and its stockholders to implement a regular cash dividend, as well as to sell a portion of the Company's holdings in CVR Partners, the proceeds of

which would primarily be used to fund a special dividend to stockholders and also to strengthen the Company's balance sheet. Representatives of the Company's advisors also discussed with the Board the process and timing for implementing a sale of the Company's holdings in CVR Partners, including the filing of a registration statement with the SEC for CVR Partners. The Board agreed that after the Company's participation in an upcoming equity research conference, the Board would again meet to decide and take formal action on the regular dividend and sale of a portion of the Company's holdings in CVR Partners.

Later that week, on February 9, 2012, Mr. Pici called Messrs. Icahn, Intrieri and Hebard, noting that, as promised, he was touching base to get their feedback. Mr. Intrieri noted that their preference was for the Company to institute a dividend to stockholders based on a straight flow through of distributions the Company receives from CVR Partners, as well as any additional income the Company could realize from further hedging of crack spreads. Mr. Icahn noted that he also wanted the Company to separate or spin-off either its holdings in CVR Partners or its refining assets, and return any resulting cash to stockholders. In addition, Mr. Icahn reiterated his request that the Company extend the deadline for nominating candidates to the Board and submitting proposals to be considered at the Company's upcoming annual meeting.

On February 12, 2012, the Board met telephonically to review and approve the implementation of a regular quarterly cash dividend of \$0.08 per Share and to authorize the Company to work on preparing for a sale of a portion of the Company's investment in CVR Partners, the proceeds of which were to be used to pay a special dividend to stockholders and strengthen the Company's balance sheet.

On February 13, 2012, the Company issued a press release and provided an investor presentation on its website in relation to the foregoing matters, including details on why separating CVR Partners or spinning off a UAN HoldCo was not an optimal strategy at this time. Later that day, Messrs. Lipinski and Pici spoke with Messrs. Icahn and Intrieri to discuss the press release and the Company's strategic plan. Mr. Icahn stated that he was disappointed in the level of the dividend and the fact that the Company would be selling a portion, rather than all, of its holdings in CVR Partners. Mr. Icahn then said that rather than completing a separation or spin-off of the Company's holdings in CVR Partners or its refining assets, he now thought that the Company should seek to sell itself. None of Mr. Icahn or any of his representatives had raised this suggestion during any prior communication with representatives of the Company. Mr. Icahn's representatives stated that they believed there were at least three or four companies that would be interested in purchasing the Company, and that it was their view that Company stockholders could receive a purchase price in the high \$30 to low \$40 range, although Mr. Icahn provided no evidence for this belief. Mr. Lipinski then asked Mr. Icahn if he would be willing to acquire the Company for a purchase price in that range. Mr. Icahn responded that he would not. Mr. Icahn noted that the Icahn Group would be filing a 13D shortly stating that the Company should pursue a sale process.

The following day, on February 14, 2012, the Board met telephonically to discuss market and stockholder reaction to the announcement of the Company's initiation of a regular cash dividend and its intention to monetize a portion of its holdings of CVR Partners, as well as to

discuss the conversation Messrs. Lipinski and Pici had with representatives of the Icahn Group. Subsequently, the Icahn Group amended its Schedule 13D to state that it now believed the Company should commence a process to put itself up for sale, rather than pursuing the initiatives announced by the Company on the previous day.

On February 16, 2012, Mr. Icahn delivered a notice to the Company, indicating the intent of High River Limited Partnership, a member of the Icahn Group, to nominate a slate of nine directors for election at the 2012 Annual Meeting and to propose stockholder resolutions for consideration at the 2012 Annual Meeting. Five of the nine nominees (Messrs. Hebard, Intrieri, SungHwan Cho, Samuel Merksamer and Daniel A. Ninivaggi) are current employees of the Icahn Group, another nominee (Mr. Stephen Mongillo) is a former employee of the Icahn Group and two of the three remaining nominees (Mr. Robert Alexander and Mr. Glenn Zander) worked for Icahn-controlled companies for many years.

That same day, in addition to publicly announcing his proposal of a slate of nine directors for election at the 2012 Annual Meeting, Mr. Icahn publicly announced his intention to commence a tender offer for all outstanding Shares for \$30.00 per Share in cash, plus one contingent value right. As proposed by Mr. Icahn in his announcement, each contingent value right would entitle holders of Shares to an additional payment per Share equal to the value per Share in excess of \$30.00 for which the Company is sold, but only if a definitive agreement for the sale of the Company is executed within nine months of the completion of the Offer. Mr. Icahn's public announcement noted that his purpose in announcing the Offer and proposing a slate of directors for election was to pursue a sale of the entire Company, for which he stated he expected to achieve a price of at least \$37 per Share. The announcement noted that the Offer would be subject to a number of conditions, including the requirement that at least 35.76% of the issued and outstanding Shares be tendered and not withdrawn, that Icahn's proposed slate of directors be elected at the 2012 Annual Meeting and that the Rights Agreement be eliminated, as well as other typical conditions. Also on February 16, 2012, certain members of the Icahn Group delivered a letter to the Company demanding, pursuant to Section 220 of the DGCL, inspection of the Company's stockholder list and security position listing.

In the evening of February 16, 2012, the Company issued a press release confirming receipt of Mr. Icahn's notice of intent to nominate directors and to propose stockholder resolutions, as well as his intent to initiate an unsolicited tender offer to acquire all of the Shares of the Company. The following morning, on February 17, 2012, the Board met telephonically to discuss the announcement by Mr. Icahn. The Board noted that the Nominating and Corporate Governance Committee would review Mr. Icahn's nominations in due course and make a recommendation that it believed to be in the best interests of all the Company's stockholders.

On February 23, 2012, Offeror, together with other members of the Icahn Group, commenced the Offer by filing the Schedule TO with the SEC.

On February 24, 2012, the Company responded to the February 16, 2012 Delaware Section 220 demand letter indicating that it would begin providing requested information subject to the Icahn Group executing a customary confidentiality agreement, a form of which was provided, and paying the Company's expenses associated with providing such information.

On February 27, 2012, the Board met with management and representatives of Goldman Sachs, Deutsche Bank and Wachtell Lipton at the offices of Wachtell Lipton in New York to review and discuss, among other things, the Company's operational performance and financial forecasts. The Board also discussed with management and its advisors market and stockholder reaction to the Offer as well as the terms and conditions of the Offer.

The next day, the Board again met with management and representatives of Goldman Sachs, Deutsche Bank, Wachtell Lipton, MacKenzie and Abernathy at the offices of Wachtell Lipton in New York to review in detail the terms of the Offer. During this meeting, representatives of Goldman Sachs and Deutsche Bank discussed their financial analysis of the Offer. After extensive discussion, the Board determined to meet telephonically the following day to take formal action with respect to the Offer.

The following day, on February 29, 2012, the Board met telephonically with management and representatives of Goldman Sachs, Deutsche Bank, Wachtell Lipton, MacKenzie and Abernathy. During this meeting, each of Goldman Sachs and Deutsche Bank rendered an oral opinion to the Board, subsequently confirmed in writing, that as of February 29, 2012, and based upon and subject to the factors and assumptions set forth in its written opinion, the consideration proposed to be paid to the holders of Shares (other than the Offeror and its affiliates) pursuant to the Offer was inadequate from a financial point of view to such holders. At the meeting, the Board unanimously determined that the Offer substantially undervalues the Company and is therefore inadequate to holders of Shares and is not in the best interests of the Company or its stockholders. Accordingly, the Board unanimously determined to recommend that stockholders reject the Offer and not tender their Shares into the Offer. The full text of the written opinions of each of Goldman Sachs and Deutsche Bank, each dated February 29, 2012, which set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, are attached as Annexes B and C, respectively. Each of Goldman Sachs and Deutsche Bank provided its opinion for the information and assistance of the Board in connection with its consideration of the Offer. The opinions of Goldman Sachs and Deutsche Bank are not recommendations as to whether or not any holder of Shares should tender such Shares in connection with the Offer or any other matter.

Reasons for the Recommendation

In reaching the conclusions and in making the recommendation described above, the Board considered numerous factors, including, but not limited to, those described below. The Board has concluded that the Offer substantially undervalues the Company in light of the Company's extraordinary performance, particularly in relation to its peers, and future growth prospects. Moreover, the Board has concluded that the numerous conditions to the Offer and Mr. Icahn's track record create significant uncertainty as to when if ever the Company's stockholders would receive the consideration purportedly being offered in the Offer.

Furthermore, the Board believes that the Offer's promise of potential additional consideration to the Company's stockholders by means of the CCP right is illusory. The Board is confident that the Company will, consistent with its historical performance and operational excellence, deliver greater value to its stockholders by pursuing its current plans and taking the actions described below, than would be obtained by the Offer.

The Board believes that operating the Company in accordance with its current plans will deliver substantially greater value for the Company's stockholders than the Offer.

The Board believes that the Offer substantially undervalues the Company, as it does not reflect the Company's strong track record and future growth potential, nor does it reflect the many opportunities available to the Company.

The Company's Board and management have delivered outstanding results. The Company has had a strong and consistent track record of success including:

Outstanding stockholder returns: 527% over the past 3 years and 65% over the past year, significantly outperforming our peers and the S&P 500.

Pursuing opportunities that deliver value to our stockholders: The Board and management have been extremely proactive in identifying and executing on initiatives to enhance stockholder returns, including the initial public offering of CVR Partners in April 2011; the accretive acquisition of Gary-Williams Energy Corporation in December 2011; and, most recently, our announcement regarding the initiation of regular quarterly dividends and the proposed sale of CVR Partners units to fund a special dividend and to further strengthen our balance sheet.

Superior operational results: Through a combination of operating improvements, increased efficiencies and accretive acquisitions, the Company has increased its refining capacity from 113,500 barrels per day at the time of the Company's initial public offering in 2007 to approximately 185,000 barrels per day currently, and it has increased its fertilizer capacity from 1,100 tons per day of ammonia and 1,500 tons per day of urea ammonium nitrate (UAN) over the same time period to current capacity of 1,225 tons-per-day of ammonia and 2,025 tons-per-day of UAN (with a significant two-year plant expansion underway designed to increase the Company's UAN production capacity by approximately 50% per year). Additionally, the Company has made significant capital investments to allow it to process heavier, higher sulfur crudes, in order to enhance flexibility and profitability and improve operational reliability of the petroleum and fertilizer facilities. These initiatives will allow the Company to build on its record levels of Adjusted EBITDA of \$580.9 million in its Petroleum segment and \$162.6 million in its Fertilizer segment during 2011.

Financial strength: As a result of its focus on balance sheet strength in a cyclical industry, the Company's credit rating from Moody's Investor Services has improved to Ba3.

We believe that we can build upon our track record of strong stockholder returns by executing on the substantial opportunities available to the Company. The Offer is an opportunistic attempt by Mr. Icahn to take advantage of opportunities that should benefit all stockholders.

The Company is uniquely positioned to benefit from the increased production of North American crude: As a mid-continent refiner with the

logistics access and operating flexibility to accept a wide variety of crude oil inputs, we are well-positioned to take advantage of the dramatically increasing production of on-shore North American crude. Mid-continent refiners such as the Company have benefited substantially due to their better access to lower-cost crude oil coming from Canada, the Rockies and the mid-continent regions of the United States. This lower-cost crude has improved refining margins and enhanced our financial results. Given the technological advances and capital commitments made by oil producers, large volumes of incremental crude oil production are expected to come from numerous onshore plays including the Bakken Shale in North Dakota, the Anadarko Basin in Oklahoma and the Niobrara, the Denver-Julesberg and the Powder River basins in the Rockies. In addition, imports of Canadian oil are expected to increase dramatically. The current pipeline infrastructure results in an oversupply of crude oil in the mid-continent area, particularly at Cushing, Oklahoma, near the Company's refineries. The charts below illustrate expected growth for Canadian and Bakken crude production, which are two key pieces of the crude supply in the region.

The continuing growth of supply will have a significant impact on the pricing of crude oil in the area of the Company's refineries. While significant planned construction of pipeline infrastructure over the next five years will result in major changes to the United States pipeline map, additional transport capacity may not be implemented quickly enough in a number of areas, including the mid-continent region, to alleviate oversupply conditions. These supply-demand dynamics are expected to keep crude oil prices in the mid-continent relatively low, allowing the Company and other mid-continent refiners to maintain or increase refining margins in the future.

As illustrated below, industry consultants anticipate that the significant current discount of West Texas Intermediate (WTI) crude to Brent crude is expected to continue in the future as oversupply of crude oil in the mid-continent region persists.

WTI-Brent Spread Forecast

Source: Bentek Energy

Our initiatives in crude gathering and storage are expected to increase EBITDA: The Company is focused on capturing EBITDA by acquiring crude at the wellhead (or lease), trucking, and/or leasing crude oil gathering pipelines in the general area of its refineries. During the fourth quarter of 2011, the Company gathered approximately 37,500 barrels of crude oil per day – an amount on track to increase to in excess of 40,000 barrels per day during the first quarter of 2012. This represents over a 500% increase from the 7,000 barrels per day the Company gathered in 2005. The crude gathering business has reduced our cost of crude oil, increasing our refining margin by approximately \$2 per barrel of crude oil gathered.

The Company also has access to approximately 4 million barrels of crude oil storage tanks located at the Cushing hub (approximately 3 million of which is leased and 1 million of which is owned), with the potential to add an additional 5 million barrels of capacity. This storage capacity provides significant operating flexibility to the Company, as well as the opportunity to generate additional operating income by leasing the storage out to third parties at fixed fees or by holding incremental presold inventory at a fixed profit.

The following slides demonstrate the Company's extensive pipeline network, in both supply and marketing, and the key features of the Company's crude gathering, storage and logistics programs.

The Company is just beginning to realize the benefits from its recent acquisition of Gary-Williams Energy Corporation: Our recently completed accretive acquisition of Gary-Williams Energy Corporation and its Wynnewood, Oklahoma refinery (which was completed on December 15, 2011) will provide a meaningful increase in the scale and diversity of the Company's refining operations creating a company with more than 185,000 barrels per day of processing capacity at two locations in the attractive PADD II, Group 3, region. Furthermore, the Wynnewood facility, like the Company's Coffeyville facility, has access to a variety of cost-advantaged WTI price-linked crudes. We expect this acquisition to contribute approximately \$32 million in EBITDA from the realization of synergies this year, with an increase to more than \$40 million in the following years.

In short, the Board believes that it and the Company's management team can deliver more value to our stockholders than the Offer.

The Offer does not deliver a compelling premium.

The Offer does not reflect a compelling premium. The \$30.00 per Share cash portion of the Offer price represents a paltry premium of only:

8.7% over the Company's closing stock price as of February 15, 2012, the last day prior to Mr. Icahn's announcement of the Offer;

13.3% to the Company's stock price as of January 12, 2012, when indexed to match the mean growth of its peers (January 12 is the day prior to the public announcement of Mr. Icahn's investment); and

3.9% to the Company's highest closing stock price during the six months prior to the announcement of the Offer of \$28.88, which occurred on September 8, 2011.

In addition, as of February 15, 2012, Wall Street analysts' price targets for the Company were in the range of \$30.00 - 35.00.

Mr. Icahn has said his \$30 Offer price undervalues the Company. Mr. Icahn has stated the Company could be sold for a much higher price than the Offer price.

The inadequate Offer price of \$30.00 will be reduced, dollar-for-dollar, by the amount of any special dividend paid to Company stockholders following the Company's proposed sale of a portion of its investment in CVR Partners. The Company intends to sell a portion of its investment in CVR Partners, the proceeds of which will be used, in part, to pay for a special dividend to all stockholders. As described in Item 13 of the Schedule TO, the cash portion of the purchase price payable by the Offeror pursuant to the Offer, in the aggregate, will be reduced, dollar-for-dollar, to the extent of any special dividend. Therefore, Mr. Icahn's offer price is not in fact \$30.00.

The Company has received inadequacy opinions from both of its financial advisors.

The Board considered the fact that Goldman Sachs and Deutsche Bank each rendered an opinion to the Board, subsequently confirmed in writing, that as of February 29, 2012, and based upon and subject to the factors and assumptions set forth in the written opinion, the consideration proposed to be paid to the holders of Shares (other than the Offeror and its affiliates) pursuant to the Offer is inadequate from a financial point of view to such holders.

The full texts of the written opinions of Goldman Sachs and Deutsche Bank, each dated February 29, 2012, which set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinions, are attached as Annexes B and C, respectively. Each of Goldman Sachs and Deutsche Bank provided its opinion for the information and assistance of the Board in connection with its consideration of the Offer. The opinions of Goldman Sachs and Deutsche Bank are not recommendations as to whether or not any holder of Shares should tender such Shares in connection with the Offer or any other matter.

The Offer is coercive and provides no protection for stockholders who do not tender.

The Offer provides no protection whatsoever to Company stockholders who do not tender in the Offer. Stockholders face the threat that if they do not tender into the Offer, and the Offer is subsequently consummated, they may find themselves as minority stockholders in a Company with a new majority stockholder and an entirely new Board controlled by Mr. Icahn (composed of five current Icahn employees, one recent former Icahn employee and two more persons who were employed for many years by Icahn-controlled companies). Further, the Offeror has stated that, following the completion of the Offer, the Company may be delisted from the New York Stock Exchange and the remaining outstanding Shares deregistered (so the Company would no longer be required to file reports with the SEC). These events would almost certainly lead to a substantial decline in value of the remaining outstanding Shares.

The identity and track record of Mr. Icahn, as well as the extraordinarily lengthy list of substantial conditions to the Offer, create significant doubt that the Offer will ever be consummated.

The Board believes that Mr. Icahn's poor track record in similar situations, coupled with the numerous conditions to the Offer, make the Offer illusory.

Mr. Icahn has an extremely poor track record with respect to similar situations. According to publicly available data, since 2000, affiliates of Mr. Icahn made public proposals to acquire all, or a substantial portion of, at least fifteen other public companies that were not in bankruptcy proceedings at the time, and launched a tender offer in respect of seven of these companies. *Mr. Icahn and his affiliates failed to consummate any of these acquisition attempts.* The Board believes that there is an extremely low likelihood that Mr. Icahn intends to complete the Offer and is instead using the Offer simply as a tactic to seek out bids from potential strategic acquirors.

The Offer contains an extraordinarily lengthy list of conditions. As described under Item 14 of the Offer, the Offer is subject to sixteen substantive conditions, including the following conditions:

the Sale Condition,

the Minimum Condition,

the Poison Pill Condition,

the No Material Adverse Effect Condition (as determined by Mr. Icahn),

the Board Condition,

the No Injunction Condition,

the No Limitation on Rights Condition,

the No Adverse Effect or Diminution of Value Condition,

the No External Events Condition,

the No Challenge Condition,

the 10b-5 Condition,

the No Change in Compensation Condition,

the No Additional Issuance Condition,

the No Material Change Condition,

the No Competing Offer Condition, and

the HSR Condition.

The conditions give Mr. Icahn wide latitude not to consummate the Offer. According to the Schedule TO, all of the conditions to the Offer (including the No Material Adverse Effect Condition, for example) are for the sole benefit of Mr. Icahn, and may be asserted by him regardless of the circumstances giving rise to any such condition. In other words, the Schedule TO claims that Mr. Icahn may assert that a condition has not been satisfied, and such determination will not be subject to challenge.

For example, Mr. Icahn could claim that the No Material Adverse Effect Condition is not satisfied if there is any change or development since the date of the Offer that is outside the ordinary course of the Company's business or that may (not will) be materially adverse to the Company. If there were to be any negative change in the various commodity markets, including the price of WTI crude oil or the 2-1-1 crack spread, for instance, Mr. Icahn could claim that this condition has not been satisfied.

In addition, a number of the conditions such as the 10b-5 Condition are written such that their satisfaction is to be determined solely in the judgment of Mr. Icahn. In fact, in all cases Mr. Icahn would have the right to declare a condition not satisfied even if caused by his action or inaction.

Even if the Offer is completed, the CCPs are unlikely to provide any additional value to tendering stockholders and include structural incentives for abuse of CCP holders.

Payment on the CCPs depends on a sale transaction that is highly unlikely to occur during the extremely short nine-month window, and which Mr. Icahn has significant economic incentive to delay. As described in the Offer, in order for any payment to be made to the holders of the CCPs, the Company (which will then be controlled by Mr. Icahn and governed by a board of directors entirely hand-picked by Mr. Icahn) must execute a definitive agreement for the sale of the Company at a price per Share in excess of \$30.00 within nine months following the completion of the Offer, and such transaction must close.

The Company's stockholders currently have the ability, without limitation, to participate in the upside from a potential sale simply by continuing to hold their Shares. Tendering into the Offer will only serve to limit the future upside stockholders may receive, because they will only receive the benefits of a sale that meets this artificially imposed nine-month requirement.

In fact, Mr. Icahn is incentivized NOT to execute a definitive agreement for the sale of the Company until after the nine-month period. If he were to cause the Company to execute an agreement for such sale merely one day after that nine-month period, tendering stockholders would receive nothing in respect of their CCPs—all of the upside associated with the tendering Shares would go into Mr. Icahn's pocket.

As further evidence that the CCPs will not provide tendering stockholders with any upside, the terms of the CCPs do not even require Mr. Icahn or his hand-picked board of directors to undertake any level of efforts to sell the Company during the nine-month CCP window. The CCP also expressly disclaims any fiduciary duties to the holders of the CCPs. There is therefore absolutely no reason for Mr. Icahn to pursue a sale that would result in a payment on the CCPs. For these and other reasons, the Board, after consultation with the Company's advisors, concluded that the CCPs are unlikely to provide any additional value to the Company's stockholders.

Other terms of the CCP also offer significant potential for abuse. In addition to the significant potential for abuse described above, the CCP contains numerous terms and conditions that could be exploited to harm its holders. For example, the terms of the agreement governing the CCPs (as set forth in Schedule II to the Offer) would not prohibit Mr. Icahn from piecemeal sales of the major assets of the Company (for example, selling the Company's interests in CVR Partners) in order to avoid making any payment on the CCPs.

The CCPs will be unregistered, and there will be no public information available regarding these instruments. The Schedule TO also states that the Company may also be deregistered and delisted. Collectively, this means that holders of the CCPs (as well as remaining minority investors in the Company) may have no visibility into the Company's performance, including any efforts to sell the Company or whether or not the CCPs are in fact entitled to any payment. In addition, the terms of the CCPs provide holders with no information rights and require holders representing a majority of the outstanding CCPs to organize themselves at their own expense to seek to enforce their rights; individual holders will have no ability to enforce their rights under the CCPs.

The CCPs will not be registered and will not be transferable. Because the CCPs will be, by their terms, non-transferable, tendering stockholders who do not wish to hold their CCPs will be stuck holding a non-transferable, non-registered and non-listed instrument, forcing all such holders to hold their CCPs until they expire.

The Offer states that there is substantial uncertainty as to the tax treatment of the CCP. As noted in Item 5 of the Offer, stockholders would face legal and factual uncertainty regarding the valuation and tax treatment of the CCP. According to the Schedule TO, it is possible that tendering stockholders may have to pay tax upon receipt of the CCP even though the stockholder may not receive any payment in respect of the CCP.

The Board and current management are much more capable than Mr. Icahn of leading a sale of the Company or pursuing any other strategic opportunity.

If a sale of the Company is to take place, the Company's current Board and management—who have delivered strong stock performance, increased stockholder value, and have the interests of all of stockholders, not just Mr. Icahn, in mind—are far more capable of guiding the Company through a sale process than the Icahn Group's nominees, who on the whole have no appreciable experience with the Company or the refining or fertilizer industries. Permitting the representatives of the Icahn Group to lead a sale process will put Mr. Icahn's interests above those of all other stockholders. The Board has always taken its fiduciary duties to stockholders very seriously and would discharge those duties properly in the context of analyzing any third-party proposal with respect to the Company.

The Offer describes no plan to fund the mandatory offer that will be triggered for the Company's outstanding debt or the resulting effect on the Company.

Consummation of the Offer would trigger a mandatory offer to repurchase all of the Company's notes. As described in Item 12 of the Offer and in Item 8 *Additional Information—Effect of the Offer on the Company's Outstanding Indebtedness* of this Statement, if the Offeror and its affiliates become the beneficial owner of 50% or more of the voting shares of the Company, the Company will be required to make an offer to repurchase at a premium all of the Company's outstanding notes (of which approximately \$670 million in aggregate principal amount were outstanding as of February 8, 2012). The Company currently does not have sufficient cash on hand to fund the full amount of this repurchase. The Schedule TO does not describe any plan, or source of funds, to finance this very significant liability that will result if the Offer is completed in accordance with its terms, nor does it describe the very serious consequences to the Company and its remaining minority stockholders that would result in the event the Company is unable to satisfy this liability, or is able to satisfy it only by refinancing the debt on disadvantageous terms. The prospect of holding a potentially delisted and unregistered minority equity interest in an insolvent entity is further evidence of the coercive nature of Mr. Icahn's Offer.

There is no possibility that stockholders will receive the Offer consideration by March 23, 2012.

Stockholders should not be deceived into thinking that there is any possibility of receiving the Offer consideration on or about the Expiration Date of March 23, 2012, even if the Minimum Condition were to be satisfied. It is an impossibility for the Offer to close by March 23, 2012, because the Board Condition imposed by the Offeror cannot be satisfied, if at all, until the 2012 Annual Meeting, which is customarily held in May and for which a date has not yet been announced.

* * *

The foregoing discussion of the information and factors considered by the Board is not meant to be exhaustive, but includes the material information, factors and analyses considered by the Board in reaching its conclusions and recommendations. The members of the Board evaluated the various factors listed above in light of their knowledge of the business, financial condition and prospects of the Company and based upon the advice of the Board's financial and legal advisors. In light of the number and variety of factors that the Board considered, the

members of the Board did not find it practicable to assign relative weights to the foregoing factors. However, the recommendation of the Board was made after considering the totality of the information and factors involved. In addition, individual members of the Board may have given different weight to different factors.

In light of the factors described above, the Board has unanimously determined that the Offer substantially undervalues the Company and is therefore inadequate to holders of Shares and is not in the best interests of the Company or its stockholders. **Accordingly, for the reasons described above, your Board unanimously recommends that all of the Company's stockholders REJECT the Offer and NOT tender any Shares pursuant to the Offer.**

Item 5. Persons/Assets, Retained, Employed, Compensated or Used.

The Company has retained Goldman Sachs and Deutsche Bank as its financial advisors in connection with, among other things, the Company's analysis and consideration of, and response to, the Offer. The Company has agreed to pay customary compensation for such services. In addition, the Company has agreed to reimburse each of Goldman Sachs and Deutsche Bank for certain expenses arising out of or in connection with the engagement and to indemnify each of Goldman Sachs and Deutsche Bank against certain liabilities relating to or arising out of the engagement.

The Company has engaged MacKenzie to provide advisory, consulting and solicitation services in connection with, among other things, the Offer. The Company has agreed to pay customary compensation for such services. In addition, the Company has arranged to reimburse MacKenzie for its reasonable out-of-pocket expenses and to indemnify it against certain liabilities arising from or in connection with the engagement.

The Company has also retained Abernathy as its public relations advisor in connection with the Offer. The Company has agreed to pay customary compensation for such services. In addition, the Company has agreed to reimburse Abernathy for its reasonable out-of-pocket expenses and to indemnify it against certain liabilities arising from or in connection with the engagement.

Except as set forth above, neither the Company nor any person acting on its behalf has or currently intends to employ, retain or compensate any person to make solicitations or recommendations to the security holders of the Company with respect to the Offer.

Item 6. Interest in Securities of the Subject Company.

Other than as set forth below, no transactions with respect to Shares have been effected by the Company or, to the Company's knowledge after making reasonable inquiry, by any of its executive officers, directors, affiliates, or subsidiaries during the 60 days prior to the date of this Statement.

Name/Title	Date	Number of Shares		Nature of Transaction	Price Per Share
John J. Lipinski	December 30, 2011	266,952	Acquisition	Award of restricted stock	0
John J. Lipinski	December 31, 2011	27,014	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
John J. Lipinski	January 18, 2012	25,000	Disposition	Sale pursuant to a 10b5-1 trading plan dated May 26, 2011	23.56*
John J. Lipinski	February 8, 2012	5,000	Disposition	Sale pursuant to a 10b5-1 trading plan dated May 26, 2011	27.47*
John J. Lipinski	February 23, 2012	5,000	Disposition	Sale pursuant to a 10b5-1 trading plan dated May 26, 2011	29.54*
Stanley A. Riemann	December 30, 2011	79,419	Acquisition	Award of restricted stock	0
Stanley A. Riemann	December 31, 2011	8,305	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
Frank A. Pici	January 4, 2012	35,071	Acquisition	Award of restricted stock	0
Edmund S. Gross	December 30, 2011	57,982	Acquisition	Award of restricted stock	0
Edmund S. Gross	December 31, 2011	6,317	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
Robert W. Haugen	December 30, 2011	26,429	Acquisition	Award of restricted stock	0
Robert W. Haugen	December 31, 2011	1,982	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
Wyatt E. Jernigan	December 30, 2011	24,987	Acquisition	Award of restricted stock	0
Wyatt E. Jernigan	December 31, 2011	1,281	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
Christopher G. Swanberg	December 30, 2011	21,957	Acquisition	Award of restricted stock	0
Christopher G. Swanberg	December 31, 2011	1,694	Disposition of a previous award	Purchased by the Company for tax liability purposes in connection with vesting of a previous award	18.73
Mark E. Tomkins	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
Mark E. Tomkins	December 30, 2011	2,136	Disposition	Purchased by the Company for tax liability purposes in connection with award	18.73
Steve A. Nordaker	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
Steve A. Nordaker	December 30, 2011	1,802	Disposition	Purchased by the Company for tax liability purposes in connection with award	18.73
C. Scott Hobbs	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
C. Scott Hobbs	December 30, 2011	2,136	Disposition	Purchased by the Company for tax liability purposes in connection with award	18.73
Joseph E. Sparano	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
Joseph E. Sparano	December 30, 2011	2,540	Disposition	Purchased by the Company for tax liability purposes in connection with award	18.73
George E. Matelich	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
Barbara M. Baumann	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
William J. Finnerty	December 30, 2011	7,208	Acquisition	Award of restricted stock	0
Robert T. Smith	December 30, 2011	7,208	Acquisition	Award of restricted stock	0

* The price indicated reflects the weighted average sale price.

Item 7. Purposes of the Transaction and Plans or Proposals.

The Company routinely maintains contact with other participants in its industry regarding a wide range of potential business transactions. It has not ceased, and has no intention of ceasing, such activity as a result of the Offer. The Company's policy has been, and continues to be, not to disclose the existence or content of any such discussions with third parties (except as may be required by law) as any such disclosure could jeopardize any future negotiations that the Company may conduct.

The Company has disclosed that it intends to sell a portion of its holdings in CVR Partners to fund a special dividend to stockholders and strengthen the Company's balance sheet. The Board believes that a sale of a portion of the Company's holdings in CVR Partners offers the best opportunity to deliver significant value to stockholders in a reasonable time frame with minimal execution risk or structural impediments. The size, time and manner of the sale will be disclosed when the transaction is implemented.

Except as described in the preceding two paragraphs or otherwise set forth in this Statement (including in the Exhibits to this Statement) or as incorporated in this Statement by reference, the Company is not currently undertaking or engaged in any negotiations in response to the Offer that relate to, or would result in, (i) a tender offer for, or other acquisition of, Shares by the Company, any of its subsidiaries or any other person, (ii) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries, (iii) any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries or (iv) any material change in the present dividend rate or policy, or indebtedness or capitalization, of the Company.

Except as described above or otherwise set forth in this Statement (including in the Exhibits to this Statement) or as incorporated in this Statement by reference, there are no transactions, resolutions of the Board, agreements in principle or signed contracts in response to the Offer that relate to, or would result in, one or more of the events referred to in the preceding paragraph.

Item 8. Additional Information.**Employment Agreements**

As described above in Item 3. *Past Contacts, Transactions, Negotiations and Agreements – Employment Agreements*, which is incorporated herein by reference, the Company previously entered into employment agreements with each of its named executive officers, pursuant to which each named executive officer is entitled to certain payments and benefits from the Company in the event of a Qualifying Change in Control Termination. Severance payments and benefits would be provided for the duration of the named executive officer's severance period (described in the footnotes to the table below), provided that his pro-rated annual bonus would be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which termination occurs.

As a condition to receiving such severance payments and benefits, the named executive officer must (i) execute, deliver and not revoke a general release of claims and (ii) abide by restrictive covenants, including a perpetual non-disclosure covenant, non-solicitation covenants and, except in the case of Mr. Gross, covenants relating to non-competition during the employment term and for 12 months (36 months for Mr. Lipinski) following the employment term. The agreements provide that if any payments or distributions due to the named executive officer would be subject to the excise tax imposed under Section 4999 of the Code, then such payments or distributions will be cut back only if that reduction would be more beneficial to the named executive officer on an after-tax basis than if there were no reduction.

Restricted Stock

As described above in Item 3. *Past Contacts, Transactions, Negotiations and Agreements – Equity-Based Awards Held By the Non-Employee Directors and Executive Officers of the Company – Treatment of Restricted Stock*, which is incorporated herein by reference, each named executive officer holds unvested restricted stock. In the event that a named executive officer experiences a Qualifying Change in Control Termination, his unvested restricted stock would vest immediately.

Golden Parachute Compensation

Named Executive Officers	Cash \$(1)	Equity \$(2)	Benefits \$(3)	Total (\$)
John J. Lipinski	10,326,370	16,905,840	53,078	27,285,288
<i>Chief Executive Officer</i>				
Stanley A. Riemann	3,508,151	5,140,320	44,232	8,692,703
<i>Chief Operating Officer</i>				
Frank A. Pici	1,448,904	1,052,130	27,568	2,528,602
<i>Chief Financial Officer and Treasurer</i>				
Edmund S. Gross	1,576,219	3,988,680	43,470	5,608,369
<i>Senior Vice President, General Counsel</i>				
Robert W. Haugen	689,485	1,466,670	17,726	2,173,881
<i>Executive Vice President, Refining Operations</i>				

- (1) Under the applicable employment agreements, upon a Qualifying Change in Control Termination, each named executive officer would be entitled to receive the following payments and benefits from the Company (i) salary continuation, for a period of 12 months for Mr. Haugen, 24 months for Messrs. Gross and Pici, 30 months for Mr. Riemann, and 36 months for Mr. Lipinski, (ii) a pro-rated annual bonus for the year in which termination occurs (which would be based on actual performance in the year of termination, assumed to be paid at 100% of target for the purposes of the table) and (iii) monthly payments equal to 1/12th of his target bonus for the duration of the severance period. Because the payments disclosed in the table above are conditioned upon a termination of employment without cause by the Company or for good reason by the named executive officer in connection with a change in control, they are "double-trigger". Set forth below is a table summarizing the amount of the salary continuation, pro-rata bonus and target bonus payment for each named executive officer, assuming that the named executive officer experienced a Qualifying Change in Control Termination on February 23, 2012.

Named Executive Officers	Salary Continuation (\$)	Pro-rata Bonus (\$)	Target Bonus Payment (\$)
John J. Lipinski	2,850,000	351,370	7,125,000
Stanley A. Riemann	1,125,000	133,151	2,250,000
Frank A. Pici	700,000	48,904	700,000
Edmund S. Gross	760,000	56,219	760,000
Robert W. Haugen	290,000	51,485	348,000

- (2) All unvested restricted stock awards held by the named executive officers are subject to double-trigger vesting upon a Qualifying Change in Control Termination. The estimated equity values above assume each named executive officer experienced a Qualifying Change in Control Termination on February 23, 2012 and are based on the Offer price of \$30.00 per Share (attributing, for the purposes of the table, no cash value to the CCPs).
- (3) The named executive officers would be entitled to health and welfare benefits continuation for 12 months for Mr. Haugen, 24 months for Messrs. Gross and Pici, 30 months for Mr. Riemann and 36 months for Mr. Lipinski, or, in each case, until such time as the executive officer becomes eligible for such benefits from a subsequent employer. These benefits are payable pursuant to double trigger arrangements upon a Qualifying Change in Control Termination. Set forth below is a table summarizing the estimated value of healthcare and life insurance benefits to which the named executive officers would be entitled, assuming each named executive officer experienced a Qualifying Change in Control Termination on February 23, 2012.

Named Executive Officers	Healthcare Continuation (\$)	Life Insurance Continuation (\$)
John J. Lipinski	27,767	25,311
Stanley A. Riemann	23,129	21,093
Frank A. Pici	26,560	1,008
Edmund S. Gross	26,560	16,910
Robert W. Haugen	13,280	4,446

Effect of the Offer on the Company's Outstanding Indebtedness

The agreements governing certain of the Company's long-term indebtedness contain change of control provisions that are triggered, including as a result of consummation of the offer, when (1) any person or group (as used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act)), other than certain permitted holders, directly or indirectly acquires beneficial ownership of 50% or more of the voting power of Coffeyville Resources, LLC (CRLLC), a subsidiary of the Company or (2) a majority of the members of the Board (or the board of directors of CRLLC, as applicable) are not Continuing Directors, which are defined as any member of the Board who is any of the following: a member of the Board as of the date of execution of the indenture for the applicable indebtedness; a member of the Board nominated for election or elected to such Board with the approval of a majority of the Continuing Directors who were members of the Board at the time of such nomination or election; or a member of the Board nominated for election or elected by certain former shareholders and their affiliates.

CRLLC will be required to repurchase all of its outstanding 9.0% First Lien Senior Secured Notes due 2015 (First Lien Notes) and 10.875% Second Lien Senior Secured Notes (Second Lien N2">United States Alien Holders. If you are a United States alien holder, you generally will not be subject to United States withholding tax or to generally applicable information reporting and backup withholding requirements with respect to payments on your securities as long as you comply with certain certification and identification requirements as to your foreign status. Please see the discussion under United States Taxation United States Alien Holders and Backup Withholding And Information Reporting in the accompanying prospectus. You may be subject to United States federal income tax and/or withholding tax on your disposition of any Underlying Stock received at maturity if such stock is treated as a United States real property interest and either such stock is not regularly traded on an established securities market prior to your disposition, or you constructively held more than 5% of such stock at some time prior to your disposition.

As discussed above, alternative characterizations of the securities for United States federal income tax purposes are possible. Should an alternative characterization of the securities, by reason of a change or clarification of the law, by regulation or otherwise, cause payments with respect to the securities to become subject to withholding tax, we will withhold at the applicable statutory rate and we will not make payments of any Additional Amounts (as defined in the accompanying prospectus). Prospective United States alien holders of the securities should consult their own tax advisors in this regard.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a plan) subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the plan s particular circumstances before authorizing an investment in the securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the Code).

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Internal Revenue Code (also plans), from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code (parties in interest) with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (non-ERISA arrangements) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (similar laws).

The acquisition of the securities by a plan with respect to which Wachovia, Wachovia Securities or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those securities are acquired pursuant to and in accordance with an applicable exemption. The United States Department of Labor has issued five prohibited transaction class exemptions, or PTCEs , that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the securities. These exemptions are:

PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;

PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;

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PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;

PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and

PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

The securities may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include plan assets by reason of any plan's investment in the entity (a plan asset entity) or (3) any person investing plan assets of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the PTCEs listed above or another applicable similar exemption. Any purchaser or holder of the securities or any interest in the securities will be deemed to have represented by its purchase and holding of the securities that it either (1) is not a plan or a plan asset entity and is not purchasing those securities on behalf of or with plan assets of any plan or plan asset entity or (2) with respect to the purchase or holding, is eligible for the exemptive relief available under any of the PTCEs listed above or another applicable exemption. In addition, any purchaser or holder of the securities or any interest in the securities which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the securities that its purchase and holding will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the securities on behalf of or with plan assets of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the securities, you should consult your legal counsel.

USE OF PROCEEDS AND HEDGING

The net proceeds from the sale of the securities will be used as described under Use of Proceeds in the accompanying prospectus and to hedge market risks of Wachovia associated with its obligation to pay the redemption amount at the maturity of the securities.

The hedging activity discussed above may adversely affect the market value of the securities from time to time and the redemption amount you will receive on the securities at maturity. See Risk Factors Purchases and sales by us or our affiliates may affect the return on the securities and Risk Factors Potential conflicts of interest could arise for a discussion of these adverse effects.

SUPPLEMENTAL PLAN OF DISTRIBUTION

Wachovia Capital Markets, LLC has agreed, subject to the terms and conditions of the distribution agreement and a terms agreement, to purchase from Wachovia as principal \$• aggregate principal amount of securities and will receive an underwriting discount and commission of •%. Wachovia Capital Markets, LLC has engaged the services of each of Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC, as broker, to resell \$• and \$•, respectively, aggregate principal amount of the securities purchased by Wachovia Capital Markets, LLC and has agreed to reallow Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC •% of the principal amount of each security sold through Wachovia Securities, LLC or Wachovia Securities Financial Network, LLC, respectively, as broker.

The distribution agreement provides that the obligations of Wachovia Capital Markets, LLC are subject to certain conditions and that Wachovia Capital Markets, LLC is obligated to purchase the securities. Wachovia Capital Markets, LLC has advised Wachovia that it proposes initially to offer all or part of the securities directly to the public at the offering price set forth on the cover page of this prospectus supplement. Included in the compensation paid at the time of the initial public offering of the securities is an additional administrative fee of •% that will be paid to dealers and agents in connection with the administration of orders for the securities. After the

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initial public offering, the public offering price may be changed and a concession to dealers may be offered. Wachovia Capital Markets, LLC is offering the securities subject to receipt and acceptance and subject to its right to reject any order in whole or in part.

In addition, additional agents under the distribution agreement, subject to the terms and conditions of the distribution agreement, may act as Wachovia's agents in the sale of \$• aggregate principal amount of the securities. The total commission payable on securities sold by the additional agents on an agency basis, pursuant to the distribution agreement, will be •%. We refer to the additional agents, together with Wachovia Capital Markets, LLC, as the Agents .

Proceeds to be received by Wachovia in this offering will be net of the underwriting discount, commission and expenses payable by Wachovia.

The Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any other broker-dealer affiliate of Wachovia may use this prospectus supplement and the accompanying prospectus for offers and sales related to market-making transactions in the securities. The Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any other broker-dealer affiliate of Wachovia may act as principal or agent in these transactions, and the sales will be made at prices related to prevailing market prices at the time of sale.

Wachovia Capital Markets, LLC, Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC are affiliates of Wachovia. Rule 2720 of the Conduct Rules of the NASD imposes certain requirements when an NASD member such as Wachovia Capital Markets, LLC, Wachovia Securities, LLC or Wachovia Securities Financial Network, LLC distributes an affiliated company's debt securities. Wachovia Capital Markets, LLC, Wachovia Securities, LLC and Wachovia Securities Financial Network, LLC have advised Wachovia that this offering will comply with the applicable requirements of Rule 2720. No NASD member participating in the offering will confirm initial sales to accounts over which it exercises discretionary authority without the prior written approval of the customer.

No action has been or will be taken by Wachovia, the Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any broker-dealer affiliate of Wachovia that would permit a public offering of the securities or possession or distribution of this prospectus supplement or the accompanying prospectus in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the securities, or distribution of this prospectus supplement or the accompanying prospectus, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on Wachovia, the Agents, Wachovia Securities, LLC, Wachovia Securities Financial Network, LLC or any broker-dealer affiliate of Wachovia. In respect of specific jurisdictions, please note the following:

The securities, and the offer to sell such securities, do not constitute a public offering in Argentina. Consequently, no public offering approval has been requested or granted by the Comisión Nacional de Valores, nor has any listing authorization of the securities been requested on any stock market in Argentina.

The securities will not be offered or sold to any persons who are residents of the Bahamas within the meaning of the Exchange Control Regulations of 1956 issued by the Central Bank of the Bahamas.

The securities may not be offered or sold to the public in Brazil. Accordingly, the securities have not been submitted to the Comissão de Valores Mobiliários for approval. Documents relating to this offering may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

Neither the securities nor Wachovia Corporation are registered in the Securities Registry of the Superintendency of Securities and Insurance in Chile.

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The securities have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This prospectus supplement and the accompanying prospectus may not be publicly distributed in Mexico.

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RECENT DEVELOPMENTS

On May 7, 2006, Wachovia and Golden West Financial Corporation (Golden West) announced that they had entered into an Agreement and Plan of Merger, dated as of May 7, 2006 (the Merger Agreement), that provides, among other things, for Golden West to be merged with and into a wholly-owned subsidiary of Wachovia (the Merger). As a result of the Merger, the outstanding shares of Golden West common stock, with respect to each shareholder of record of Golden West common stock, will be converted into the right to receive (A) a number of shares of Wachovia common stock equal to the product of (i) 1.365 times (ii) the number of shares of Golden West common stock held by such holder of record times (iii) 77%, and (B) an amount in cash equal to the product of (i) \$81.07 times (ii) the number of shares of Golden West common stock held by such holder of record times (iii) 23%. Wachovia also entered into Voting Agreements, dated as of May 7, 2006 (the Voting Agreements), with the co-chairman and chief executive officers of Golden West, Marion Sandler and Herbert Sandler, and with one other director, Bernard Osher. Under the Voting Agreements, the Sandler and Mr. Osher gave Wachovia an irrevocable proxy to vote, and they agreed to vote, their Golden West shares in favor of the Merger and agreed that they will not vote those shares in favor of another acquisition transaction. In the Merger Agreement, Golden West agreed to pay Wachovia a termination fee of \$995 million under certain circumstances generally arising if Golden West or a third party takes certain actions that could prevent or impede consummation of the Merger. Wachovia agreed to elect two current Golden West directors to its board of directors upon consummation of the Merger.

The Merger is intended to be treated as a tax-free reorganization to Wachovia and Golden West and otherwise tax free to Golden West s shareholders, except to the extent they receive cash, and is to be accounted for as a purchase. Consummation of the Merger is subject to various conditions, including: (i) receipt of the approvals of Wachovia s and Golden West s shareholders; (ii) receipt of requisite regulatory approvals from the Board of Governors of the Federal Reserve System and other regulatory authorities; (iii) receipt of legal opinions as to the tax treatment of the Merger; (iv) listing on the NYSE, subject to notice of issuance, of Wachovia s common stock to be issued in the Merger; and (v) satisfaction of certain other conditions.

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\$9,100,000,000

WACHOVIA CORPORATION

Senior Global Medium-Term Notes, Series G

and

Subordinated Global Medium-Term Notes, Series H

Terms of Sale

Wachovia Corporation may from time to time offer and sell notes with various terms, including the following:

stated maturity of 9 months or longer	amount of principal or interest may be determined by reference to an index or formula
fixed or floating interest rate, zero-coupon or issued with original issue discount; a floating interest rate may be based on:	book-entry form through The Depository Trust Company, Euroclear, Clearstream or any other clearing system or financial institution named in the applicable pricing supplement
commercial paper rate	redemption at the option of Wachovia or repayment at the option of the holder
prime rate	interest on notes paid monthly, quarterly, semi-annually or annually
LIBOR	denominations of \$1,000 and multiples of \$1,000
EURIBOR	denominated in U.S. dollars, a currency other than U.S dollars or in a composite currency
treasury rate	settlement in immediately available funds
CMT rate	

CD rate

CPI rate

federal funds rate

ranked as senior or subordinated indebtedness
of Wachovia

The final terms of each note will be included in a pricing supplement. Wachovia will receive between \$9,090,000,000 and \$8,372,000,000 of the proceeds from the sale of the notes, after paying the agents' commissions of between \$10,000,000 and \$728,000,000, unless otherwise agreed with the agents.

Wachovia has filed an application to list notes issued under this prospectus on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has advised us that with respect to notes so listed, this prospectus is valid for one year from the date of this prospectus.

Investing in the notes involves risks. See Risk Factors beginning on page 5.

Neither the Securities and Exchange Commission, any state securities commission or the Commissioner of Insurance of the state of North Carolina has approved or disapproved of the securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These securities will be our unsecured obligations and will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

Wachovia may sell the notes directly or through one or more agents or dealers, including the agents listed below. The agents are not required to sell any particular amount of the notes.

Wachovia may use this prospectus in the initial sale of any notes. In addition, Wachovia Capital Markets, LLC, or any other affiliate of Wachovia may use this prospectus in a market-making or other transaction in any note after its initial sale. *Unless Wachovia or its agent informs the purchaser otherwise in the confirmation of sale or pricing supplement, this prospectus is being used in a market-making transaction.*

Wachovia Securities



This prospectus is dated May 13, 2005

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ABOUT THIS PROSPECTUS

General

This document is called a prospectus and is part of a registration statement that we filed with the SEC using a shelf registration or continuous offering process. Under this shelf registration, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings up to a total aggregate initial offering price of \$9,100,000,000 or the equivalent amount in one or more other currencies or composite currencies.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities we will provide a pricing supplement containing specific information about the terms of the securities being offered. That pricing supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The pricing supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and any pricing supplement, you should rely on the information in that pricing supplement. You should read both this prospectus and any pricing supplement together with additional information described under the heading **Where You Can Find More Information**.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading **Where You Can Find More Information**.

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus and in any pricing supplement, including the information incorporated by reference. Neither we nor any underwriters or agents have authorized anyone to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any pricing supplement or any document incorporated by reference is truthful or complete at any date other than the date mentioned on the cover page of these documents.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, which agents may be our affiliates. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with our agents, to reject, in whole or in part, any of those offers.

The pricing supplement will contain the names of the underwriters, brokers, dealers or agents, if any, together with the terms of offering, the compensation of those persons and the net proceeds to us. Any underwriters, brokers, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933 (the **Securities Act**).

One or more of our subsidiaries, including Wachovia Capital Markets, LLC may buy and sell any of the securities after the securities are issued as part of their business as a broker-dealer. Those subsidiaries may use this prospectus and the related pricing supplement in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale. Wachovia Capital Markets, LLC and Wachovia Securities, LLC another of our subsidiaries, each conduct business under the name **Wachovia Securities**. Any reference in this prospectus to **Wachovia Securities** means Wachovia Capital Markets, LLC, unless otherwise mentioned or unless the context requires otherwise.

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Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to Wachovia , we , us , our or similar references mean Wachovia Corporation and its subsidiaries.

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Selling Restrictions Outside the United States

Offers and sales of the notes are subject to restrictions in the United Kingdom. The distribution of this prospectus and the offering of the notes in certain other jurisdictions may also be restricted by law. This prospectus does not constitute an offer of, or an invitation on Wachovia's behalf or on behalf of the agents or any of them to subscribe to or purchase, any of the notes. This prospectus may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Please refer to the section entitled "Plan of Distribution".

As long as the notes are listed on the Luxembourg Stock Exchange, a supplemental prospectus will be prepared and filed with the Luxembourg Stock Exchange in the event of a material change in the financial condition of Wachovia that is not reflected in this prospectus, for the use in connection with any subsequent issue of debt securities to be listed on the Luxembourg Stock Exchange. As long as the notes are listed on the Luxembourg Stock Exchange, if the terms and conditions of the notes are modified or amended in a manner which would make this prospectus materially inaccurate or misleading, a new prospectus or supplemental prospectus will be prepared.

Wachovia accepts responsibility for the information contained in this prospectus. The Luxembourg Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss no matter how arising from or in reliance upon the whole or any part of the contents of this prospectus.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. In addition, our SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) until the offering of securities by means of this prospectus is completed:

Annual Report on Form 10-K for the year ended December 31, 2004;

Quarterly Report on Form 10-Q for the period ended March 31, 2005; and

Current Reports on Form 8-K dated January 5, 2005, January 14, 2005, January 19, 2005, April 15, 2005 and May 2, 2005.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Corporate Relations

Wachovia Corporation

One Wachovia Center

301 South College Street

Charlotte, North Carolina 28288-0206

(704) 374-6782

As long as the notes are listed on the Luxembourg Stock Exchange, you may also obtain documents incorporated by reference in this prospectus free of charge from the Luxembourg Listing Agent or the Luxembourg Paying Agent and Transfer Agent.

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FORWARD-LOOKING STATEMENTS

This prospectus and applicable pricing supplements contain or incorporate statements that are forward-looking statements. These statements can be identified by the use of forward-looking language such as will likely result, may, are expected to, is anticipated, estimate, projected, intend, or other similar words. Our actual results, performance or achievements could be significantly different from the results expressed in or implied by these forward-looking statements. These statements are subject to certain risks and uncertainties, including but not limited to certain risks described in the pricing supplement or the documents incorporated by reference. When considering these forward-looking statements, you should keep in mind these risks, uncertainties and other cautionary statements made in this prospectus and the pricing supplements. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to our periodic and current reports filed with the SEC for specific risks which could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967. We are registered as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended, and are supervised and regulated by the Board of Governors of the Federal Reserve System. Our banking and securities subsidiaries are supervised and regulated by various federal and state banking and securities regulatory authorities. On September 1, 2001, the former Wachovia Corporation merged with and into First Union Corporation, and First Union Corporation changed its name to Wachovia Corporation.

In addition to North Carolina, Wachovia's full-service banking subsidiaries operate in Alabama, Connecticut, Delaware, Florida, Georgia, Maryland, Mississippi, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Washington, D.C. These full-service banking subsidiaries provide a wide range of commercial and retail banking and trust services. Wachovia also provides various other financial services, including mortgage banking, home equity lending, leasing, investment banking, insurance and securities brokerage services through other subsidiaries.

In 1985, the Supreme Court upheld regional interstate banking legislation. Since then, Wachovia has concentrated its efforts on building a large regional banking organization in what it perceives to be some of the better banking markets in the eastern United States. Since November 1985, Wachovia has completed over 100 banking-related acquisitions.

Wachovia continually evaluates its business operations and organizational structures to ensure they are aligned closely with its goal of maximizing performance in its core business lines, Capital Management, Wealth Management, the General Bank and Corporate and Investment Banking. When consistent with our overall business strategy, we may consider the disposition of certain of our assets, branches, subsidiaries or lines of business. We continue to routinely explore acquisition opportunities, particularly in areas that would complement our core business lines, and frequently conduct due diligence activities in connection with possible acquisitions. As a result, acquisition discussions and, in some cases, negotiations frequently take place, and future acquisitions involving cash, debt or equity securities can be expected.

Wachovia is a separate and distinct legal entity from its banking and other subsidiaries. Dividends received from our subsidiaries are our principal source of funds to pay dividends on our common and preferred stock and debt service on our debt. Various federal and state statutes and regulations limit the amount of dividends that our banking and other subsidiaries may pay to us without regulatory approval.

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RISK FACTORS

Our Credit Ratings May Not Reflect All Risks of An Investment in the Notes

The credit ratings of our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your notes. In addition, real or anticipated changes in our credit ratings will generally effect any trading market for, or trading value of, your notes.

Risks Relating to Indexed Notes

We use the term *indexed notes* to mean notes whose value is linked to an underlying property or index. Indexed notes may present a high level of risk, and those who invest in indexed notes may lose their entire investment. In addition, the treatment of indexed notes for U.S. federal income tax purposes is often unclear due to the absence of any authority specifically addressing the issues presented by any particular indexed note. Thus, if you propose to invest in indexed notes, you should independently evaluate the federal income tax consequences of purchasing an indexed note that apply in your particular circumstances. You should also read *United States Taxation* for a discussion of U.S. tax matters.

Investors in Indexed Notes Could Lose Their Investment

The amount of principal and/or interest payable on an indexed note and the cash value or physical settlement value of a physically settled note will be determined by reference to the price, value or level of one or more securities, currencies, commodities or other properties, any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, and/or one or more indices or baskets of any of these items. We refer to each of these as an *index*. The direction and magnitude of the change in the price, value or level of the relevant index will determine the amount of principal and/or interest payable on the indexed note, and the cash value or physical settlement value of a physically settled note. The terms of a particular indexed note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. Thus, if you purchase an indexed note, you may lose all or a portion of the principal or other amount you invest and may receive no interest on your investment.

The Issuer of a Security or Currency That Serves as an Index Could Take Actions That May Adversely Affect an Indexed Note

The issuer of a security that serves as an index or part of an index for an indexed note will have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the holder. Any of these actions could adversely affect the value of a note indexed to that security or to an index of which that security is a component.

If the index for an indexed note includes a non-U.S. dollar currency or other asset denominated in a non-U.S. dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. That government may take actions that could adversely affect the value of the note. See *Risks Relating to Notes Denominated or Payable*

in or Linked to a Non-U.S. Dollar Currency below for more information about these kinds of government actions.

An Indexed Note May Be Linked to a Volatile Index, Which Could Hurt Your Investment

Some indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. The amount of principal or interest that can be expected to become payable on an

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indexed note may vary substantially from time to time. Because the amounts payable with respect to an indexed note are generally calculated based on the value or level of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the indexed note may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an indexed note.

An Index to Which a Note Is Linked Could Be Changed or Become Unavailable

Some indices compiled by us or our affiliates or third parties may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value or level of the index is calculated. An alteration may result in a decrease in the value of or return on an indexed note that is linked to the index. The indices for our indexed notes may include published indices of this kind or customized indices developed by us or our affiliates in connection with particular issues of indexed notes.

A published index may become unavailable, or a customized index may become impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in the normal manner, the terms of a particular indexed note may allow us to delay determining the amount payable as principal or interest on an indexed note, or we may use an alternative method to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation we use will produce a value identical to the value that the actual index would produce. If we use an alternative method of valuation for a note linked to an index of this kind, the value of the note, or the rate of return on it, may be lower than it otherwise would be.

Some indexed notes are linked to indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with an indexed note of this kind. In addition, trading in these indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related indexed notes or the rates of return on them.

We May Engage in Hedging Activities that Could Adversely Affect an Indexed Note

In order to hedge an exposure on a particular indexed note, we may, directly or through our affiliates, enter into transactions involving the securities, commodities or currencies or other instruments or measures that underlie the index for the note, or involving derivative instruments, such as swaps, options or futures, on the index or any of its component items. By engaging in transactions of this kind, we could adversely affect the value of an indexed note. It is possible that we could achieve substantial returns from our hedging transactions while the value of the indexed note may decline.

Information About Indices May Not Be Indicative of Future Performance

If we issue an indexed note, we may include historical information about the relevant index in the relevant pricing supplement. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index that may occur in the future.

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We May Have Conflicts of Interest Regarding an Indexed Note

Wachovia Securities and our other affiliates may have conflicts of interest with respect to some indexed notes. Wachovia Securities and our other affiliates may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in indexed notes and in the securities, commodities or currencies or other instruments or measures on which the index is based or in other derivative instruments related to the index or its component items. These trading activities could adversely affect the value of indexed notes. We and our affiliates may also issue or underwrite securities or derivative instruments that are linked to the same index as one or more indexed notes. By introducing competing products into the marketplace in this manner, we could adversely affect the value of an indexed note.

Wachovia Bank, National Association or another of our affiliates may serve as calculation agent for the indexed notes and may have considerable discretion in calculating the amounts payable in respect of the notes. To the extent that Wachovia Bank, National Association or another of our affiliates calculates or compiles a particular index, it may also have considerable discretion in performing the calculation or compilation of the index. Exercising discretion in this manner could adversely affect the value of an indexed note based on the index or the rate of return on the security.

Risks Relating to Notes Denominated or Payable in or Linked to a Non-U.S. Dollar Currency

If you intend to invest in a non-U.S. dollar note e.g., a note whose principal and/or interest is payable in a currency other than U.S. dollars or that may be settled by delivery of or reference to a non-U.S. dollar currency or property denominated in or otherwise linked to a non-U.S. dollar currency you should consult your own financial and legal advisors as to the currency risks entailed by your investment. Notes of this kind may not be an appropriate investment for investors who are unsophisticated with respect to non-U.S. dollar currency transactions.

An Investment in a Non-U.S. Dollar Note Involves Currency-Related Risks

An investment in a non-U.S. dollar note entails significant risks that are not associated with a similar investment in a note that is payable solely in U.S. dollars and where settlement value is not otherwise based on a non-U.S. dollar currency. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and the various non-U.S. dollar currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls or other conditions by either the United States or non-U.S. governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies in the global markets.

Changes in Currency Exchange Rates Can Be Volatile and Unpredictable

Rates of exchange between the U.S. dollar and many other currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in a note denominated in, or where value is otherwise linked to, a specified currency other than U.S. dollars. Depreciation of the specified currency against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of payments on the note, including the principal payable at maturity. That in turn could cause the market value of the note to fall. Depreciation of the specified currency against the U.S. dollar could result in a loss to the investor on a U.S. dollar basis.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar note in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars.

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The date used to determine the rate of conversion of the currency in which any particular note is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

Information About Exchange Rates May Not Be Indicative of Future Performance

If we issue a non-U.S. dollar note, we may include in the relevant pricing supplement a currency supplement that provides information about historical exchange rates for the relevant non-U.S. dollar currency or currencies. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular note.

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USE OF PROCEEDS

Wachovia currently intends to use the net proceeds from the sale of any notes for general corporate purposes, which may include:

reducing debt;

investments at the holding company level;

investing in, or extending credit to, our operating subsidiaries;

acquisitions;

stock repurchases; and

other purposes as mentioned in any pricing supplement.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Except as mentioned in any pricing supplement, specific allocations of the proceeds to such purposes will not have been made at the date of that pricing supplement.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

CONSOLIDATED EARNINGS RATIOS

The following table provides Wachovia's consolidated ratios of earnings to fixed charges and preferred stock dividends:

Three Months Ended	Years Ended December 31,				
March 31,					
2005	2004	2003	2002	2001	2000

Consolidated Ratios of Earnings to Fixed Charges and Preferred Stock

Dividends

Excluding interest on deposits	3.31x	3.83	3.63	2.91	1.61	1.13
Including interest on deposits	2.16x	2.37	2.30	1.79	1.27	1.06

For purposes of computing these ratios

earnings represent income from continuing operations before extraordinary items and cumulative effect of a change in accounting principles, plus income taxes and fixed charges (excluding capitalized interest);

fixed charges, excluding interest on deposits, represent interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs; and

fixed charges, including interest on deposits, represent all interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs.

One-third of rents is used because it is the proportion deemed representative of the interest factor.

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The following is selected unaudited consolidated condensed financial information for Wachovia for the three months ended March 31, 2005, and the year ended December 31, 2004. The summary below should be read in conjunction with the consolidated financial statements of Wachovia, and the related notes thereto, and the other detailed information contained in Wachovia's 2005 First Quarter Report on Form 10-Q and in Wachovia's 2004 Annual Report on Form 10-K.

	Three Months	
	Ended March 31,	Year Ended
	2005	December 31, 2004
(In millions, except per share data)		
CONSOLIDATED CONDENSED SUMMARIES OF INCOME		
Interest income	\$ 5,453	17,288
Interest expense	2,040	5,327
Net interest income	3,413	11,961
Provision for credit losses	36	257
Net interest income after provision for credit losses	3,377	11,704
Securities losses	(2)	(10)
Fee and other income	2,997	10,789
Merger-related and restructuring expenses	61	444
Other noninterest expense	3,811	14,222
Minority interest in income of consolidated subsidiaries	64	184
Income before income taxes	2,436	7,633
Income taxes	815	2,419
Net income	\$ 1,621	5,214
PER COMMON SHARE DATA		
Basic earnings	\$ 1.03	3.87
Diluted earnings	1.01	3.81
Cash dividends	\$ 0.46	1.66
Average common shares Basic	1,571	1,346
Average common shares Diluted	1,603	1,370
CONSOLIDATED CONDENSED PERIOD-END BALANCE SHEET		
Cash and cash equivalents	\$ 38,227	38,591
Trading account assets	47,149	45,932
Securities	116,731	110,597
Loans, net of unearned income	227,266	223,840
Allowance for loan losses	(2,732)	(2,757)
Loans, net	224,534	221,083
Loans held for sale	14,173	12,988
Goodwill	21,635	21,526
Other intangible assets	1,428	1,581
Other assets	42,956	41,026

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Total assets	\$ 506,833	493,324
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS EQUITY		
Deposits	297,657	295,053
Short-term borrowings	73,401	63,406
Trading account liabilities	22,418	21,709
Other liabilities	16,147	16,262
Long-term debt	47,932	46,759
	<hr/>	<hr/>
Total liabilities	457,555	443,189
Minority interest in net assets of consolidated subsidiaries	2,811	2,818
Stockholders equity	46,467	47,317
	<hr/>	<hr/>
Total liabilities and stockholders equity	\$ 506,833	493,324
	<hr/>	<hr/>

Table of Contents**CAPITALIZATION**

The following table sets forth the unaudited capitalization of Wachovia at March 31, 2005.

<i>(In millions)</i>	March 31, 2005
Long-term Debt	
Total long-term debt	\$ 47,932
Stockholders Equity	
Dividend Equalization Preferred shares, issued 97 million shares	
Common stock, authorized 3 billion shares, issued 1.576 billion shares	5,255
Paid-in capital	30,976
Retained earnings	10,319
Accumulated other comprehensive income, net	(83)
Total stockholders equity	46,467
Total long-term debt and stockholders equity	\$ 94,399

As of the date of this prospectus, there has been no material change in the capitalization of Wachovia since March 31, 2005.

REGULATORY CONSIDERATIONS

As a financial holding company and a bank holding company under the Bank Holding Company Act, the Federal Reserve Board regulates, supervises and examines Wachovia. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to Wachovia, please refer to Wachovia's annual report on Form 10-K for the fiscal year ended December 31, 2004, and any subsequent reports we file with the SEC, which are incorporated by reference in this prospectus. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, Wachovia's earnings are affected by actions of the Federal Reserve Board, the Office of Comptroller of the Currency, that regulates our banking subsidiaries, the Federal Deposit Insurance Corporation, that insures the deposits of our banking subsidiaries within certain limits, and the SEC, that regulates the activities of certain subsidiaries engaged in the securities business.

Wachovia's earnings are also affected by general economic conditions, our management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect our business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on Wachovia's business.

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Depository institutions, like Wachovia's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. Wachovia also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve Board, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. Wachovia's non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

Table of Contents**DESCRIPTION OF THE NOTES WE MAY OFFER**

The following information outlines some of the provisions of the indentures and the notes. This information may not be complete in all respects, and is qualified entirely by reference to the indenture under which the notes are issued. These indentures are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. This information relates to certain terms and conditions that generally apply to the notes. The specific terms of any series of notes will be described in the relevant pricing supplement. As you read this section, please remember that the specific terms of your note as described in your pricing supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If your pricing supplement is inconsistent with this prospectus, your pricing supplement will control with regard to your note. Thus, the statements we make in this section may not apply to your note.

General

Senior notes will be issued under an indenture, dated as of April 1, 1983, as amended and supplemented, between Wachovia and JPMorgan Chase Bank, National Association, (formerly known as The Chase Manhattan Bank) as trustee. Subordinated notes will be issued under an indenture, dated as of March 15, 1986, as amended and supplemented, between Wachovia and J.P. Morgan Trust Company, National Association (formerly known as Bank One Trust Company, N.A.), as trustee. Each of the senior and the subordinated notes constitutes a single series of debt securities of Wachovia issued under the senior and the subordinated indenture, respectively. The provisions of each indenture allow us not only to issue debt securities with terms different from those of debt securities previously issued under that indenture, but also to reopen a previously issued series of debt securities and issue additional debt securities of that series. The term debt securities, as used in this prospectus, refers to all debt securities, including the notes, issued and issuable from time to time under the relevant indenture. The indentures are subject to, and governed by, the Trust Indenture Act of 1939, as amended. These indentures are more fully described below in this section. Whenever we refer to specific provisions or defined terms in one or both of the indentures, those provisions or defined terms are incorporated in this prospectus by reference. Section references used in this discussion are references to the relevant indenture. Capitalized terms which are not otherwise defined shall have the meaning given to them in the relevant indenture. As long as the notes are listed on the Luxembourg Stock Exchange, the indentures will be available for inspection at the offices of the Luxembourg Listing Agent and Luxembourg Paying Agent and Transfer Agent.

The notes will be limited to an aggregate initial offering price of \$9,100,000,000, or at Wachovia's option if so specified in the relevant pricing supplement, the equivalent of this amount in any other currency or currency unit, and will be Wachovia's direct, unsecured obligations. The notes will not be deposits or other bank obligations and will not be FDIC insured.

The notes are being offered on a continuous basis by Wachovia through one or more agents listed under Plan of Distribution. The indentures do not limit the aggregate principal amount of senior or subordinated notes that we may issue. We may, from time to time, without the consent of the holders of the notes, provide for the issuance of notes or other debt securities under the indentures in addition to the \$9,100,000,000 aggregate initial offering price of notes noted on the cover of this prospectus. Each note issued under this prospectus will mature nine months or more from its date of issue, as selected by the purchaser and agreed to by Wachovia and may be subject to redemption or repayment before its stated maturity. Notes may be issued at significant discounts from their principal amount due on the stated maturity (or on any prior date on which the principal or an installment of principal of a note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of Wachovia, repayment at the option of the holder or otherwise), and some notes may not bear interest. Wachovia may from time to time, without the consent of the existing holders of the relevant notes, create and issue further notes having the same terms and conditions as such notes in all respects, except for the issue date, issue price and, if applicable, the first payment of interest thereon. Additional notes issued in this manner will be consolidated with, and will form a single series with, the previously outstanding notes.

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Unless we specify otherwise in the relevant pricing supplement, currency amounts in this prospectus are expressed in United States dollars.
Unless we specify otherwise in any note and pricing supplement, the notes

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will be denominated in U.S. dollars and payments of principal, premium, if any, and any interest on the notes will be made in U.S. dollars. If any note is to be denominated other than exclusively in U.S. dollars, or if the principal of, premium, if any, or any interest on the note is to be paid in one or more currencies (or currency units or in amounts determined by reference to an index or indices) other than that in which that note is denominated, additional information (including authorized denominations and related exchange rate information) will be provided in the relevant pricing supplement. Unless we specify otherwise in any pricing supplement, notes denominated in U.S. dollars will be issued in denominations of \$1,000 or any integral multiple of \$1,000.

Interest rates that we offer on the notes may differ depending upon, among other factors, the aggregate principal amount of notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. We may change interest rates or formulas and other terms of notes from time to time, but no change of terms will affect any note we have previously issued or as to which we have accepted an offer to purchase.

Each note will be issued as a book-entry note in fully registered form without coupons. Each note issued in book-entry form will be represented by a global note that we deposit with and register in the name of a financial institution or its nominee, that we select. The financial institution that we select for this purpose is called the depository. Unless we specify otherwise in the applicable pricing supplement, The Depository Trust Company, New York, New York, will be the depository for all notes in global form. Except as discussed below under "Global Notes", owners of beneficial interests in book-entry notes will not be entitled to physical delivery of notes in certificated form. We will make payments of principal of, and premium, if any and interest, if any, on the notes through the applicable trustee to the depository for the notes. See "Global Notes".

The indentures do not limit the aggregate principal amount of debt securities or of any particular series of debt securities which may be issued under the indentures and provide that these debt securities may be issued at various times in one or more series, in each case with the same or various maturities, at par or at a discount. (*Section 301*) The indentures provide that there may be more than one trustee under the indentures with respect to different series of debt securities. As of March 31, 2005, \$16.0 billion aggregate principal amount of senior debt securities was outstanding under the senior indenture. The senior trustee is trustee for such series. As of March 31, 2005, \$31.9 billion aggregate principal amount of subordinated debt securities was outstanding under the subordinated indenture. The subordinated trustee is trustee for such series.

The indentures do not limit the amount of other debt that Wachovia may issue and do not contain financial or similar restrictive covenants. As of March 31, 2005, Wachovia had an aggregate of \$27.4 billion of short-term senior indebtedness outstanding which consisted primarily of commercial paper and other borrowed money. Wachovia expects from time to time to incur additional senior indebtedness and Other Financial Obligations (as defined below). The indentures do not prohibit or limit additional senior indebtedness or Other Financial Obligations.

Because Wachovia is a holding company and a legal entity separate and distinct from its subsidiaries, Wachovia's rights to participate in any distribution of assets of any subsidiary upon its liquidation, reorganization or otherwise, and the holders of notes' ability to benefit indirectly from such distribution, would be subject to prior creditor's claims, except to the extent that Wachovia itself may be a creditor of that subsidiary with recognized claims. Claims on Wachovia's subsidiary banks by creditors other than Wachovia include long-term debt and substantial obligations with respect to deposit liabilities and federal funds purchased, securities sold under repurchase agreements, other short-term borrowings and various other financial obligations. The indentures do not contain any covenants designed to afford holders of notes protection in the event of a highly leveraged transaction involving Wachovia.

Legal Ownership

Street Name and Other Indirect Holders

Investors who hold their notes in accounts at banks or brokers will generally not be recognized by us as legal holders of notes. This is called holding in street name. Instead, we would recognize only the bank or

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broker, or the financial institution the bank or broker uses to hold its notes. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the notes, either because they agree to do so in their customer agreements or because they are legally required to do so. If you hold your notes in street name, you should check with your own institution to find out:

how it handles note payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required;

whether and how you can instruct it to send you notes registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the notes if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the notes run only to persons who are registered as holders of notes. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold your notes in that manner or because the notes are issued in the form of global securities as described below. For example, once we make payment to the registered holder we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Notes

A global note is a special type of indirectly held security, as described above under [Street Name and Other Indirect Holders](#) . If we choose to issue notes in the form of global notes, the ultimate beneficial owners of global notes can only be indirect holders. We require that the global note be registered in the name of a financial institution we select.

We also require that the notes included in the global note not be transferred to the name of any other direct holder except in the special circumstances described in the section [Global Notes](#) . The financial institution that acts as the sole direct holder of the global note is called the depositary. Any person wishing to own a global note must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depositary. The pricing supplement indicates whether your series of notes will be issued only in the form of global notes.

Further details of legal ownership are discussed in the section [Global Notes](#) below.

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In the remainder of this description you or holder means direct holders and not street name or other indirect holders of notes. Indirect holders should read the previous subsection titled Street Name and Other Indirect Holders .

Types of Notes

We may issue the following four types of notes:

Fixed Rate Notes. A note of this type will bear interest at a fixed rate described in the applicable pricing supplement. This type includes zero-coupon notes, which bear no interest and are instead issued at a price lower than the principal amount.

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Floating Rate Notes. A note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below in Interest Rates Floating Rate Notes . If your note is a floating rate note, the formula and any adjustments that apply to the interest rate will be specified in your pricing supplement.

Indexed Notes. A note of this type provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to:

one or more securities;

one or more currencies;

one or more commodities;

any other financial, economic or other measures or instruments, including the occurrence or non-occurrence of any event or circumstance; and/or

indices or baskets of any of these items.

If you are a holder of an indexed note, you may receive a principal amount at maturity that is greater than or less than the face amount of your note depending upon the value of the applicable index at maturity. That value may fluctuate over time. If you purchase an indexed note your pricing supplement will include information about the relevant index and about how amounts that are to become payable will be determined by reference to that index. Before you purchase any indexed note, you should read carefully the section entitled Risk Factors Risks Relating to Indexed Notes above.

Exchangeable Notes. We may issue notes, which we refer to as exchangeable notes, that are exchangeable, at our option or the option of the holder, into securities of an issuer other than Wachovia or into other property. The exchangeable notes may or may not bear interest or be issued with original issue discount or at a premium. The general terms of the exchangeable notes are described below.

Optionally Exchangeable Notes. The holder of an optionally exchangeable note may, during a period, or at specific times, exchange the note for the underlying property at a specified rate of exchange. If specified in your pricing supplement, we will have the option to redeem the optionally exchangeable note prior to maturity. If the holder of an optionally exchangeable note does not elect to exchange the note prior to maturity or any redemption date, the holder will receive the principal amount of the note plus any accrued interest at maturity or upon redemption.

Mandatorily Exchangeable Notes. At maturity, the holder of a mandatorily exchangeable note must exchange the note for the underlying property at a specified rate of exchange, and, therefore, depending upon the value of the underlying property at maturity, the holder of a mandatorily exchangeable note may receive less than the principal amount of the note at maturity. If so indicated in your pricing supplement, the specified rate at which a mandatorily exchangeable note may be exchanged may vary depending on the value of the underlying property so that, upon exchange, the holder participates in a percentage, which may be less than, equal to, or greater than 100% of the change in value of the underlying property. Mandatorily exchangeable notes may include notes where we have the right, but not the obligation, to require holders of notes to exchange their notes for the underlying property.

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Payments upon Exchange. Your pricing supplement will specify if upon exchange, at maturity or otherwise, the holder of an exchangeable note may receive, at the specified exchange rate, either the underlying property or the cash value of the underlying property. The underlying property may be the securities of either U.S. or foreign entities or both. The exchangeable notes may or may not provide for

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protection against fluctuations in the exchange rate between the currency in which that note is denominated and the currency or currencies in which the market prices of the underlying security or securities are quoted. Exchangeable notes may have other terms, which will be specified in your pricing supplement.

Special Requirements for Exchange of Global Securities. If an optionally exchangeable note is represented by a global security, the depositary's nominee will be the holder of that note and therefore will be the only entity that can exercise a right to exchange. In order to ensure that the depositary's nominee will timely exercise a right to exchange a particular note or any portion of a particular note, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in that note to notify the depositary of its desire to exercise a right to exchange. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in a note in order to ascertain the deadline for ensuring that timely notice will be delivered to the depositary.

Payments upon Acceleration of Maturity or upon Tax Redemption. If the principal amount payable at maturity of any exchangeable note is declared due and payable prior to maturity, the amount payable on:

an optionally exchangeable note will equal the face amount of the note plus accrued interest, if any, to but excluding the date of payment, except that if a holder has exchanged an optionally exchangeable note prior to the date of declaration or tax redemption without having received the amount due upon exchange, the amount payable will be an amount of cash equal to the amount due upon exchange and will not include any accrued but unpaid interest; and

a mandatorily exchangeable note will equal an amount determined as if the date of declaration or tax redemption were the maturity date plus accrued interest, if any, to but excluding the date of payment.

Original Issue Discount Notes

A fixed rate note, a floating rate note or an indexed note may be an original issue discount note. A note of this type is issued at a price lower than its principal amount and provides that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable. An original issue discount note may be a zero coupon note. A note issued at a discount to its principal may, for U.S. federal income tax purposes, be considered an original issue discount note, regardless of the amount payable upon redemption or acceleration of maturity. See United States Taxation below for a brief description of the U.S. federal income tax consequences of owning an original issue discount note.

Information in the Pricing Supplement

Your pricing supplement will describe one or more of the following terms of your note:

the stated maturity;

the specified currency or currencies for principal and interest, if not U.S. dollars;

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the price at which we originally issue your note, expressed as a percentage of the principal amount, and the original issue date;

whether your note is a fixed rate note, a floating rate note, an indexed note or an exchangeable note;

if your note is a fixed rate note, the yearly rate at which your note will bear interest, if any, and the interest payment dates;

if your note is a floating rate note, the interest rate basis, which may be one of the nine interest rate bases described in [Interest Rates Floating Rate Notes](#) below; any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; and the

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interest reset, determination, calculation and payment dates, all of which we describe under Interest Rates Floating Rate Notes below;

if your note is an indexed note, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and whether your note will be exchangeable for or payable in cash, securities of an issuer other than Wachovia or other property;

if your note is an exchangeable note, the securities or property for which the notes may be exchanged, whether the notes are exchangeable at your option or at Wachovia's option, and the other items described in Exchangeable Notes above;

if your note is an original issue discount note, the yield to maturity;

if applicable, the circumstances under which your note may be redeemed at our option before the stated maturity, including any redemption commencement date, redemption price(s) and redemption period(s);

if applicable, the circumstances under which you may demand repayment of your note before the stated maturity, including any repayment commencement date, repayment price(s) and repayment period(s);

any special United States federal income tax consequences of the purchase, ownership or disposition of a particular issuance of notes;

the use of proceeds, if materially different than those discussed in this prospectus; and

any other terms of your note, which could be different from those described in this prospectus.

Market-Making Transactions. If you purchase your note in a market-making transaction, you will receive information about the price you pay and your trade and settlement dates in a separate confirmation of sale. A market-making transaction is one in which Wachovia Securities or another of our affiliates resells a note that it has previously acquired from another holder. A market-making transaction in a particular note occurs after the original sale of the note.

Redemption at the Option of Wachovia; No Sinking Fund

If an initial redemption date is specified in the applicable pricing supplement, we may redeem the particular notes prior to their stated maturity date at our option on any date on or after that initial redemption date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable pricing supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at the applicable redemption price (as defined below), together with unpaid interest accrued thereon to the date of redemption. We must give written notice to registered holders of the particular notes to be redeemed at our option not more than 60 nor less than 30 calendar days prior to the date of redemption. Redemption price, with respect to a note, means an amount equal to the initial redemption percentage specified in the applicable pricing supplement (as adjusted by the annual redemption percentage reduction, if applicable) multiplied by the unpaid principal amount thereof to be redeemed. The initial redemption percentage, if any, applicable to a note shall decline at each anniversary of the initial redemption date by an amount equal to the applicable annual redemption percentage reduction, if any, until the redemption price is equal to 100% of the unpaid principal amount thereof to be redeemed.

The notes will not be subject to, or entitled to the benefit of, any sinking fund.

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Repayment at the Option of the Holder

If one or more optional repayment dates are specified in the applicable pricing supplement, registered holders of the particular notes may require us to repay those notes prior to their stated maturity date on any optional repayment date in whole or from time to time in part in increments of \$1,000 or any other integral multiple of an authorized denomination specified in the applicable pricing supplement (provided that any remaining principal amount thereof shall be at least \$1,000 or other minimum authorized denomination applicable thereto), at a repayment price equal to 100% of the unpaid principal amount thereof to be repaid, together with unpaid interest accrued thereon to the date of repayment. A registered holder's exercise of the repayment option will be irrevocable.

For any note to be repaid, the applicable trustee must receive, at its corporate trust office in the Borough of Manhattan, The City of New York, not more than 60 nor less than 30 calendar days prior to the date of repayment, the particular notes to be repaid and, in the case of a book-entry note, repayment instructions from the applicable beneficial owner (as defined below) to the depositary and forwarded by the depositary.

Only the depositary may exercise the repayment option in respect of global notes representing book-entry notes. Accordingly, beneficial owners of global notes that desire to have all or any portion of the book-entry notes represented thereby repaid must instruct the participant (as defined below) through which they own their interest to direct the depositary to exercise the repayment option on their behalf by forwarding the repayment instructions to the applicable trustee as aforesaid. In order to ensure that these instructions are received by the applicable trustee on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult their participants for the respective deadlines. All instructions given to participants from beneficial owners of global notes relating to the option to elect repayment shall be irrevocable. In addition, at the time repayment instructions are given, each beneficial owner shall cause the participant through which it owns its interest to transfer the beneficial owner's interest in the global note representing the related book-entry notes, on the depositary's records, to the applicable trustee. See Global Notes.

If applicable, we will comply with the requirements of Section 14(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules promulgated thereunder, and any other securities laws or regulations in connection with any repayment of notes at the option of the registered holders thereof.

We may at any time purchase notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the applicable trustee for cancellation.

Interest

Each interest-bearing note will bear interest from its date of issue at the rate per annum, in the case of a fixed rate note, or pursuant to the interest rate formula, in the case of a floating rate note, in each case as specified in the applicable pricing supplement, until the principal thereof is paid. We will make interest payments in respect of fixed rate notes and floating rate notes in an amount equal to the interest accrued from and including the immediately preceding interest payment date in respect of which interest has been paid or from and including the date of issue, if no interest has been paid, to but excluding the applicable interest payment date or the maturity date, as the case may be (each, an interest period).

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Interest on fixed rate notes and floating rate notes will be payable in arrears on each interest payment date and on the maturity date. The first payment of interest on any note originally issued between a regular record date and the related interest payment date will be made on the interest payment date immediately following the next succeeding record date to the registered holder on the next succeeding record date. The

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regular record date shall be the fifteenth calendar day, whether or not a business day, immediately preceding the related interest payment date. Business Day is defined below under Interest Rates Special Rate Calculation Terms. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

Interest Rates

This subsection describes the different kinds of interest rates that may apply to your note, if it bears interest.

Fixed Rate Notes

The relevant pricing supplement will specify the interest payment dates for a fixed rate note as well as the maturity date. Interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months or such other day count fraction set forth in the pricing supplement.

If any interest payment date or the maturity date of a fixed rate note falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and/or interest on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.

Floating Rate Notes

*In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in **bold, italicized** type the first time they appear, and we define these terms in Special Rate Calculation Terms at the end of this subsection.*

The following will apply to floating rate notes.

Interest Rate Basis. We currently expect to issue floating rate notes that bear interest at rates based on one or more of the following interest rate bases:

commercial paper rate;

prime rate;

LIBOR;

EURIBOR;

treasury rate;

CMT rate;

CD rate;

consumer price index (CPI) rate; and/or

federal funds rate.

We describe each of the interest rate bases in further detail below in this subsection. If you purchase a floating rate note, your pricing supplement will specify the interest rate basis that applies to your note.

Calculation of Interest. Calculations relating to floating rate notes will be made by the calculation agent, an institution that we appoint as our agent for this purpose. That institution may include any affiliate of ours, such as Wachovia Securities or Wachovia Bank, National Association. If other than Wachovia

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Securities or Wachovia Bank, National Association, the pricing supplement for a particular floating rate note will name the institution that we have appointed to act as the calculation agent for that note as of its original issue date. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of the note without your consent and without notifying you of the change.

For each floating rate note, the calculation agent will determine, on no later than the corresponding interest calculation date or on the interest determination date, as described below, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period i.e., the period from and including the original issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the floating rate note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate, also expressed as a decimal, applicable to that day by 360 or by the actual number of days in the year, as specified in the relevant pricing supplement.

Upon the request of the holder of any floating rate note, the calculation agent will provide for that note the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The calculation agent's determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to a note will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a floating rate note will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the interest rate basis that applies to a floating rate note during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as discussed below. Those reference banks and dealers may include the calculation agent itself and its affiliates, as well as any agent participating in the distribution of the relevant floating rate notes and its affiliates, and they may include affiliates of Wachovia.

Initial Interest Rate. For any floating rate note, the interest rate in effect from the original issue date to the first interest reset date will be the initial interest rate. We will specify the initial interest rate or the manner in which it is determined in the relevant pricing supplement.

Spread or Spread Multiplier. In some cases, the interest rate basis for a floating rate note may be adjusted:

by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01%; or

by multiplying the interest rate basis by a specified percentage, called the spread multiplier.

If you purchase a floating rate note, your pricing supplement will indicate whether a spread or spread multiplier will apply to your note and, if so, the amount of the spread or spread multiplier.

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Maximum and Minimum Rates. The actual interest rate, after being adjusted by the spread or spread multiplier, may also be subject to either or both of the following limits:

a maximum rate i.e., a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or

a minimum rate i.e., a specified lower limit that the actual interest rate in effect at any time may not fall below.

If you purchase a floating rate note, your pricing supplement will indicate whether a maximum rate and/or minimum rate will apply to your note and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a floating rate note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than \$250,000 is 16% and for any loan in the amount of \$250,000 or more but less than \$2,500,000 is 25% per year on a simple interest basis. These limits do not apply to loans of \$2,500,000 or more.

The rest of this subsection describes how the interest rate and the interest payment dates will be determined, and how interest will be calculated, on a floating rate note.

Interest Reset Dates. The rate of interest on a floating rate note will be reset, by the calculation agent described below, daily, weekly, monthly, quarterly, semi-annually or annually. The date on which the interest rate resets and the reset rate becomes effective is called the interest reset date. Except as otherwise specified in the applicable pricing supplement, the interest reset date will be as follows:

for floating rate notes that reset daily, each *business day*;

for floating rate notes that reset weekly and are not treasury rate notes, the Wednesday of each week;

for treasury rate notes that reset weekly, the Tuesday of each week;

for floating rate notes that reset monthly, the third Wednesday of each month;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

for floating rate notes that reset semi-annually, the third Wednesday of each of two months of each year as indicated in the relevant pricing supplement; and

for floating rate notes that reset annually, the third Wednesday of one month of each year as indicated in the relevant pricing supplement.

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For a floating rate note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest interest reset date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

The interest rate in effect from the original issue date to the first interest reset date will be the initial interest rate.

If any interest reset date for a floating rate note would otherwise be a day that is not a business day, the interest reset date will be postponed to the next day that is a business day. For a LIBOR or EURIBOR note, however, if that business day is in the next succeeding calendar month, the interest reset date will be the immediately preceding business day.

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Interest Determination Dates. The interest rate that takes effect on an interest reset date will be determined by the calculation agent by reference to a particular date called an interest determination date. Except as otherwise indicated in the relevant pricing supplement:

for commercial paper rate, federal funds rate and prime rate notes, the interest determination date relating to a particular interest reset date will be the business day preceding the interest reset date;

for CD rate, CPI rate, and CMT rate notes, the interest determination date relating to a particular interest reset date will be the second business day preceding the interest reset date;

for LIBOR notes, the interest determination date relating to a particular interest reset date will be the second ***London business day*** preceding the interest reset date, unless the ***index currency*** is pounds sterling, in which case the interest determination date will be the interest reset date. We refer to an interest determination date for a LIBOR note as a LIBOR interest determination date;

for EURIBOR notes, the interest determination date relating to a particular interest reset date will be the second ***euro business day*** preceding the interest reset date. We refer to an interest determination date for a EURIBOR note as a EURIBOR interest determination date; and

for treasury rate notes, the interest determination date relating to a particular interest reset date, which we refer to as a treasury interest determination date, will be the day of the week in which the interest reset date falls on which treasury bills i.e., direct obligations of the U.S. government would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the treasury interest determination date relating to the interest reset date occurring in the next succeeding week.

The interest determination date pertaining to a floating rate note the interest rate of which is determined with reference to two or more interest rate bases will be the latest business day which is at least two business days before the related interest reset date for the applicable floating rate note on which each interest rate basis is determinable.

Interest Calculation Dates. As described above, the interest rate that takes effect on a particular interest reset date will be determined by reference to the corresponding interest determination date. Except for LIBOR notes and EURIBOR notes, however, the determination of the rate will actually be made on a day no later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

the tenth calendar day after the interest determination date or, if that tenth calendar day is not a business day, the next succeeding business day; and

the business day immediately preceding the interest payment date or the maturity, whichever is the day on which the next payment of interest will be due.

The calculation agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

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Interest Payment Dates. The interest payment dates for a floating rate note will depend on when the interest rate is reset and, unless we specify otherwise in the relevant pricing supplement, will be as follows:

for floating rate notes that reset daily, weekly or monthly, the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the relevant pricing supplement;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

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for floating rate notes that reset semi-annually, the third Wednesday of the two months of each year specified in the relevant pricing supplement; or

for floating rate notes that reset annually, the third Wednesday of the month specified in the relevant pricing supplement.

Regardless of these rules, if a note is originally issued after the regular record date and before the date that would otherwise be the first interest payment date, the first interest payment date will be the date that would otherwise be the second interest payment date.

In addition, the following special provision will apply to a floating rate note with regard to any interest payment date other than one that falls on the maturity. If the interest payment date would otherwise fall on a day that is not a business day, then the interest payment date will be the next day that is a business day. However, if the floating rate note is a LIBOR note or a EURIBOR note and the next business day falls in the next calendar month, then the interest payment date will be advanced to the next preceding day that is a business day. If the maturity date of a floating rate note falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and interest on the next succeeding business day, and no additional interest will accrue in respect of the payment made on that next succeeding business day.

Calculation Agent. We have initially appointed Wachovia Capital Markets, LLC as our calculation agent for the notes. See Calculation of Interest above for details regarding the role of the calculation agent.

Commercial Paper Rate Notes

If you purchase a commercial paper rate note, your note will bear interest at an interest rate equal to the commercial paper rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The commercial paper rate will be the **money market yield** of the rate, for the relevant interest determination date, for commercial paper having the **index maturity** indicated in your pricing supplement, as published in **H.15(519)** under the heading Commercial Paper Nonfinancial . If the commercial paper rate cannot be determined as described above, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the commercial paper rate will be the rate, for the relevant interest determination date, for commercial paper having the index maturity specified in your pricing supplement, as published in **H.15 daily update** or any other recognized electronic source used for displaying that rate, under the heading Commercial Paper Nonfinancial .

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the commercial paper rate will be the money market yield of the arithmetic mean of the following offered rates for U.S. dollar commercial paper that has the relevant index maturity and is placed for an industrial issuer whose bond rating is AA , or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M., New York City time, on the relevant interest determination date, by three leading U.S. dollar commercial paper dealers in New York City selected by the calculation agent.

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If fewer than three dealers selected by the calculation agent are quoting as described above, the commercial paper rate for the new interest period will be the commercial paper rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

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Prime Rate Notes

If you purchase a prime rate note, your note will bear interest at an interest rate equal to the prime rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The prime rate will be the rate, for the relevant interest determination date, published in H.15(519) under the heading **Bank Prime Loan**. If the prime rate cannot be determined as described above, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the prime rate will be the rate, for the relevant interest determination date, as published in H.15 daily update or another recognized electronic source used for the purpose of displaying that rate, under the heading **Bank Prime Loan**.

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the prime rate will be the arithmetic mean of the following rates as they appear on the **Reuters screen US PRIME 1 page**: the rate of interest publicly announced by each bank appearing on that page as that bank's prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant interest determination date.

If fewer than four of these rates appear on the Reuters screen US PRIME 1 page, the prime rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant interest determination date, of three major banks in New York City selected by the calculation agent. For this purpose, the calculation agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.

If fewer than three banks selected by the calculation agent are quoting as described above, the prime rate for the new interest period will be the prime rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

LIBOR Notes

If you purchase a LIBOR note, your note will bear interest at an interest rate equal to LIBOR, which will be the London interbank offered rate for deposits in U.S. dollars or any other index currency, as noted in your pricing supplement. In addition, when LIBOR is the interest rate basis the applicable LIBOR rate will be adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement. LIBOR will be determined in the following manner:

LIBOR will be either:

the offered rate appearing on the **Telerate LIBOR page**; or

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the arithmetic mean of the offered rates appearing on the *Reuters screen LIBOR page* unless that page by its terms cites only one rate, in which case that rate;

in either case, as of 11:00 A.M., London time, on the relevant LIBOR interest determination date, for deposits of the relevant index currency having the relevant index maturity beginning on the relevant interest reset date. Your pricing supplement will indicate the index currency, the index maturity and the reference page that apply to your LIBOR note. If no reference page is mentioned in your pricing supplement, Telerate LIBOR page will apply to your LIBOR note.

If Telerate LIBOR page applies and the rate described above does not appear on that page, or if Reuters screen LIBOR page applies and fewer than two of the rates described above appears on that page or no rate appears on any page on which only one rate normally appears, then LIBOR

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will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: deposits of the index currency having the relevant index maturity, beginning on the relevant interest reset date, and in a *representative amount*. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center for the country of the index currency, on that LIBOR interest determination date, by three major banks in that financial center selected by the calculation agent: loans of the index currency having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

EURIBOR Notes

If you purchase a EURIBOR note, your note will bear interest at an interest rate equal to the interest rate for deposits in euro, designated as EURIBOR and sponsored jointly by the European Banking Federation and ACI the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. In addition, when EURIBOR is the interest rate basis the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in your pricing supplement. EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euros having the index maturity specified in your pricing supplement, beginning on the second *euro business day* after the relevant EURIBOR interest determination date, as that rate appears on *Telerate page* 248 as of 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date.

If the rate described above does not appear on Telerate page 248, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the *euro-zone* interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that EURIBOR interest determination date, by three major banks in the euro-zone selected by the calculation agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date, and in a representative amount.

If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

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Treasury Rate Notes

If you purchase a treasury rate note, your note will bear interest at an interest rate equal to the treasury rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The treasury rate will be the rate for the auction, on the relevant treasury interest determination date, of treasury bills having the index maturity specified in your pricing supplement, as that rate appears on Telerate page 56 or 57 under the heading *Investment Rate*. If the treasury rate cannot be determined in this manner, the following procedures will apply.

If the rate described above does not appear on either page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, the treasury rate will be the ***bond equivalent yield*** of the rate, for the relevant interest determination date, for the type of treasury bill described above, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading *U.S. Government Securities/Treasury Bills/Auction High*.

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the auction rate, for the relevant treasury interest determination date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.

If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no such auction is held for the relevant week, then the treasury rate will be the bond equivalent yield of the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading *U.S. Government Securities /Treasury Bills/Secondary Market*.

If the rate described in the prior paragraph does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the treasury rate will be the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading *U.S. Government Securities/Treasury Bills/Secondary Market*.

If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant treasury interest determination date, by three primary U.S. government securities dealers in New York City selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described in the prior paragraph, the treasury rate in effect for the new interest period will be the treasury rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CD Rate Notes

If you purchase a CD rate note, your note will bear interest at an interest rate equal to the CD rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

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The CD rate will be the rate, on the relevant interest determination date, for negotiable U.S. dollar certificates of deposit having the index maturity specified in your pricing supplement, as published in H.15(519) under the heading CDs (Secondary Market) . If the CD rate cannot be determined in this manner, the following procedures will apply.

If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CD rate will be the rate, for the relevant interest determination date, described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading CDs (Secondary Market).

If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the CD rate will be the arithmetic mean of the following secondary market offered rates for negotiable U.S. dollar certificates of deposit of major U.S. money market banks with a remaining maturity closest to the specified index maturity, and in a representative amount: the rates offered as of 10:00 A.M., New York City time, on the relevant interest determination date, by three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City, as selected by the calculation agent.

If fewer than three dealers selected by the calculation agent are quoting as described above, the CD rate in effect for the new interest period will be the CD rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CMT Rate Notes

If you purchase a CMT rate note, your note will bear interest at an interest rate equal to the CMT rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The CMT rate will be the following rate displayed on the designated ***CMT Moneyline Telerate page*** under the heading . . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 Mondays Approximately 3:45 P.M., under the column for the ***designated CMT index maturity***:

if the designated CMT Moneyline Telerate page is Telerate page 7051, the rate for the relevant interest determination date; or

if the designated CMT Moneyline Telerate page is Telerate page 7052, the weekly or monthly average, as specified in your pricing supplement, for the week that ends immediately before the week in which the relevant interest determination date falls, or for the month that ends immediately before the month in which the relevant interest determination date falls, as applicable.

If the CMT rate cannot be determined in this manner, the following procedures will apply.

If the applicable rate described above is not displayed on the relevant designated CMT Moneyline Telerate page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from

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that source at that time, then the CMT rate will be the applicable treasury constant maturity rate described above i.e., for the designated CMT index maturity and for either the relevant interest determination date or the weekly or monthly average, as applicable as published in H.15(519).

If the applicable rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the treasury constant

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maturity rate, or other U.S. treasury rate, for the designated CMT index maturity and with reference to the relevant interest determination date, that:

is published by the Board of Governors of the Federal Reserve System, or the U.S. Department of the Treasury; *and*

is determined by the calculation agent to be comparable to the applicable rate formerly displayed on the designated CMT Moneyline Telerate page and published in H.15(519).

If the rate described in the prior paragraph does not appear at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market bid rates for the most recently issued treasury notes having an original maturity of approximately the designated CMT index maturity and a remaining term to maturity of not less than the designated CMT index maturity *minus* one year, and in a representative amount: the bid rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these bid rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation or, if there is equality, one of the highest and the lowest quotation or, if there is equality, one of the lowest. Treasury notes are direct, non-callable, fixed rate obligations of the U.S. government.

If the calculation agent is unable to obtain three quotations of the kind described in the prior paragraph, the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market bid rates for treasury notes with an original maturity longer than the designated CMT index maturity, with a remaining term to maturity closest to the designated CMT index maturity and in a representative amount: the bid rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these bid rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation or, if there is equality, one of the highest and the lowest quotation or, if there is equality, one of the lowest. If two treasury notes with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the calculation agent will obtain quotations for the treasury note with the shorter remaining term to maturity.

If fewer than five but more than two of these primary dealers are quoting as described in the prior paragraph, then the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the bid rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.

If two or fewer primary dealers selected by the calculation agent are quoting as described above, the CMT rate in effect for the new interest period will be the CMT rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CPI Rate Notes

If you purchase a CPI rate note, your note will bear interest at an interest rate equal to the CPI rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

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Except as otherwise specified in the applicable pricing supplement, the CPI rate will be the rate, determined as of the relevant interest determination date, expressed as a percentage and calculated in accordance with the following formula:

$$\text{CPI rate} = \frac{(C - P)}{P} \times 100$$

where

C means the CPI (as defined below) applicable for the calendar month which is two months preceding the month of the relevant interest determination date;

P means the CPI applicable for the calendar month which is twelve months immediately preceding the calendar month for which C is determined; and

CPI means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor. For reference purposes only, the CPI is available on Bloomberg page CPURNSA or any successor service. In the event of an inconsistency between the CPI published on Bloomberg page CPURNSA and the CPI published by the Bureau of Labor Statistics, the CPI shall be the CPI published by the Bureau of Labor Statistics.

Federal Funds Rate Notes

If you purchase a federal funds rate note, your note will bear interest at an interest rate equal to the federal funds rate and adjusted by the spread or spread multiplier, if any, indicated in your pricing supplement.

The federal funds rate will be the rate for U.S. dollar federal funds on the relevant interest determination date, as published in H.15 (519) under the heading **Federal Funds (Effective)**, as that rate is displayed on Telerate page 120. If the federal funds rate cannot be determined in this manner, the following procedures will apply.

If the rate described above is not displayed on Telerate page 120 at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the federal funds rate, for the relevant interest determination date, will be the rate described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading **Federal Funds (Effective)**.

If the rate described above is not displayed on Telerate page 120 and does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the federal funds rate will be the arithmetic mean of the rates for the last transaction in overnight, U.S. dollar federal funds arranged, before 9:00 A.M., New York City time, on the relevant interest determination date, by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent.

If fewer than three brokers selected by the calculation agent are quoting as described above, the federal funds rate in effect for the new interest period will be the federal funds rate in effect for the prior interest period. If the initial interest rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

If fewer than five but more than two of these primary dealers are quoting as described in the prior paragraph, then the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.

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Special Rate Calculation Terms

In this subsection entitled **Interest Rates**, we use several terms that have special meanings relevant to calculating floating interest rates. We define these terms as follows:

The term ***bond equivalent yield*** means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where

D means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;

N means 365 or 366, as the case may be; and

M means the actual number of days in the applicable interest reset period.

The term ***business day*** means, for any note, a day that meets all the following applicable requirements:

for all notes, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close;

if the note is a LIBOR note, is also a London business day;

if the note has a specified currency other than U.S. dollars or euros, is also a day on which banking institutions are not authorized or obligated by law, regulation or executive order to close in the principal financial center of the country issuing the specified currency; and

if the note is a EURIBOR note or has a specified currency of euros, or is a LIBOR note for which the index currency is euros, is also a TARGET business day.

The term ***designated CMT index maturity*** means the index maturity for a CMT rate note and will be the original period to maturity of a U.S. treasury security either 1, 2, 3, 5, 7, 10, 20 or 30 years specified in the applicable pricing supplement.

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The term ***designated CMT Moneyline Telerate page*** means the Telerate page mentioned in the relevant pricing supplement that displays treasury constant maturities as reported in H.15(519). If no Telerate page is so specified, then the applicable page will be Telerate page 7052. If Telerate page 7052 applies but the relevant pricing supplement does not specify whether the weekly or monthly average applies, the weekly average will apply.

The term ***euro business day*** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

The term ***euro-zone*** means, at any time, the region comprised of the member states of the European Economic and Monetary Union that, as of that time, have adopted a single currency in accordance with the Treaty on European Union of February 1992.

H.15(519) means the weekly statistical release entitled Statistical Release H.15 (519) , or any successor publication, published by the Board of Governors of the Federal Reserve System.

H.15 daily update means the daily update of H.15(519) available through the worldwide website of the Board of Governors of the Federal Reserve System, at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

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The term ***index currency*** means, with respect to a LIBOR note, the currency specified as such in the relevant pricing supplement. The index currency may be U.S. dollars or any other currency, and will be U.S. dollars unless another currency is specified in the relevant pricing supplement.

The term ***index maturity*** means, with respect to a floating rate note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

London business day means any day on which dealings in the relevant index currency are transacted in the London interbank market.

The term ***money market yield*** means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where

D means the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

M means the actual number of days in the relevant interest reset period.

The term ***representative amount*** means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

Reuters screen LIBOR page means the display on the Reuters Monitor Money Rates Service, or any successor service, on the page designated as LIBO or any replacement page or pages on which London interbank rates of major banks for the relevant index currency are displayed.

Reuters screen US PRIME 1 page means the display on the US PRIME 1 page on the Reuters Monitor Money Rates Service, or any successor service, or any replacement page or pages on that service, for the purpose of displaying prime rates or base lending rates of major U.S. banks.

Telerate LIBOR page means Telerate page 3750 or any replacement page or pages on which London interbank rates of major banks for the relevant index currency are displayed.

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Telerate page means the display on Moneyline Telerate, or any successor service, on the page or pages specified in this prospectus or the relevant pricing supplement, or any replacement page or pages on that service.

If, when we use the terms designated CMT Moneyline Telerate page, H.15(519), H.15 daily update, Reuters screen LIBOR page, Reuters screen US PRIME 1 page, Telerate LIBOR page or Telerate page, we refer to a particular heading or headings on any of those pages, those references include any successor or replacement heading or headings as determined by the calculation agent.

Payment of Additional Amounts to United States Aliens

Wachovia will, subject to certain exceptions and limitations listed below (unless otherwise specified in any pricing supplement), pay to the holder of any note who is a United States Alien (as defined below), as additional interest, certain amounts (**Additional Amounts**) as may be necessary so that every net payment on that note (including payment of the principal of and interest on that note) by Wachovia or a paying agent, after deduction or withholding for or on account of any present or future tax, assessment or other

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governmental charge imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority of or in the United States), will not be less than the amount provided in that note to be then due and payable; this obligation to pay Additional Amounts, however, will not apply to:

(a) any tax, assessment or other governmental charge that would not have been so imposed but for (i) the existence of any present or former connection between the holder or beneficial owner of that note (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, that holder, if that holder is an estate or a trust, or a member or shareholder of that holder, if that holder is a partnership or corporation) and the United States or any political subdivision or taxing authority, including but not limited to that holder (or the fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident of the United States or treated as a resident of the United States or being or having been engaged in a trade or business in the United States or present in the United States or having or having had a permanent establishment in the United States or (ii) that holder's or beneficial owner's past or present status as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organization relating to the United States, controlled foreign corporation for United States tax purposes or corporation that accumulates earnings to avoid United States Federal income tax;

(b) any estate, inheritance, gift, excise, sales, transfer, wealth or personal property tax or any similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of a note for payment more than 30 days after the date on which that payment became due and payable or the date on which payment on that note was duly provided for, whichever occurred later;

(d) any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on a note;

(e) any tax, assessment or other governmental charge required to be withheld by any paying agent from a payment on a note, if that payment can be made without that withholding by any other paying agent;

(f) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, information, documentation, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a note if that compliance is required by statute or regulation of the United States or by an applicable tax treaty to which the United States is a party as a precondition to relief or exemption from that tax, assessment or other governmental charge;

(g) any tax, assessment or other governmental charge imposed on a holder that actually or constructively owns 10 percent or more of the combined voting power of all classes of Wachovia's stock;

(h) any withholding or deduction imposed pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 or any law or regulation implementing such directive; or

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(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h);

nor shall Additional Amounts be paid in relation to a payment on a note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of that payment to the extent a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner would not have been entitled to Additional Amounts (or payment of Additional Amounts would not have been necessary) had that beneficiary, settlor, member or beneficial owner been the holder of that note.

For the purposes of this discussion, a United States Alien means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien

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fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary, of a foreign estate or trust. United States means the United States of America (including the States and the District of Columbia) and its territories, its possessions and other areas that come under its jurisdiction.

Redemption for Tax Purposes

If (a) as a result of any change in the laws, regulations or rulings of the United States (or any political subdivision or taxing authority of or in the United States), or any change in the official application (including a ruling by a court of competent jurisdiction in the United States) or interpretation of those laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the consummation of any offering of the notes, Wachovia is obligated to pay Additional Amounts as described above or (b) any act is taken by a taxing authority of the United States on or after the consummation of any offering of the notes, whether or not this act is taken in relation to Wachovia or any affiliate, that results in a substantial likelihood that Wachovia will or may be required to pay these Additional Amounts, then Wachovia may, at its option, redeem, as a whole, but not in part, the notes on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with accrued interest to the date fixed for redemption; provided that Wachovia determines, in its business judgment, that the obligation to pay these Additional Amounts cannot be avoided by the use of reasonable measures available to it, not including substitution of the obligor under the notes or any action that would entail a material cost to Wachovia. No redemption under (b) above may be made unless Wachovia shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial likelihood that it will or may be required to pay Additional Amounts described above and Wachovia shall have delivered to the Trustee a certificate, signed by a duly authorized officer, saying that based on this opinion Wachovia is entitled to redeem the notes according to their terms.

Other Provisions; Addenda

Any provisions relating to the notes, including the determination of the interest rate basis, calculation of the interest rate applicable to a floating rate note, its interest payment dates, any redemption or repayment provisions, or any other term relating thereto, may be modified and/or supplemented by the terms as specified under Other Provisions on the face of the applicable notes or in an Addendum relating to the applicable notes, if so specified on the face of the applicable notes, and, in each case, in the relevant pricing supplement.

Subordination of the Subordinated Notes

Wachovia's obligations to make any payment of the principal and interest on any subordinated notes will, to the extent the subordinated indenture specifies, be subordinate and junior in right of payment to all of Wachovia's senior indebtedness. Unless otherwise specified in the pricing supplement relating to a specific series of subordinated notes, Wachovia's senior indebtedness is defined in the subordinated indenture to mean the principal of, premium and interest, if any, on

all Wachovia indebtedness for money borrowed, including indebtedness Wachovia guarantees, other than the subordinated notes, whether outstanding on the date of execution of the indenture or incurred afterward, except

any obligations on account of Existing Subordinated Indebtedness and

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indebtedness as is by its terms expressly stated to be not superior in payment right to the subordinated notes or to rank equal to the subordinated notes and

any deferrals, renewals or extensions of any such senior indebtedness. (*Section 101* of the subordinated indenture)

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The payment of the principal and interest on the subordinated notes will, to the extent described in the subordinated indenture, be subordinated in payment right to the prior payment of all senior indebtedness. Unless otherwise described in the pricing supplement relating to the specific series of subordinated notes, in certain events of insolvency, the payment of the principal and interest on the subordinated notes, other than subordinated notes that are also Existing Subordinated Indebtedness, will, to the extent described in the subordinated indenture, also be effectively subordinated in payment right to the prior payment of all Other Financial Obligations. Upon any payment or distribution of assets to creditors under Wachovia's liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, or any bankruptcy, insolvency or similar proceedings, all senior indebtedness holders will be entitled to receive payment in full of all amounts due before the subordinated note holders will be entitled to receive any payment in respect of the principal or interest on their securities. If upon any such payment or asset distribution to creditors, there remains, after giving effect to those subordination provisions in favor of senior indebtedness holders, any amount of cash, property or securities available for payment or distribution in respect of subordinated notes (defined in the subordinated indenture as Excess Proceeds) and if, at that time, any Entitled Persons (as defined below) in respect of Other Financial Obligations have not received payment of all amounts due on such Other Financial Obligations, then such Excess Proceeds shall first be applied to pay these Other Financial Obligations before any payment may be applied to the subordinated notes which are not Existing Subordinated Indebtedness. In the event of the acceleration of the maturity of any subordinated notes, all senior indebtedness holders will be entitled to receive payment of all amounts due before the subordinated note holders will be entitled to receive any payment upon the principal of or interest on their subordinated notes. (*Sections 1403, 1404 and 1413* of the subordinated indenture)

By reason of such subordination in favor of senior indebtedness holders, in the event of insolvency, Wachovia's creditors who are not senior indebtedness holders or subordinated note holders may recover less, ratably, than senior indebtedness holders and may recover more, ratably, than subordinated note holders. By reason of subordinated note holders (other than Existing Subordinated Indebtedness) to pay over any Excess Proceeds to Entitled Persons in respect to Other Financial Obligations, in the event of insolvency, Existing Subordinated Indebtedness holders may recover less, ratably, than Entitled Persons in respect of Other Financial Obligations and may recover more, ratably, than the subordinated note holders (other than Existing Subordinated Indebtedness).

Unless otherwise specified in the pricing supplement relating to the particular subordinated notes series offered by it, Existing Subordinated Indebtedness means subordinated notes issued under the subordinated indenture prior to November 15, 1992. (*Section 101* of the subordinated indenture)

Unless otherwise specified in the pricing supplement relating to the particular subordinated notes series offered by it, Other Financial Obligations means all obligations of Wachovia to make payment under the terms of financial instruments, such as

securities contracts and foreign currency exchange contracts;

derivative instruments such as

swap agreements (including interest rate and foreign exchange rate swap agreements);

cap agreements;

floor agreements;

collar agreements;

interest rate agreements;

foreign exchange rate agreements;

options;

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commodity futures contracts;

commodity option contracts; and

similar financial instruments other than

obligations on account of senior indebtedness; and

obligations on account of indebtedness for money borrowed ranking equal or subordinate to the subordinated notes. (*Section 101* of the subordinated indenture)

Unless otherwise described in the pricing supplement relating to a specific series of subordinated notes, **Entitled Persons** means any person who is entitled to payment under the terms of Other Financial Obligations. (*Section 101* of the subordinated indenture)

Wachovia's obligations under the subordinated notes shall rank equal in right of payment with each other and with the Existing Subordinated Indebtedness, subject, unless otherwise described in the pricing supplement relating to a specific series of subordinated notes, to the obligations of subordinated note holders (other than Existing Subordinated Indebtedness) to pay over any Excess Proceeds to Entitled Persons in respect of Other Financial Obligations as provided in the subordinated indenture. (*Section 1413* of the subordinated indenture)

The relevant pricing supplement may further describe the provisions, if any, applicable to the subordination of the subordinated notes of a particular series.

Defaults

The Senior Indenture

The senior indenture defines an event of default as

default in any principal or premium payment on any senior note of that series at maturity;

default for 30 days in interest payment of any senior note of that series;

failure to deposit any sinking fund payment when due in respect of that series;

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Wachovia's failure for 60 days after notice in performing any other covenants or warranties in the senior indenture (other than a covenant or warranty solely for the benefit of other senior notes series);

failure to pay when due any Wachovia indebtedness or Wachovia Bank, National Association indebtedness in excess of \$5,000,000, or maturity acceleration of any indebtedness exceeding that amount if acceleration results from a default under the instrument giving rise to that indebtedness and is not annulled within 30 days after due notice;

Wachovia's or Wachovia Bank, National Association's bankruptcy, insolvency or reorganization; and

any other event of default provided for senior notes of that series. (*Section 501*)

The senior indenture provides that, if any event of default for senior notes of any series outstanding occurs and is continuing, either the senior trustee or the holders of not less than 25% in principal amount of the outstanding senior notes of that series may declare the principal amount (or, if the notes of that series are original issue discount notes, such principal amount portion as the terms of that series specify) of all senior notes of that series to be due and payable immediately. However, no such declaration is required upon certain bankruptcy events. In addition, upon fulfillment of certain conditions, this declaration may be annulled and past defaults waived by the holders of a majority in principal amount of the outstanding senior notes of that

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series on behalf of all senior note holders of that series. (*Sections 502 and 513*) In the event of Wachovia's bankruptcy, insolvency or reorganization, senior note holders' claims would fall under the broad equity power of a federal bankruptcy court, and to that court's determination of the nature of those holders' rights.

The senior indenture contains a provision entitling the senior trustee, acting under the required standard of care, to be indemnified by the holders of any outstanding senior note series before proceeding to exercise any right or power under the senior indenture at the holders' request. (*Section 603*) The holders of a majority in principal amount of outstanding senior notes of any series may direct the time, method and place of conducting any proceeding for any remedy available to the senior trustee, or exercising any trust or other power conferred on the senior trustee, with respect to the senior notes of such series. The senior trustee, however, may decline to act if that direction is contrary to law or the senior indenture or would involve the senior trustee in personal liability. (*Section 512*)

Wachovia will file annually with the senior trustee a compliance certificate as to all conditions and covenants in the senior indenture. (*Section 1007*)

The Subordinated Indenture

Subordinated notes principal payment may be accelerated only upon an event of default. There is no acceleration right in the case of a default in the payment of interest or principal prior to the maturity date or a default in Wachovia performing any covenants in the subordinated indenture, unless a specific series of subordinated notes provide otherwise, which will be described in the relevant pricing supplement.

The subordinated indenture defines an event of default as certain events involving Wachovia's bankruptcy, insolvency or reorganization and any other event of default provided for the subordinated notes of that series. (*Section 501*) The subordinated indenture defines a default to include

any event of default;

a default in any principal or premium payment of any subordinated debt security of that series at maturity;

default in any interest payment when due and continued for 30 days;

a default in any required designation of funds as available funds; or

default in the performance, or breach, of Wachovia's covenants in the subordinated indenture or in the subordinated notes of that series and continued for 90 days after written notice to

Wachovia by the subordinated trustee; or

Wachovia and the subordinated trustee by the holders of not less than 25% in aggregate principal amount of the outstanding subordinated notes of that series. (*Section 503*)

If an event of default for subordinated notes of any series occurs and is continuing, either the subordinated trustee or the holders of not less than 25% in aggregate principal amount of the outstanding subordinated notes of that series may accelerate the maturity of all outstanding subordinated notes of such series. The holders of a majority in aggregate principal amount of the outstanding subordinated notes of that series may waive an event of default resulting in acceleration of the subordinated notes of such series, but only if all events of default have been remedied and all payments due on the subordinated notes of that series (other than those due as a result of acceleration) have been made and certain other conditions have been met. (*Section 502*) Subject to subordinated indenture provisions relating to the subordinated trustee's duties, in case a default shall occur and be continuing, the subordinated trustee will be under no obligation to exercise any of its rights or powers under the subordinated indenture at the holders' request or direction, unless such holders shall have offered to the subordinated trustee reasonable indemnity. (*Section 603*) Subject to such indemnification provisions, the holders of a majority in aggregate principal amount of the outstanding

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subordinated notes of that series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the subordinated trustee or exercising any trust or power conferred on the subordinated trustee. (*Section 512*) The holders of a majority in aggregate principal amount of the outstanding subordinated notes of that series may waive any past default under the subordinated indenture with respect to such series, except a default in principal or interest payment or a default of a subordinated indenture covenant which cannot be modified without the consent of each outstanding subordinated note holder of the series affected. (*Section 513*) In the event of Wachovia's bankruptcy, insolvency or reorganization, subordinated note holders' claims would fall under the broad equity power of a federal bankruptcy court, and to that court's determination of the nature of those holders' rights.

Wachovia will file annually with the subordinated trustee a compliance certificate as to all conditions and covenants in the subordinated indenture. (*Section 1007*)

Modification and Waiver

Each indenture may be modified and amended by Wachovia and the relevant trustee. Certain modifications and amendments require the consent of the holders of at least a majority in aggregate principal amount of the outstanding notes of each series issued under that indenture and affected by the modification or amendment. No such modification or amendment may, without the consent of the holder of each outstanding note issued under such indenture and affected by it

change the stated maturity of the principal, or any installment of principal or interest, on any outstanding note;

reduce any principal amount, premium or interest, on any outstanding note, including in the case of an original issue discount note the amount payable upon acceleration of the maturity of that note;

change the place of payment where, or the coin or currency or currency unit in which, any principal, premium or interest, on any outstanding note is payable;

impair the right to institute suit for the enforcement of any payment on or after the stated maturity, or in the case of redemption, on or after the redemption date;

reduce the above-stated percentage of outstanding notes necessary to modify or amend the applicable indenture; or

modify the above requirements or reduce the percentage of aggregate principal amount of outstanding notes of any series required to be held by holders seeking to waive compliance with certain provisions of the relevant indenture or seeking to waive certain defaults. (*Section 902*)

The holders of at least a majority in aggregate principal amount of the outstanding notes of any series may on behalf of all outstanding note holders of that series waive, insofar as that series is concerned, Wachovia's compliance with certain restrictive provisions of the relevant indenture. (*Section 1008*) The holders of at least a majority in aggregate principal amount of the outstanding notes of any series may on behalf of all outstanding note holders of that series waive any past default under the relevant indenture with respect to that series, except a default in the payment of the principal, or premium, if any, or interest on any outstanding note of that series or in respect of an indenture covenant which cannot be modified or amended without each outstanding note holder consenting. (*Section 513*)

Certain modifications and amendments of each indenture may be made by Wachovia and the relevant trustee without the outstanding note holders consenting. (*Section 901*)

Each indenture provides that in determining whether the holders of the requisite principal amount of the outstanding notes have given any request, demand, authorization, direction, notice, consent or waiver under that indenture or are present at a meeting of holders of outstanding notes for quorum purposes

the principal amount of an original issue discount note that shall be deemed to be outstanding shall be the amount of the principal that would be due and payable as of the date of such determination upon acceleration of its maturity; and

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the principal amount of outstanding notes denominated in a foreign currency or currency unit shall be the U.S. dollar equivalent, determined on the date of original issuance of that outstanding note, of the principal amount of that outstanding note or, in the case of an original issue discount note, the U.S. dollar equivalent, determined on the date of original issuance of such outstanding note, of the amount determined as provided in the above bullet-point. (*Section 101*)

Consolidation, Merger and Sale of Assets

The indentures each provide that Wachovia may not consolidate with or merge into any other corporation or transfer its properties and assets substantially as an entirety to any person unless

the corporation formed by the consolidation or into which Wachovia is merged, or the person to which Wachovia's properties and assets are so transferred, shall be a corporation organized and existing under the laws of the U.S., any state or Washington, D.C. and shall expressly assume by supplemental indenture the payment of any principal, premium or interest on the notes, and the performance of Wachovia's other covenants under the relevant indenture;

immediately after giving effect to this transaction, no event of default or default, as applicable, and no event which, after notice or lapse of time or both, would become an event of default or default, as applicable, shall have occurred and be continuing; and

certain other conditions are met. (*Section 801*)

Limitation on Disposition of Wachovia Bank, National Association Stock

The indentures each contain Wachovia's covenant that, so long as any of the debt securities issued under that indenture before August 1, 1990 are outstanding, but subject to Wachovia's rights in connection with its consolidation with or merger into another corporation or a sale of Wachovia's assets, it will not sell, assign, transfer, grant a security interest in or otherwise dispose of any shares of, securities convertible into, or options, warrants or rights to subscribe for or purchase shares of, Wachovia Bank, National Association voting stock, nor will it permit Wachovia Bank, National Association to issue any shares of, or securities convertible into, or options, warrants or rights to subscribe for or purchase shares of, Wachovia Bank, National Association voting stock, unless

any such sale, assignment, transfer, issuance, grant of a security interest or other disposition is made for fair market value, as determined by Wachovia's board; and

Wachovia will own at least 80% of the issued and outstanding Wachovia Bank, National Association voting stock free and clear of any security interest after giving effect to such transaction. (*Section 1006*)

The above covenant is not a covenant for the benefit of any series of notes issued on or after August 1, 1990.

Restriction on Sale or Issuance of Voting Stock of Major Subsidiary Bank

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With respect to the senior notes, the senior indenture contains Wachovia's covenant that it will not, and will not permit any subsidiary to, sell, assign, transfer, grant a security interest in, or otherwise dispose of, any shares of voting stock, or any securities convertible into shares of voting stock, of any Major Subsidiary Bank (as defined below) or any subsidiary owning, directly or indirectly, any shares of voting stock of any Major Subsidiary Bank and that it will not permit any Major Subsidiary Bank or any subsidiary owning, directly or indirectly, any shares of voting stock of a Major Subsidiary Bank to issue any shares of its voting stock or any securities convertible into shares of its voting stock, except for sales, assignments, transfers or other dispositions which

are for the purpose of qualifying a person to serve as a director;

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are for fair market value, as determined by Wachovia's board, and, after giving effect to such dispositions and to any potential dilution, Wachovia will own not less than 80% of the shares of voting stock of such Major Subsidiary Bank or any such subsidiary owning any shares of voting stock of such Major Subsidiary Bank;

are made

in compliance with court or regulatory authority order; or

in compliance with a condition imposed by any such court or authority permitting Wachovia's acquisition of any other bank or entity; or

in compliance with an undertaking made to such authority in connection with such an acquisition; provided, in the case of the two preceding bullet-points, the assets of the bank or entity being acquired and its consolidated subsidiaries equal or exceed 75% of the assets of such Major Subsidiary Bank or such subsidiary owning, directly or indirectly, any shares of voting stock of a Major Subsidiary Bank and its respective consolidated subsidiaries on the date of acquisition; or

to Wachovia or any wholly-owned subsidiary.

Despite the above requirements, any Major Subsidiary Bank may be merged into or consolidated with another banking institution organized under U.S. or state law, if after giving effect to that merger or consolidation Wachovia or any wholly-owned subsidiary owns at least 80% of the voting stock of the other banking institution free and clear of any security interest and if, immediately after the merger or consolidation, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, shall have happened and be continuing. (Section 1007) A Major Subsidiary Bank is defined in each indenture to mean any subsidiary which is a bank and has total assets equal to 25% or more of Wachovia's consolidated assets determined on the date of the most recent audited financial statements of these entities. At present, the Major Subsidiary Bank is Wachovia Bank, National Association.

The above covenant is not a covenant for the benefit of any series of debt securities issued before August 1, 1990, or, in the case of subordinated debt securities including the subordinated notes, issued after November 15, 1992.

Form, Exchange and Transfer

If the notes cease to be issued in global form, they will be issued:

only in fully registered form;

without interest coupons; and

unless we indicate otherwise in your pricing supplement, in denominations of \$1,000 and that are multiples of \$1,000.

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Holders may exchange their notes for notes of smaller denominations or combined into fewer notes of larger denominations, as long as the total principal amount is not changed.

Holders may exchange or transfer their notes at the office of the relevant trustee, or in the event definitive notes are issued and so long as the notes are listed on the Luxembourg Stock Exchange, at the offices of the paying agent. We have appointed the respective trustees to act as our agents for registering notes in the names of holders and transferring notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their notes, but they may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The

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transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we have designated additional transfer agents for your note, they will be named in your pricing supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any notes are redeemable and we redeem less than all those notes, we may block the transfer or exchange of those notes during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers of or exchange any note selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any note being partially redeemed.

If a note is issued as a global note, only the depositary (e.g., DTC, Euroclear and Clearstream) will be entitled to transfer and exchange the note as described in this subsection, since it will be the sole holder of the note.

Payment Mechanics

Who Receives Payment?

If interest is due on a note on an interest payment date, we will pay the interest to the person or entity in whose name the note is registered at the close of business on the regular record date relating to the interest payment date. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person or entity entitled to receive the principal of the note. If principal or another amount besides interest is due on a note at maturity, we will pay the amount to the holder of the note against surrender of the note at a proper place of payment (or, in the case of a global note, in accordance with the applicable policies of the depositary).

How We Will Make Payments Due in U.S. Dollars

We will follow the practice described in this subsection when paying amounts due in U.S. dollars. Payments of amounts due in other currencies will be made as described in the next subsection.

Payments on Global Notes. We will make payments on a global note in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will pay directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global note. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants, as described under Global Notes and Global Notes .

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Payments on Non-Global Notes. We will make payments on a note in non-global form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all other payments by check at the paying agent described below, against surrender of the note. All payments by check will be made in next-day funds i.e., funds that become available on the day after the check is cashed.

Alternatively, if a non-global note has a face amount of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the note by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the paying agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant regular record date. In the case of any other

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payment, payment will be made only after the note is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their notes.

How We Will Make Payments Due In Other Currencies

We will follow the practice described in this subsection when paying amounts that are due in a specified currency other than U.S. dollars.

Payments on Global Notes. We will make payments on a global note in accordance with the applicable policies as in effect from time to time of the depositary, which will be DTC, Euroclear or Clearstream. Unless we specify otherwise in the applicable pricing supplement, DTC will be the depositary for all notes in global form. We understand that DTC's policies, as currently in effect, are as follows.

Unless otherwise indicated in your pricing supplement, if you are an indirect holder of global notes denominated in a specified currency other than U.S. dollars and if you elect to receive payments in that other currency, you must notify the participant through which your interest in the global note is held of your election:

on or before the applicable regular record date, in the case of a payment of interest, or

on or before the 16th day prior to stated maturity, or any redemption or repayment date, in the case of payment of principal or any premium.

You may elect to receive all or only a portion of any interest, principal or premium payment in a specified currency other than U.S. dollars.

Your participant must, in turn, notify DTC of your election on or before the third DTC business day after that regular record date, in the case of a payment of interest, and on or before the 12th DTC business day prior to stated maturity, or on the redemption or repayment date if your note is redeemed or repaid earlier, in the case of a payment of principal or any premium.

DTC, in turn, will notify the paying agent of your election in accordance with DTC's procedures.

If complete instructions are received by the participant and forwarded by the participant to DTC, and by DTC to the paying agent, on or before the dates noted above, the paying agent, in accordance with DTC's instructions will make the payments to you or your participant by wire transfer of immediately available funds to an account maintained by the payee with a bank located in the country issuing the specified currency or in another jurisdiction acceptable to us and the paying agent.

If the foregoing steps are not properly completed, we expect DTC to inform the paying agent that payment is to be made in U.S. dollars. In that case, we or our agent will convert the payment to U.S. dollars in the manner described below under "Conversion to U.S. Dollars". We expect that we or our agent will then make the payment in U.S. dollars to DTC, and that DTC in turn will pass it along to its participants.

Indirect holders of a global note denominated in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency.

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Payments on Non-Global Notes. Except as described in the last paragraph under this heading, we will make payments on notes in non-global form in the applicable specified currency. We will make these payments by wire transfer of immediately available funds to any account that is maintained in the applicable specified currency at a bank designated by the holder and is acceptable to us and the trustee. To designate an account for wire payment, the holder must give the paying agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the regular record date. In the case of any other payment, the payment will be made only after the note is surrendered to the paying agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the trustee's records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the indenture as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a note in non-global form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if the holder asks us to do so. To request U.S. dollar payment, the holder must provide appropriate written notice to the trustee at least five business days before the next due date for which payment in U.S. dollars is requested. In the case of any interest payment due on an interest payment date, the request must be made by the person or entity who is the holder on the regular record date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Book-entry and other indirect holders of a note with a specified currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the specified currency or in U.S. dollars.

Conversion to U.S. Dollars. When we are asked by a holder to make payments in U.S. dollars of an amount due in another currency, either on a global note or a non-global note as described above, the exchange rate agent described below will calculate the U.S. dollar amount the holder receives in the exchange rate agent's discretion.

A holder that requests payment in U.S. dollars will bear all associated currency exchange costs, which will be deducted from the payment.

When the Specified Currency is Not Available. If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency or any successor currency is not available to us due to circumstances beyond our control such as the imposition of exchange controls or a disruption in the currency markets we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis of the exchange rate determined by the exchange rate agent described below, in its discretion.

The foregoing will apply to any note, whether in global or non-global form, and to any payment, including a payment at maturity. Any payment made under the circumstances and in a manner described above will not result in a default under any note or the relevant indenture.

Exchange Rate Agent. If we issue a note in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the note is originally issued in the applicable pricing supplement. We may select Wachovia Bank, National Association or another of our affiliates to perform this role. We may change the exchange rate agent from

time to time after the original issue date of the note without your consent and without notifying you of the change.

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All determinations made by the exchange rate agent will be at its sole discretion unless we state in the applicable pricing supplement that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

Payment When Offices Are Closed

If any payment is due on a note on a day that is not a business day, we will make the payment on the next day that is a business day. Payments postponed to the next business day in this situation will be treated under the relevant indenture as if they were made on the original due date. Postponement of this kind will not result in a default under any note or the indenture, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day. The term business day has a special meaning, which we describe above under [Interest Rates](#) [Special Rate Calculation Terms](#) .

Paying Agent

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices notes in non-global entry form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed Wachovia Bank, National Association, at its corporate trust office in New York City or its headquarters in Charlotte, North Carolina, as the paying agent. We must notify you of changes in the paying agents.

Citibank, N.A., acting through its London office (or such other agent appointed in accordance with the Senior Indenture or the Subordinated Indenture, as the case may be), will act as London paying agent and London issuing agent.

In the event definitive notes are issued as described in this prospectus and as long as the notes are listed on the Luxembourg Stock Exchange, the holders of those notes will be able to receive payments and effect transfers at the offices of Dexia Banque Internationale à Luxembourg, Luxembourg or its successor as paying agent in Luxembourg relating to the notes. Each indenture provides for the replacement of a mutilated, lost, stolen or destroyed definitive note, so long as the applicant furnishes to Wachovia and the relevant trustee the security or indemnity required by them to save each of them harmless and any evidence of ownership of the note as they may require.

Dexia Banque Internationale à Luxembourg will act as a paying agent and transfer agent in Luxembourg in relation to the notes, and as long as the notes are listed on the Luxembourg Stock Exchange, Wachovia will maintain a paying agent and transfer agent in Luxembourg and any change in the Luxembourg paying agent and transfer agent will be published in Luxembourg in accordance with the second paragraph below under [Notices](#) .

Unclaimed Payments

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Regardless of who acts as paying agent, all money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to us. After that two-year period, the holder may look only to us for payment and not to the relevant trustee, any other paying agent or anyone else.

Notices

Notices to be given to holders of a global note will be given only to the depositary, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of notes not in global form will be sent by mail to the respective addresses of the holders as they appear in the relevant trustee's records, and will be deemed given when mailed.

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As long as the notes are listed on the Luxembourg Stock Exchange and its rules require, we will also give notices to holders by publication in a daily newspaper of general circulation in Luxembourg. We expect that newspaper to be, but it need not be, the *Luxemburger Wort*. If publication in Luxembourg is not practical, we will make the publication elsewhere in Western Europe. By "daily newspaper" we mean a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. You will be presumed to have received these notices on the date we first publish them. If we are unable to give notice as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impracticable for us to publish the notice, then we or the relevant trustee, acting on our instructions, will give holders notice in another form. That alternate form of notice will be sufficient notice to you.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive notices.

Trustees

Either or both of the trustees may resign or be removed with respect to one or more series of notes and a successor trustee may be appointed to act with respect to that series. (*Section 610*) In the event that two or more persons are acting as trustee with respect to different series of notes, each such trustee shall be a trustee of a trust under the relevant indenture separate and apart from the trust administered by any other such trustee (*Section 611*), and any action to be taken by the trustee may then be taken by each such trustee with respect to, and only with respect to, the one or more series of notes for which it is trustee.

In the normal course of business, Wachovia and its subsidiaries conduct banking transactions with the trustees and their affiliates, and the trustees and their affiliates conduct banking transactions with Wachovia and its subsidiaries.

Title

Wachovia, the trustees and any of their agents may treat the registered owner of any note as the absolute owner of that security, whether or not that note is overdue and despite any notice to the contrary, for any purpose. See "Global Notes" .

Governing Law

The indentures and the notes will be governed by New York law.

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GLOBAL NOTES

We will issue each note in book-entry form only. Each note issued in book-entry form will be represented by a global note that we deposit with and register in the name of one or more financial institutions or clearing systems, or their nominees, which we select. A financial institution or clearing system that we select for this purpose is called the depository for that note. A note will usually have only one depository but it may have more.

Each series of notes will have one or more of the following as the depositories.

The Depository Trust Company, New York, New York, which is known as DTC ;

JPMorgan Chase Bank, N.A. holding the notes on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear system, which is known as Euroclear ;

Citibank, N.A. holding the notes on behalf of Clearstream Banking, société anonyme, Luxembourg, which is known as Clearstream ; and

any other clearing system or financial institution named in the applicable pricing supplement.

The depositories named above may also be participants in one another's system. Thus, for example, if DTC is the depository for a global note, investors may hold beneficial interests in that note through Euroclear or Clearstream, as DTC participants. The depository or depositories for your notes will be named in your pricing supplement; if none is named, the depository will be DTC.

A global note may not be transferred to or registered in the name of anyone other than the depository or its nominee, unless special termination situations arise. We describe those situations below under Holder's Option to Obtain a Non-Global Note; Special Situations When a Global Note Will Be Terminated . As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all notes represented by a global note, and investors will be permitted to own only indirect interests in a global note. Indirect interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that does. Thus, an investor whose note is represented by a global note will not be a holder of the note, but only an indirect owner of an interest in the global note.

If the pricing supplement for a particular note indicates that the note will be issued in global form only, then the note will be represented by a global note at all times unless and until the global note is terminated. We describe the situations in which this can occur below under Holder's Option to Obtain a Non-Global Note; Special Situations When a Global Note Will Be Terminated . If termination occurs, we may issue the notes through another book-entry clearing system or decide that the notes may no longer be held through any book-entry clearing system.

DTC has informed Wachovia that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that DTC participants deposit with DTC. DTC also facilitates the settlement among DTC participants of securities transactions,

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such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC participants' accounts, thereby eliminating the need for physical movement of certificates. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations, and may include other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, LLC and the National Association of Securities Dealers, Inc. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and DTC participants are on file with the Commission.

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Special Considerations for Global Notes

As an indirect owner, an investor's rights relating to a global note will be governed by the account rules of the depository and those of the investor's financial institution or other intermediary through which it holds its interest (e.g., Euroclear or Clearstream, if DTC is the depository), as well as general laws relating to note transfers. We do not recognize this type of investor or any intermediary as a holder of notes and instead deal only with the depository that holds the global note.

If notes are issued only in the form of a global note, an investor should be aware of the following:

An investor cannot cause the notes to be registered in his or her own name, and cannot obtain non-global certificates for his or her interest in the notes, except in the special situations we describe below;

An investor will be an indirect holder and must look to his or her own bank or broker for payments on the notes and protection of his or her legal rights relating to the note, as we describe above under "Description of the Notes We May Offer—Legal Ownership";

An investor may not be able to sell interests in the notes to some insurance companies and other institutions that are required by law to own their notes in non-book-entry form;

An investor may not be able to pledge his or her interest in a global note in circumstances where certificates representing the notes must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

The depository's policies will govern payments, deliveries, transfers, exchanges, notices and other matters relating to an investor's interest in a global note, and those policies may change from time to time. We and the relevant trustee will have no responsibility for any aspect of the depository's policies, actions or records or ownership interests in a global note. We and the trustees also do not supervise the depository in any way;

The depository will require that those who purchase and sell interests in a global note within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and

Financial institutions that participate in the depository's book-entry system and through which an investor holds its interest in the global notes, directly or indirectly, may also have their own policies affecting payments, deliveries, transfers, exchanges, notices and other matters relating to the notes, and those policies may change from time to time. For example, if you hold an interest in a global note through Euroclear or Clearstream, when DTC is the depository, Euroclear or Clearstream, as applicable, will require those who purchase and sell interests in that note through them to use immediately available funds and comply with other policies and procedures, including deadlines for giving instructions as to transactions that are to be effected on a particular day. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the policies or actions or records of ownership interests of any of those intermediaries.

Holder's Option to Obtain a Non-Global Note; Special Situations When a Global Note Will Be Terminated

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If we issue any series of notes in book-entry form but we choose to give the beneficial owners of that series the right to obtain non-global notes, any beneficial owner entitled to obtain non-global notes may do so by following the applicable procedures of the depositary for that series and that owner's bank, broker or other financial institution through which that owner holds its beneficial interest in the notes. If you are entitled to request a non-global certificate and wish to do so, you will need to allow sufficient lead time to enable us or our agent to prepare the requested certificate.

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In addition, in a few special situations described below, a global note will be terminated and interests in it will be exchanged for certificates in non-global form representing the notes it represented. After that exchange, the choice of whether to hold the notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global note transferred on termination to their own names, so that they will be holders. We have described the rights of holders and street name investors above under Description of the Notes We May Offer Legal Ownership .

Unless otherwise mentioned in the relevant pricing supplement, the special situations for termination of a global note are as follows:

if the depositary notifies Wachovia that it is unwilling, unable or no longer qualified to continue as depositary for that global note;

if Wachovia executes and delivers to the relevant trustee an order complying with the requirements of the relevant indenture that this global note shall be so exchangeable; or

if there has occurred and is continuing a default in the payment of any amount due in respect of the notes or an event of default or an event that, with the giving of notice or lapse of time, or both, would constitute an event of default with respect to these notes.

If a global note is terminated, only the depositary, and not we or the relevant trustee, is responsible for deciding the names of the institutions in whose names the notes represented by the global note will be registered and, therefore, who will be the holders of those notes.

Considerations Relating to Clearstream and Euroclear

Clearstream and Euroclear are securities clearance systems in Europe. Clearstream and Euroclear have informed Wachovia that Clearstream and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream and Euroclear also deal with domestic securities markets in several countries through established depositary and custodial relationships. Clearstream and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Clearstream and Euroclear customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream and Euroclear is available to other institutions which clear through or maintain a custodial relationship with an account holder of either system.

Euroclear and Clearstream may be depositaries for a global note. In addition, if DTC is the depositary for a global note, Euroclear and Clearstream may hold interests in the global note as participants in DTC.

As long as any global note is held by Euroclear or Clearstream, as depositary, you may hold an interest in the global note only through an organization that participates, directly or indirectly, in Euroclear or Clearstream. If Euroclear or Clearstream is the depositary for a global note and there is no depositary in the United States, you will not be able to hold interests in that global note through any securities clearance system in the United States.

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Payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear or Clearstream must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, on one hand, and participants in DTC, on the other hand, when DTC is the depositary, would also be subject to DTC's rules and procedures.

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Special Timing Considerations for Transactions in Euroclear and Clearstream

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices and other transactions involving any notes held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the notes through these systems and wish to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, on a particular day may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream may need to make special arrangements to finance any purchases or sales of their interest between the U.S. and European clearing systems, and those transactions may settle later than would be the case for transactions within one clearing system.

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UNITED STATES TAXATION

This section describes the material United States federal income tax consequences of owning the notes we are offering. It is the opinion of Sullivan & Cromwell LLP, counsel to Wachovia. It applies to you only if you hold your notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

a dealer in securities or currencies,

a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,

a bank,

a life insurance company,

a tax-exempt organization,

a person that owns notes that are a hedge or that are hedged against interest rate or currency risks,

a person that owns notes as part of a straddle or conversion transaction for tax purposes, or

a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section deals only with notes that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning notes that are due to mature more than 30 years from their date of issue will be discussed in an applicable pricing supplement. This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

United States Holders

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This subsection describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of a note and you are:

a citizen or resident of the United States,

a domestic corporation,

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, this subsection does not apply to you and you should refer to [United States Alien Holders](#) below.

Payments of Interest

Except as described below in the case of interest on a discount note that is not qualified stated interest each as defined below under [Original Issue Discount - General](#), you will be taxed on any interest on your note, whether payable in U.S. dollars or a foreign currency, including a composite currency or basket of currencies other than U.S. dollars, as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

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Cash Basis Taxpayers. If you are a taxpayer that uses the cash receipts and disbursements method of accounting for tax purposes and you receive an interest payment that is denominated in, or determined by reference to, a foreign currency, you must recognize income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

Accrual Basis Taxpayers. If you are a taxpayer that uses an accrual method of accounting for tax purposes, you may determine the amount of income that you recognize with respect to an interest payment denominated in, or determined by reference to, a foreign currency by using one of two methods. Under the first method, you will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If you elect the second method, you would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if you receive a payment of interest within five business days of the last day of your accrual period or taxable year, you may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that you actually receive the interest payment. If you elect the second method it will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies and to all debt instruments that you subsequently acquire. You may not revoke this election without the consent of the Internal Revenue Service.

When you actually receive an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of your note, denominated in, or determined by reference to, a foreign currency for which you accrued an amount of income, you will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that you used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into U.S. dollars.

Original Issue Discount

General. If you own a note, other than a short-term note with a term of one year or less, it will be treated as a discount note issued at an original issue discount if the amount by which the note's stated redemption price at maturity exceeds its issue price is more than a *de minimis* amount. Generally, a note's issue price will be the first price at which a substantial amount of notes included in the issue of which the note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A note's stated redemption price at maturity is the total of all payments provided by the note that are not payments of qualified stated interest. Generally, an interest payment on a note is qualified stated interest if it is one of a series of stated interest payments on a note that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the note. There are special rules for variable rate notes that are discussed under [Variable Rate Notes](#).

In general, your note is not a discount note if the amount by which its stated redemption price at maturity exceeds its issue price is less than the *de minimis* amount of $\frac{1}{4}$ of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your note will have *de minimis* original issue discount if the amount of the excess is less than the *de minimis* amount. If your note has *de minimis* original issue discount, you must include the *de minimis* amount in income as stated principal payments are made on the note, unless you make the election described below under [Election to Treat All Interest as Original Issue Discount](#). You can determine the includible amount with respect to each such payment by multiplying the total amount of your note's *de minimis* original issue discount by a fraction equal to:

the amount of the principal payment made

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divided by:

the stated principal amount of the note.

Generally, if your discount note matures more than one year from its date of issue, you must include original issue discount, or OID, in income before you receive cash attributable to that income. The amount of OID that you must include in income is calculated using a constant-yield method, and generally you will include increasingly greater amounts of OID in income over the life of your note. More specifically, you can calculate the amount of OID that you must include in income by adding the daily portions of OID with respect to your discount note for each day during the taxable year or portion of the taxable year that you hold your discount note. You can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select an accrual period of any length with respect to your discount note and you may vary the length of each accrual period over the term of your discount note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount note must occur on either the first or final day of an accrual period.

You can determine the amount of OID allocable to an accrual period by:

multiplying your discount note's adjusted issue price at the beginning of the accrual period by your note's yield to maturity, and then

subtracting from this figure the sum of the payments of qualified stated interest on your note allocable to the accrual period.

You must determine the discount note's yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, you determine your discount note's adjusted issue price at the beginning of any accrual period by:

adding your discount note's issue price and any accrued OID for each prior accrual period, and then

subtracting any payments previously made on your discount note that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount note contains more than one accrual period, then, when you determine the amount of OID allocable to an accrual period, you must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, you must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

the amount payable at the maturity of your note, other than any payment of qualified stated interest, and

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your note's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium. If you purchase your note for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on your note after the purchase date but is greater than the amount of your note's adjusted issue price, as determined above under General , the excess is

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acquisition premium. If you do not make the election described below under Election to Treat All Interest as Original Issue Discount , then you must reduce the daily portions of OID by a fraction equal to:

the excess of your adjusted basis in the note immediately after purchase over the adjusted issue price of the note

divided by:

the excess of the sum of all amounts payable, other than qualified stated interest, on the note after the purchase date over the note's adjusted issue price.

Pre-Issuance Accrued Interest. An election may be made to decrease the issue price of your note by the amount of pre-issuance accrued interest if:

a portion of the initial purchase price of your note is attributable to pre-issuance accrued interest,

the first stated interest payment on your note is to be made within one year of your note's issue date, and

the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on your note.

Notes Subject to Contingencies Including Optional Redemption. Your note is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, you must determine the yield and maturity of your note by assuming that the payments will be made according to the payment schedule most likely to occur if:

the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and

one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, you must include income on your note in accordance with the general rules that govern contingent payment obligations. These rules will be discussed in the applicable pricing supplement.

Notwithstanding the general rules for determining yield and maturity, if your note is subject to contingencies, and either you or we have an unconditional option or options that, if exercised, would require payments to be made on the note under an alternative payment schedule or

schedules, then:

in the case of an option or options that we may exercise, we will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on your note and

in the case of an option or options that you may exercise, you will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on your note.

If both you and we hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. You may determine the yield on your note for the purposes of those calculations by using any date on which your note may be redeemed or repurchased as the maturity date and the amount payable on the date that you chose in accordance with the terms of your note as the principal amount payable at maturity.

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If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of your note is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you must redetermine the yield and maturity of your note by treating your note as having been retired and reissued on the date of the change in circumstances for an amount equal to your note's adjusted issue price on that date.

Election to Treat All Interest as Original Issue Discount. You may elect to include in gross income all interest that accrues on your note using the constant-yield method described above under **General**, with the modifications described below. For purposes of this election, interest will include stated interest, OID, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below under **Notes Purchased at a Premium**, or acquisition premium.

If you make this election for your note, then, when you apply the constant-yield method:

the issue price of your note will equal your cost,

the issue date of your note will be the date you acquired it, and

no payments on your note will be treated as payments of qualified stated interest.

Generally, this election will apply only to the note for which you make it; however, if the note has amortizable bond premium, you will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that you hold as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount note, you will be treated as having made the election discussed below under **Notes Purchased with Market Discount** to include market discount in income currently over the life of all debt instruments that you currently own or later acquire. You may not revoke any election to apply the constant-yield method to all interest on a note or the deemed elections with respect to amortizable bond premium or market discount notes without the consent of the Internal Revenue Service.

Variable Rate Notes. Your note will be a variable rate note if:

your note's issue price does not exceed the total noncontingent principal payments by more than the lesser of:

1. .015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date, or
2. 15 percent of the total noncontingent principal payments; and

your note provides for stated interest, compounded or paid at least annually, only at:

1. one or more qualified floating rates,

2. a single fixed rate and one or more qualified floating rates,
3. a single objective rate, or
4. a single fixed rate and a single objective rate that is a qualified inverse floating rate.

Your note will have a variable rate that is a qualified floating rate if:

variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which your note is denominated; or

the rate is equal to such a rate multiplied by either:

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1. a fixed multiple that is greater than 0.65 but not more than 1.35, or
2. a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and

the value of the rate on any date during the term of your note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If your note provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the note, the qualified floating rates together constitute a single qualified floating rate.

Your note will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the note or are not reasonably expected to significantly affect the yield on the note.

Your note will have a variable rate that is a single objective rate if:

the rate is not a qualified floating rate,

the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party, and

the value of the rate on any date during the term of your note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Your note will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of your note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of your note's term.

An objective rate as described above is a qualified inverse floating rate if:

the rate is equal to a fixed rate minus a qualified floating rate, and

the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

Your note will also have a single qualified floating rate or an objective rate if interest on your note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

the fixed rate and the qualified floating rate or objective rate have values on the issue date of the note that do not differ by more than 0.25 percentage points, or

the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

Commercial paper rate notes, prime rate notes, LIBOR notes, EURIBOR rate notes, treasury rate notes, CMT rate notes, CD rate notes, CPI rate notes, and federal funds rate notes generally will be treated as variable rate notes under these rules.

In general, if your variable rate note provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period, all stated interest on your note is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating

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rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for your note.

If your variable rate note does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, you generally must determine the interest and OID accruals on your note by:

determining a fixed rate substitute for each variable rate provided under your variable rate note,

constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,

determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and

adjusting for actual variable rates during the applicable accrual period.

When you determine the fixed rate substitute for each variable rate provided under the variable rate note, you generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on your note.

If your variable rate note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, you generally must determine interest and OID accruals by using the method described in the previous paragraph. However, your variable rate note will be treated, for purposes of the first three steps of the determination, as if your note had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of your variable rate note as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

Short-Term Notes. In general, if you are an individual or other cash basis United States holder of a short-term note, you are not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless you elect to do so (although it is possible that you may be required to include any stated interest in income as you receive it). If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you will be required to accrue OID on short-term notes on either a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID in income currently, any gain you realize on the sale or retirement of your short-term note will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required and do not elect to accrue OID on your short-term notes, you will be required to defer deductions for interest on borrowings allocable to your short-term notes in an amount not exceeding the deferred income until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term note, including stated interest, in your short-term note's stated redemption price at maturity.

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Foreign Currency Discount Notes. If your discount note is denominated in, or determined by reference to, a foreign currency, you must determine OID for any accrual period on your discount note in the foreign currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under United States Holders Payments of

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Interest . You may recognize ordinary income or loss when you receive an amount attributable to OID in connection with a payment of interest or the sale or retirement of your note.

Notes Purchased at a Premium

If you purchase your note for an amount in excess of its principal amount, you may elect to treat the excess as amortizable bond premium. If you make this election, you will reduce the amount required to be included in your income each year with respect to interest on your note by the amount of amortizable bond premium allocable to that year, based on your note's yield to maturity. If your note is denominated in, or determined by reference to, a foreign currency, you will compute your amortizable bond premium in units of the foreign currency and your amortizable bond premium will reduce your interest income in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time your amortized bond premium offsets interest income and the time of the acquisition of your note is generally taxable as ordinary income or loss. If you make an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the Internal Revenue Service. See also Original Issue Discount Election to Treat All Interest as Original Issue Discount .

Notes Purchased with Market Discount

You will be treated as if you purchased your note, other than a short-term note, at a market discount, and your note will be a market discount note if:

in the case of an initial purchaser, you purchase your note for less than its issue price as determined above under Original Issue Discount General , and

the difference between the note's stated redemption price at maturity or, in the case of a discount note, the note's revised issue price, and the price you paid for your note is equal to or greater than $\frac{1}{4}$ of 1 percent of your note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the note's maturity.

To determine the revised issue price of your note for these purposes, you generally add any OID that has accrued on your note to its issue price.

If your note's stated redemption price at maturity or, in the case of a discount note, its revised issue price, exceeds the price you paid for the note by less than $\frac{1}{4}$ of 1 percent multiplied by the number of complete years to the note's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount note as ordinary income to the extent of the accrued market discount on your note. Alternatively, you may elect to include market discount in income currently over the life of your note. If you make this election, it will apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the Internal Revenue Service. If you own a market discount note and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to your note in an amount not exceeding the accrued market discount on your note until the maturity or disposition of your note.

You will accrue market discount on your market discount note on a straight-line basis unless you elect to accrue market discount using a constant-yield method. If you make this election, it will apply only to the note with respect to which it is made and you may not revoke it.

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Purchase, Sale and Retirement of the Notes

Your tax basis in your note will generally be the U.S. dollar cost, as defined below, of your note, adjusted by:

adding any OID or market discount, de minimis original issue discount and de minimis market discount previously included in income with respect to your note, and then

subtracting any payments on your note that are not qualified stated interest payments and any amortizable bond premium applied to reduce interest on your note.

If you purchase your note with foreign currency, the U.S. dollar cost of your note will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if you are a cash basis taxpayer, or an accrual basis taxpayer if you so elect, and your note is traded on an established securities market, as defined in the applicable Treasury regulations, the U.S. dollar cost of your note will be the U.S. dollar value of the purchase price on the settlement date of your purchase.

You will generally recognize gain or loss on the sale or retirement of your note equal to the difference between the amount you realize on the sale or retirement and your tax basis in your note. If your note is sold or retired for an amount in foreign currency, the amount you realize will be the U.S. dollar value of such amount on the date the note is disposed of or retired, except that in the case of a note that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realized based on the U.S. dollar value of the foreign currency on the settlement date of the sale.

You will recognize capital gain or loss when you sell or retire your note, except to the extent:

described above under Original Issue Discount Short-Term Notes or Notes Purchased with Market Discount ,

attributable to accrued but unpaid interest,

the rules governing contingent payment obligations apply, or

attributable to changes in exchange rates as described below.

Capital gain of a noncorporate United States holder that is recognized before January 1, 2009 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year.

You must treat any portion of the gain or loss that you recognize on the sale or retirement of a note as ordinary income or loss to the extent attributable to changes in exchange rates. However, you take exchange gain or loss into account only to the extent of the total gain or loss you realize on the transaction.

Exchange of Amounts in Other Than U.S. Dollars

If you receive foreign currency as interest on your note or on the sale or retirement of your note, your tax basis in the foreign currency will equal its U.S. dollar value when the interest is received or at the time of the sale or retirement. If you purchase foreign currency, you generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of your purchase. If you sell or dispose of a foreign currency, including if you use it to purchase notes or exchange it for U.S. dollars, any gain or loss recognized generally will be ordinary income or loss.

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Indexed Notes, Exchangeable Notes, and Contingent Payment Notes

The applicable pricing supplement will discuss any special United States federal income tax rules with respect to notes the payments on which are determined by reference to any index, notes that are exchangeable at our option or the option of the holder into securities of an issuer other than Wachovia or into other property, and other notes that are subject to the rules governing contingent payment obligations which are not subject to the rules governing variable rate notes.

United States Alien Holders

This subsection describes the tax consequences to a United States alien holder. You are a United States alien holder if you are the beneficial owner of a note and are, for United States federal income tax purposes:

a nonresident alien individual,

a foreign corporation, or

an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a note.

If you are a United States holder, this subsection does not apply to you.

This discussion assumes that the note is not subject to the rules of Section 871(h)(4)(A) of the Internal Revenue Code, relating to interest payments that are determined by reference to the income, profits, changes in the value of property or other attributes of the debtor or a related party.

Under United States federal income and estate tax law, and subject to the discussion of backup withholding below, if you are a United States alien holder of a note:

we and other U.S. payors generally will not be required to deduct United States withholding tax from payments of principal, premium, if any, and interest, including OID, to you if, in the case of payments of interest:

1. you do not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote,
2. you are not a controlled foreign corporation that is related to the Company through stock ownership, and

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3. the U.S. payor does not have actual knowledge or reason to know that you are a United States person and:
 - a. you have furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are (or, in the case of a United States alien holder that is a partnership or an estate or trust, such forms certifying that each partner in the partnership or beneficiary of the estate or trust is) a non-United States person,
 - b. in the case of payments made outside the United States to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the U.S. payor documentation that establishes your identity and your status as a non-United States person,
 - c. the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form) from a person claiming to be:

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- i. a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the Internal Revenue Service to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners),
- ii. a qualified intermediary (generally a non-United States financial institution or clearing organization or a non-United States branch or office of a United States financial institution or clearing organization that is a party to a withholding agreement with the Internal Revenue Service), or
- iii. a U.S. branch of a non-United States bank or of a non-United States insurance company,

and the withholding foreign partnership, qualified intermediary or U.S. branch has received documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payment on the notes in accordance with U.S. Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the Internal Revenue Service),

- d. the U.S. payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business,
 - i. certifying to the U.S. payor under penalties of perjury that an Internal Revenue Service Form W-8BEN or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you, and
 - ii. to which is attached a copy of the Internal Revenue Service Form W-8BEN or acceptable substitute form, or
- e. the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payment on the notes in accordance with U.S. Treasury regulations; and

no deduction for any United States federal withholding tax will be made from any gain that you realize on the sale or exchange of your note.

Further, a note held by an individual who at death is not a citizen or resident of the United States will not be includible in the individual's gross estate for United States federal estate tax purposes if:

the decedent did not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote at the time of death and

the income on the note would not have been effectively connected with a United States trade or business of the decedent at the same time.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Recently-promulgated Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a Reportable Transaction). Under these regulations, if the notes are denominated in a foreign currency, a United States holder (or a United States alien holder that holds the notes in connection with a U.S. trade or business) that recognizes a loss with respect to the notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on Internal Revenue Service Form 8886

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(Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult with your tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of notes.

Backup Withholding And Information Reporting

In general, if you are a noncorporate United States holder, we and other payors are required to report to the Internal Revenue Service all payments of principal, any premium and interest on your note, and the accrual of OID on a discount note. In addition, we and other payors are required to report to the Internal Revenue Service any payment of proceeds of the sale of your note before maturity within the United States. Additionally, backup withholding will apply to any payments, including payments of OID, if you fail to provide an accurate taxpayer identification number, or you are notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

In general, if you are a United States alien holder, payments of principal, premium or interest, including OID, made by us and other payors to you will not be subject to backup withholding and information reporting, provided that the certification requirements described above under **United States Alien Holders** are satisfied or you otherwise establish an exemption. However, we and other payors are required to report payments of interest on your notes on Internal Revenue Service Form 1042-S even if the payments are not otherwise subject to information reporting requirements. In addition, payment of the proceeds from the sale of notes effected at a United States office of a broker will not be subject to backup withholding and information reporting provided that:

the broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the broker:

an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a United States person, or

other documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with U.S. Treasury regulations, or

you otherwise establish an exemption.

If you fail to establish an exemption and the broker does not possess adequate documentation of your status as a non-United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by you unless the broker has actual knowledge that you are a United States person.

In general, payment of the proceeds from the sale of notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

the proceeds are transferred to an account maintained by you in the United States,

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the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or

the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption.

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In addition, payment of the proceeds from the sale of notes effected at a foreign office of a broker will be subject to information reporting if the broker is:

a United States person,

a controlled foreign corporation for United States tax purposes,

a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or

a foreign partnership, if at any time during its tax year:

one or more of its partners are U.S. persons, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or

such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

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EUROPEAN UNION DIRECTIVE ON TAXATION OF SAVINGS INCOME

On June 3, 2003, the Council of the European Union (Ecofin) approved a directive regarding the taxation of, and information exchange among member states of the European Union (EU Member States) with respect to, interest income. Accordingly, each EU Member State is required to implement provisions that will require paying agents (within the meaning of the directive) established within its territory to provide to the competent authority of this state information about the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, however, and until a number of conditions are met, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 15% for the first three years from application of the provisions of the directive, of 20% for the subsequent three years, and of 35% from the seventh year after application of the provisions of the directive. Austria, Belgium and Luxembourg shall, however, provide for one or both of the procedures set forth in article 13 of the directive order to ensure that the beneficial owners may request that no tax be withheld.

The Council of the European Union agreed that the provisions to be enacted by the EU Member States for implementation of the directive shall be applied by the EU Member States as from July 1, 2005 provided that (i) Switzerland, Liechtenstein, San Marino, Monaco and Andorra apply from that same date measures equivalent to those contained in the directive, in accordance with agreements entered into by them with the European Community and (ii) also all the relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) apply from that same date an automatic exchange of information or, during the transitional period described above, apply a withholding tax in the described manner.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employment Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit an employee benefit plan, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Internal Revenue Code, from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Internal Revenue Code with respect to the plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA and Section 4975 of the Internal Revenue Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption. Therefore, a fiduciary of an employee benefit plan should also consider whether an investment in the notes might constitute or give rise to a prohibited transaction under ERISA and the Internal Revenue Code. Employee benefit plans which are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and foreign plans (as described in Section 4(b)(4) of ERISA) generally are not subject to the requirements of ERISA or Section 4975 of the Internal Revenue Code.

Wachovia and certain of its affiliates may each be considered a party in interest or disqualified person with respect to many employee benefit plans. This could be the case, for example, if one of these companies is a service provider to a plan. Special caution should be exercised,

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therefore, before notes are purchased by an employee benefit plan. In particular, the fiduciary of the plan should consider whether exemptive relief is available under an applicable administrative exemption. The Department of Labor has issued five prohibited

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transaction class exemptions that could apply to exempt the purchase, sale and holding of notes from the prohibited transaction provisions of ERISA and the Internal Revenue Code. Those class exemptions are Prohibited Transaction Exemption 96-23 (for transactions determined by in-house asset managers), Prohibited Transaction Exemption 95-60 (for certain transactions involving insurance company general accounts), Prohibited Transaction Exemption 91-38 (for certain transactions involving bank investment funds), Prohibited Transaction Exemption 90-1 (for certain transactions involving insurance company separate accounts), and Prohibited Transaction Exemption 84-14 (for certain transactions determined by independent qualified asset managers).

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering the purchase of notes on behalf of or with plan assets of any employee benefit plan consult with their counsel regarding the consequences under ERISA and the Internal Revenue Code of the acquisition of the notes and the availability of exemptive relief under Prohibited Transaction Exemption 96-23, 95-60, 91-38, 90-1 or 84-14.

Table of Contents**PLAN OF DISTRIBUTION**

Unless otherwise indicated in any pricing supplement, the U.S. distribution agents shall be Wachovia Capital Markets, LLC, an indirect, wholly-owned subsidiary of Wachovia; ABN AMRO Incorporated; Barclays Capital Inc.; Bear, Stearns & Co. Inc.; Blaylock & Partners, L.P.; Citigroup Global Markets Inc.; Credit Suisse First Boston LLC; Goldman, Sachs & Co.; Greenwich Capital Markets, Inc.; Guzman & Company; J.P. Morgan Securities Inc.; Keefe, Bruyette & Woods, Inc.; Lehman Brothers Inc.; Loop Capital Markets, LLC; Merrill Lynch, Pierce, Fenner & Smith Inc.; Samuel A. Ramirez & Co. Inc.; Sandler O'Neill & Partners, L.P.; UBS Securities LLC; Utendahl Capital Partners, L.P.; The Williams Capital Group, L.P.; and the European distribution agents shall be Wachovia Securities International Limited, an indirect, wholly-owned subsidiary of Wachovia; Barclays Bank PLC; Bear, Stearns International Limited; Citigroup Global Markets Limited; Credit Suisse First Boston (Europe) Limited; Goldman Sachs International; Guzman & Company; J.P. Morgan Securities Ltd.; Lehman Brothers International (Europe); Merrill Lynch International; UBS AG, acting through its business group UBS Securities and Utendahl Capital Partners, L.P. Under the terms of a Distribution Agreement among Wachovia and these agents, Wachovia may sell notes to an agent, acting as principal, for resale to one or more investors or other purchasers at varying prices related to prevailing market prices at the time of resale, as determined by any of these agents or, if so agreed, at a fixed offering price. A form of Distribution Agreement has been filed as an exhibit to the registration statement for this prospectus. Unless otherwise indicated in the relevant pricing supplement, any note sold to an agent as principal will be purchased by that agent at a price equal to 100% of the principal amount of that note, less a percentage not exceeding the maximum commission applicable to any agency sale of a note of identical maturity, and, subject to the restriction noted in the following sentence, may be resold by that Agent to investors and other purchasers. An agent may offer the notes it has purchased as principal to other brokers or dealers at a discount and, unless otherwise indicated in any pricing supplement, the discount allowed to any broker or dealer will not exceed the discount to be received by that agent from Wachovia. After the initial public offering of notes, the public offering price (in the case of notes to be resold on a fixed public offering price basis), the concession and the discount may be changed.

Wachovia may also offer the notes on a continuing basis through the agents, which have agreed to use their reasonable efforts to solicit offers to purchase the notes, on an agency basis. When Wachovia has sold notes through an agent on an agency basis, it will pay that agent a commission (or grant a discount) as agreed by Wachovia and that agent of from 0.125% to 8% of the principal amount of each note sold through that agent. Any agent will have the right, in its discretion reasonably exercised, without notice to Wachovia, to reject any offer to purchase notes received by it in whole or in part.

Unless otherwise mentioned in the relevant pricing supplement, the obligations of any agents to purchase the notes will be subject to certain conditions precedent, and each of the agents with respect to a sale of notes will be obligated to purchase all of its notes if any are purchased.

Wachovia has reserved the right to sell notes directly to investors on its own behalf in those jurisdictions where it is authorized to do so. No selling commission will be payable nor will a selling discount be allowed on any sales made directly by Wachovia.

Wachovia has reserved the right to withdraw, cancel or modify the offer made by this prospectus without notice and may reject orders in whole or in part whether placed directly with Wachovia or with an agent. No termination date has been established for the offering of the notes.

The notes are a new issue of securities with no established trading market. Wachovia has been advised by the agents that they intend to make a market in the notes but are not obligated to do so and may discontinue market-making at any time without notice. The agents may from time to time purchase and sell notes in the secondary market, but no agent is obligated to do so. We can give no assurance that the notes offered by this prospectus will be sold or that there will be a secondary market for the notes (or liquidity in such secondary market, if one develops).

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We have applied to list on the Luxembourg Stock Exchange any notes issued under this prospectus during the twelve-month period after the date of this prospectus. We may also list any notes on any additional securities exchanges on which we and the agents agree in relation to each issuance. We may also issue unlisted notes.

Unless otherwise indicated in any pricing supplement, payment of the purchase price of notes, other than notes denominated in a non-U.S. dollar currency, will be required to be made in funds immediately available in The City of New York. The notes will be in the Same Day Funds Settlement System at DTC and, to the extent the secondary market trading in the notes is effected through the facilities of such depository, such trades will be settled in immediately available funds. See "Global Notes" above.

In facilitating the sale of notes, agents may receive compensation from Wachovia or from purchasers of notes for whom they may act as agents in the form of discounts, concessions or commissions. Agents may sell notes to or through brokers or dealers, and these brokers and dealers may receive compensation in the form of discounts, concessions or commissions from the agents and/or commissions from the purchasers for whom they may act as agents. Agents, brokers and dealers that participate in the distribution of notes may be considered "underwriters", and any discounts or commissions received by them from Wachovia and any profit on the resale of notes by them may be considered underwriting discounts and commissions under the Securities Act. Any such agent will be identified, and any such compensation received from Wachovia will be described, in the pricing supplement relating to those notes. Wachovia has agreed to indemnify the agents against and contribute toward certain liabilities, including liabilities under the Securities Act. Wachovia has also agreed to reimburse the agents for certain expenses.

If Wachovia offers and sells notes directly to a purchaser or purchasers in respect of which this prospectus is delivered, purchasers involved in the reoffer or resale of such notes, if these purchasers may be considered underwriters as that term is defined in the Securities Act, will be named and the terms of their reoffers or resales will be mentioned in the relevant pricing supplement. These purchasers may then reoffer and resell such notes to the public or otherwise at varying prices to be determined by such purchasers at the time of resale or as otherwise described in the relevant pricing supplement. Purchasers of notes directly from Wachovia may be entitled under agreements that they may enter into with Wachovia to indemnification by Wachovia against certain liabilities, including liabilities under the Securities Act, and may engage in transactions with or perform services for Wachovia in the ordinary course of their business or otherwise.

The agents may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934. Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit reclaiming a selling concession from a syndicate member when the notes originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions. Such stabilizing transactions, syndicate covering transactions and penalty bids may stabilize, maintain or otherwise affect the market price of the notes, which may be higher than it would otherwise be in the absence of such transactions. The agents are not required to engage in these activities, and may end any of these activities at any time.

The participation of Wachovia Capital Markets, LLC or any other broker-dealer affiliate of Wachovia in the offer and sale of the notes must comply with the requirements of Rule 2720 of the National Association of Securities Dealers, Inc. regarding underwriting securities of an affiliate. Neither Wachovia Capital Markets, LLC nor any other broker-dealer affiliate of Wachovia will execute a transaction in the notes in a discretionary account without the prior specific written approval of such member's customer.

This prospectus and the related pricing supplements may be used by Wachovia Capital Markets, LLC or other broker-dealer affiliates of Wachovia for offers and sales related to market-making transactions in the

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securities. Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia may act as principal or agent in these transactions. These sales will be made at prices related to prevailing market prices at the time of sale or otherwise.

From time to time the agents engage in transactions with Wachovia in the ordinary course of business. The agents or their affiliates may have performed investment banking services for Wachovia in the last two years and may have received fees for these services and may do so in the future. The agents and/or their affiliates may be customers of (including borrowers from), engage in transactions with, and/or perform services for the senior trustee and the subordinated trustee, in the ordinary course of business.

In addition to offering notes through the agents as discussed above, other medium-term notes that have terms substantially similar to the terms of the notes offered by this prospectus (but constituting one or more separate series of notes for purposes of the indentures) may in the future be offered, concurrently with the offering of the notes, on a continuing basis by Wachovia pursuant to the Distribution Agreement and directly to investors. Any of these notes sold pursuant to the Distribution Agreement or sold by Wachovia directly to investors will reduce the aggregate amount of notes which may be offered by this prospectus.

Selling Restrictions Outside the United States

Wachovia has taken no action that would permit a public offering of the notes or possession or distribution of this prospectus or any other offering material in any jurisdiction outside the United States where action for that purpose is required other than as described below. Accordingly, each agent has represented, warranted and agreed, and each other agent will be required to represent, warrant and agree, that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells notes or possesses or distributes this prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and Wachovia shall have no responsibility in relation to this.

With regard to each note, the relevant purchaser will be required to comply with those restrictions that Wachovia and the relevant purchaser shall agree and as shall be set out in the relevant pricing supplement.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each agent has represented and agreed, and each other agent will be required to represent and agree, that with effect from and including the date on which the EU Prospectus Directive is implemented in that Member State (the Relevant Implementation Date) it has not made and will not make an offer of the notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in that Relevant Member State:

in the period beginning on the date of publication of this prospectus which has been approved by the competent authority in that Relevant Member State in accordance with the EU Prospectus Directive or, where appropriate, published in another Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the EU Prospectus Directive and ending on the date which is twelve months after the date of such publication;

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at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

at any time in any other circumstances which do not require the publication by Wachovia of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

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For the purposes of the above, the expression of an offer of the notes to the public in relation to the notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State and the expression of the EU Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each agent has represented and agreed, and each other agent will be required to represent and agree, that:

with respect to notes which have a maturity of one year or more, during the period up to but excluding the date on which the EU Prospectus Directive is implemented in the United Kingdom (the Implementation Date), it has not offered or sold and will not offer or sell any such notes to persons in the United Kingdom prior to the expiring of a period of six months from the issue date of such notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

with respect to notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the FSMA) by Wachovia;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to Wachovia; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such notes in, from or otherwise involving the United Kingdom.

Japan

The notes have not been, and will not be, registered under the Securities and Exchange Law of Japan. Accordingly, each distribution agent has represented and agreed, and each other distribution agent or dealer will be required to represent and agree, that, in connection with the notes, it has not, directly or indirectly, offered, sold or delivered and will not, directly or indirectly, offer, sell or deliver any notes in Japan or to residents of Japan or for the benefit of any Japanese person (which term as used herein means any person resident in Japan including any corporation or other entity organized under the laws of Japan) or to others for re-offering, resale or delivery, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to any Japanese person except in compliance with any applicable laws and regulations of Japan taken as a whole. Each distribution agent agrees to provide any necessary information on notes denominated or payable in Yen to Wachovia (which shall not include the names of clients) so that Wachovia may make any required reports to the Ministry of Finance through its designated agent.

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In connection with an issuance of notes denominated or payable in Yen, Wachovia will be required to comply with all applicable laws, regulations and guidelines, as amended from time to time, of the Japanese government and regulatory authorities.

Germany

No selling prospectus (*Verkausprospekt*) within the meaning of the German Securities Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) of December 13, 1990 (as amended) has been and will be registered or published within the Federal Republic of Germany. The notes have not been offered or sold and will not be offered or sold in the Federal Republic of Germany otherwise than in accordance with the provisions of the Securities Prospectus Act.

France

This prospectus has not been submitted to the French *Commission des opérations de bourse* for approval and the notes have not and will not be offered or sold, directly or indirectly, to the public in France. Accordingly, each distribution agent has agreed that it will only offer notes in France to qualified investors, as defined under Article 6 of French Ordinance No. 67-833 dated September 28, 1967 (as amended); provided, in this case, that it shall have obtained a certificate from the investor providing an acknowledgement that: (i) the offering is a private placement in France and no prospectus has been submitted to the *Commission des opérations de bourse*, (ii) the investor is an *investisseur qualifié* within the meaning of Article 6 of French Ordinance No. 67-833 dated September 28, 1967 (as amended), (iii) the investor is investing for his own account, and (iv) the investor will not resell the notes in violation of French securities laws and regulations.

Switzerland

Each agent has represented and agreed, and each other agent will be required to represent and agree, that the issue of any notes denominated in Swiss francs or carrying a Swiss franc-related element will be effected in compliance with the relevant regulations of the Swiss National Bank, which currently require that such issues have a maturity of more than one year, to be effected through a bank domiciled in Switzerland that is regulated under the Swiss Federal Law on Banks and Savings Banks of 1934 (as amended) (which includes a branch or subsidiary located in Switzerland of a foreign bank) or through a securities dealer which has been licensed as a securities dealer under the Swiss Federal Law on Stock Exchanges and Securities Trading of 1995 (except for issues of notes denominated in Swiss francs on a syndicated basis, where only the lead manager need be a bank domiciled in Switzerland). The relevant agent must report certain details of the relevant transaction to the Swiss National Bank no later than the time of delivery of the notes.

The Netherlands

Each agent represented and agreed, and each other agent will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in The Netherlands any notes with a denomination of less than 50,000 (or its foreign currency equivalent) other than to persons who trade or invest in securities in the conduct of a profession or business (which includes banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) unless one of the other exemptions or exceptions to the prohibition contained in Article 3 of the Dutch Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer* 1995) is applicable and the conditions attached to such exemption or exception are complied with.

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VALIDITY OF THE NOTES

The validity of the notes will be passed upon for Wachovia by Ross E. Jeffries, Jr., Esq., Senior Vice President and Assistant General Counsel of Wachovia, and for the agents by Sullivan & Cromwell LLP, 125 Broad Street, New York, New York. Sullivan & Cromwell LLP will rely upon the opinion of Mr. Jeffries as to matters of North Carolina law, and Mr. Jeffries will rely upon the opinion of Sullivan & Cromwell LLP as to matters of New York law. The opinions of Mr. Jeffries and Sullivan & Cromwell LLP will be conditioned upon, and subject to certain assumptions regarding, future action to be taken by Wachovia and the trustees in connection with the issuance and sale of any particular note, the specific terms of notes and other matters which may affect the validity of notes but which cannot be ascertained on the date of such opinions. Mr. Jeffries owns shares of Wachovia's common stock and holds options to purchase additional shares of Wachovia's common stock. Sullivan & Cromwell LLP regularly performs legal services for Wachovia. Certain members of Sullivan & Cromwell LLP performing these legal services own shares of Wachovia's common stock.

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EXPERTS

The consolidated balance sheets of Wachovia Corporation as of December 31, 2004 and 2003, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2004, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2004, included in Wachovia's 2004 Annual Report to Stockholders which is incorporated by reference in Wachovia's Annual Report on Form 10-K for the year ended December 31, 2004, and incorporated by reference in this prospectus, have been incorporated by reference in this prospectus in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

LISTING AND GENERAL INFORMATION

Listing and Documents Available

Application has been made to list the notes offered by this prospectus on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has allocated to the program the number 12695 for listing purposes. The Amended and Restated Articles of Incorporation and the By-Laws of Wachovia and a legal notice relating to the issuance of the notes will be deposited prior to listing with the Registrar of the District Court in Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*), where such documents may be examined and copies obtained upon request. Copies of the above documents together with this prospectus, any pricing supplements, the Distribution Agreement, the indentures and Wachovia's Annual Report on Form 10-K for the year ended December 31, 2004 as well as all other documents incorporated by reference herein (other than exhibits to such documents, unless such exhibits are incorporated by reference therein) including future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, so long as the notes are listed on the Luxembourg Stock Exchange, will be made available for inspection, and may be obtained free of charge, at the main office of the Luxembourg listing agent. The Luxembourg listing agent will act as a contact between the Luxembourg Stock Exchange and Wachovia or the holders of the notes. We have appointed Dexia Banque Internationale à Luxembourg as the Luxembourg listing agent for the notes.

However, notes may be issued under the program which will not be listed on the Luxembourg Stock Exchange or which will be listed on any other securities exchange as Wachovia and the relevant agent(s) may agree.

Authorization

The program has been established and the notes will be issued pursuant to authority granted by the Board of Directors of Wachovia on December 14, 2004 as such authority may be supplemented from time to time.

Material Change

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As of the date of this prospectus, other than as disclosed or contemplated herein or in the documents incorporated by reference, to the best of Wachovia's knowledge and belief, there has been no material adverse change in the financial position of Wachovia on a consolidated basis since December 31, 2004. See "Where You Can Find More Information" above.

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Litigation

As of the date of this prospectus, other than as disclosed or contemplated herein or in the documents incorporated by reference, to the best of Wachovia's knowledge and belief, Wachovia is not a party to any legal or arbitration proceedings (including any that are pending or threatened) which may have, or have had, since December 31, 2004, a significant effect on Wachovia's consolidated financial position or that are material in the context of the program or the issue of the notes which could jeopardize Wachovia's ability to discharge its obligation under the program or of the notes issued under the program.

Clearance Systems

The notes have been accepted for clearance through the DTC, Euroclear and Clearstream systems. The appropriate CUSIP, Common Code and ISIN for each tranche of notes to be held through any of these systems will be contained in the relevant pricing supplement.

Agents

The United States Registrar and Domestic Paying Agent for the notes will be initially Wachovia Bank, National Association, located at its corporate trust office at 12 East 49th Street, 37th Floor, New York, New York 10017, Attn: Corporate Trust, or at its headquarters at One Wachovia Center, Charlotte, North Carolina, 28288-0600, United States of America.

The London Paying Agent and London Issuing Agent for the notes will be initially Citibank, N.A., located at P.O. Box 18055, 5 Carmelite Street, London, EC4Y 0PA.

The Luxembourg Paying Agent and Transfer Agent for the notes will be initially Dexia Banque Internationale à Luxembourg located at 69, route d'Esch, L-2953 Luxembourg.

The Listing Agent for the notes will be initially Dexia Banque Internationale à Luxembourg located at 69, route d'Esch, L-2953 Luxembourg.

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ISSUER

Wachovia Corporation

One Wachovia Center

Charlotte, North Carolina 28288-0013

United States of America

UNITED STATES

DISTRIBUTION AGENTS

Wachovia Securities

ABN AMRO

Barclays Capital

Bear, Stearns & Co. Inc.

Blaylock & Company

Citigroup

Credit Suisse First Boston

Goldman, Sachs & Co.

Greenwich Capital Markets

Guzman & Company

JPMorgan

Keefe, Bruyette & Woods

Lehman Brothers

Loop Capital Markets

Merrill Lynch & Co.

Samuel A. Ramirez & Co.

Sandler O'Neill & Partners

UBS Investment Bank

**EUROPEAN
DISTRIBUTION AGENTS**

Wachovia Securities International Limited

Barclays Capital

Bear, Stearns International Limited

Citigroup

Credit Suisse First Boston

Goldman Sachs International

Guzman & Company

J.P. Morgan Securities Ltd.

Lehman Brothers

Merrill Lynch International

UBS Investment Bank

Utendahl Capital Partners, L.P.

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Utendahl Capital Partners, L.P.

The Williams Capital Group

UNITED STATES REGISTRAR AND

DOMESTIC PAYING AGENT

**Wachovia Bank,
National Association**

One Wachovia Center

Charlotte, North Carolina 28288-0600

United States of America

LONDON PAYING AGENT

AND LONDON ISSUING AGENT

Citibank, N.A.

P.O. Box 18055

5 Carmelite Street,

London EC4Y 0PA

LUXEMBOURG PAYING AGENT,

LISTING AGENT

AND TRANSFER AGENT

Dexia Banque Internationale à Luxembourg

69, route d Esch

L-2953 Luxembourg

LEGAL ADVISORS

To the Issuer

As to United States Law:

Ross E. Jeffries, Jr., Esq.

Senior Vice President and

Assistant General Counsel

Wachovia Corporation

One Wachovia Center

Charlotte, North Carolina 28288-0630

United States of America

To the Distribution Agents

As to United States Law:

Sullivan & Cromwell LLP

125 Broad Street

New York, New York 10004

United States of America

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Wachovia Corporation

% Enhanced Yield Securities

Linked to the Common Stock of General Motors Corporation

due September 5, 2007

PROSPECTUS SUPPLEMENT

•, 2006

Wachovia Securities