

## Terms and Conditions for Issue of the Penta Public Plus 54 Bond

<b>Issuer identification:</b>	Penta Funding Public II, s.r.o., with its registered office at Digital Park II, Einsteinova 25, 851 01 Bratislava, Slovak Republic, Identification No.: 51 255 677, registered in the Commercial Register of the District Court Bratislava I, section: Sro, insert No.: 124582/B, Legal Entity Identifier (LEI): 097900BIB00000125904 (hereinafter referred to as the "Issuer")
<b>Bond name:</b>	Bond Penta Public Plus 54 (hereinafter referred to as a "Bond" or the "Bonds")
<b>ISIN:</b>	SK4120014093
<b>Bond type and form:</b>	Bearer Bonds
<b>Bond definition:</b>	Registered securities
<b>Nominal value of one Bond:</b>	EUR 1,000
<b>Minimum investment by one initial acquirer:</b>	EUR 3,000
<b>Number of Bonds:</b>	10,000
<b>Date of the issue:</b>	28.05.2018
<b>Maturity date of the nominal value of the Bonds:</b>	28.11.2019 Bonds shall bear no interest after this date.
<b>Laws under which the Bonds are issued:</b>	The laws of the Slovak Republic
<b>Bond status:</b>	Unsubordinated, secured in accordance with Section 20b of Act No. 530/1990 Coll. on Bonds, as amended (hereinafter referred to as the "Act on Bonds")
<b>Form and manner of security:</b>	Pledge over the Issuer's receivables for the benefit of the holders of the Bonds, through the security agent
<b>Terms and conditions applicable to the prepayment of the nominal value of the Bonds and payment of the proportional amount of the Bond yield by the Issuer's decision:</b>	<p>The Issuer reserves the right to prepay the nominal value of the Bonds (hereinafter referred to as the "Prepayment") under the following terms and conditions:</p> <ol style="list-style-type: none"> <li>1. The Prepayment may take place only on one of the following days: 28.05.2019.</li> <li>2. The Issuer shall notify the exercise of its right to execute the Prepayment in nationwide periodicals publishing stock exchange news.</li> <li>3. The date of the Prepayment of the nominal value of the Bonds shall be: <ol style="list-style-type: none"> <li>a) the day determined by the Issuer in the notice under clause 2 provided that such a day (i) is an available prepayment date under clause 1 and, at the same time, (ii) it occurs no earlier than 14 days after the publication of the notice under clause 2;</li> <li>b) such next available prepayment date following the publication of the notice under clause 2, which shall occur no sooner than 14 days after the publication of the notice provided that the Issuer does not determine in the notice any date for the Prepayment of the</li> </ol> </li> </ol>

nominal value of the Bonds  
(hereinafter referred to as the "Prepayment Date"); this shall  
be without prejudice to clause 5.

4. In cases that are not covered by clause 3(a) or (b), it shall be presumed that the Issuer has not exercised its right to execute the Prepayment.
5. If the Prepayment Date determined under clause 3 is a day that is not a business day, the next following business day shall be deemed to be the Prepayment Date, and the holder of a Bond shall not be entitled to any interest or any other performance in respect of this postponement of the Prepayment Date.
6. If the Issuer exercises its right to execute the Prepayment, the Issuer shall, on the Prepayment Date, pay the nominal value of the Bonds and the pro rata part of the Bond yield determined in the manner under the clause "Manner of determination of the Bond yield" of these terms and conditions.
7. Bonds shall bear no interest after their Prepayment.

**Mandatory Prepayment  
of the nominal value of  
the Bonds and payment  
of the pro rata part of the  
Bond yield due to cross-  
default:**

**Mandatory Prepayment  
of the nominal value of  
the Bonds and payment  
of the pro rata part of the  
Bond yield due to a fall  
in the exchange rate (in  
the case of multiple  
issues of the Issuer's  
Bonds):**

The Issuer shall immediately repay the holders of the Bonds the nominal value of the Bonds together with the pro rata part of the Bond yield on a day on which any due amount under the Bonds or any other bonds issued by the Issuer in the ordinary course of its business also as secured Bonds under Section 20b of the Act on Bonds (cross-default) is not paid on the due date.

If, besides the Bonds, the Issuer also issues other secured bonds that are denominated in a currency other than the euro, the Issuer shall, on each business day, convert the total nominal value of all Bonds including all future bonds issued and outstanding on the relevant business day from the currencies in which the future bonds are denominated into the euro currency, using the official exchange rate published on the relevant business day by the European Central Bank for the purchase of the euro currency for the currency of those future bonds denominated in a currency other than the euro (or if such an exchange rate is not published for the relevant business day, it shall use the exchange rate that was most recently published before such a conversion).

If the total amount of the nominal values of all Bonds, including all future bonds issued and outstanding on any business day (in the case of any future bonds denominated in a currency other than the euro, taking into account their nominal value converted into the euro using the above method) exceeds the maximum amount of principal to which the receivables are secured under the pledge agreement (as this term is defined in the section "Security Agent" below), the Issuer shall:

- (i) notify, without undue delay, the joint representative of the holders of the Bonds appointed under the section "Joint representative of the Holders of the Bonds" below and the security agent appointed under the section "Security Agent" below;
- (ii) repay or prepay the total nominal value of such Bond issue from among all the Bonds having the earliest payable yield as well as the pro rata part of the yield of such issue from among all the Bonds at the earliest maturity date of the yield on such an issue from among all the Bonds.

The Issuer shall prepay the total nominal value of the relevant issue

from all the Bonds and the pro rata part of the yield of such an issue from among all the Bonds in the manner and within the period of time specified above even if the security agent notifies the Issuer in writing of its exceeding the maximum amount of principal to which the receivables are secured under the pledge agreement.

<b>Date of Bond issue commencement:</b>	28.05.2018
<b>Anticipated issue period of the Bonds, method of their issue:</b>	The Bonds are anticipated to be issued from 28.05.2018 to 28.04.2019. The Bonds will be issued based on a public offer.
<b>Method of determination of the Bond yield:</b>	<p>The yield is determined at the fixed interest rate of 3.40 % p.a. of the nominal value of the Bond. The yield shall be calculated as the product of (i) the nominal value of the Bond, (ii) the fixed interest rate under the preceding sentence, and (iii) the ratio held by the number of days of the current period to the number of days of the current year where:</p> <ol style="list-style-type: none"> <li>1. the number of days of the current period means the actual number of days of the relevant (current) period between the current Bond yield payment date and the immediately preceding Bond yield payment date, or (if there is no such Bond yield payment date) the issue date,</li> <li>2. the current year means the period from the issue date to the date of the first anniversary of the issue date (inclusive) and each subsequent period from the day following the last day of the preceding period to the first anniversary of the last day of the preceding period (inclusive), depending on under which of these periods falls the relevant Bond yield payment dates, and</li> <li>3. the number of days of the current year means the product of the number of days of the current period and the number of the Bond yield payment dates for the current year, i.e. the basis for the calculation of the yield is Act/Act under ICMA Rule 251.</li> </ol>
<b>Issue price of the Bonds:</b>	100% of the nominal value of the Bond
<b>Bond yield payment dates:</b>	28.08.2018, 28.11.2018, 28.05.2019 and 28.11.2019. If the date under the preceding sentence is a day that is not a business day, the next following business day shall be considered to be the Bond yield payment date and the holder of the Bond shall not be entitled to any interest or any other performance in respect of that postponement of the Bond yield payment date.
<b>Ex-coupon dates:</b>	<p>14.08.2018 (as of the Bond yield payment date of 28.08.2018),  14.11.2018 (as of the Bond yield payment date of 28.11.2018),  14.05.2019 (as of the Bond yield payment date of 28.05.2019),  14.11.2019 (as of the Bond yield payment date of 28.11.2019).</p> <p>A Bond yield payment for the relevant period shall only be received by a holder of the Bond who is a holder of the Bond according to the records kept by Centrálny depozitár cenných papierov SR, a.s., on the business day immediately preceding an Ex-Coupon date.</p>
<b>Repayment of the nominal value of the Bonds:</b>	The Issuer shall repay the total nominal value of the Bond by a lump sum on the day that is the maturity date of the nominal value of the Bond or on the Prepayment Date. If the maturity date of the nominal value of the Bond falls on a day that is not a business day, the next following business day shall be deemed the maturity date, and the holder of the Bond shall not be entitled to any interest or

	any other performance in respect of this postponement of the payment.
<b>Ex-principal date:</b>	The ex-principal date shall be 14.11.2019. In the case of prepayment of the Bonds, the ex-principal date shall correspond to the last ex-coupon date preceding the Prepayment Date of the nominal value of the Bond. The nominal value of the Bond will be paid only to a holder of the Bond who is a holder of the Bond according to the records kept by Centrálny depozitár cenných papierov SR, a.s., on the business day immediately preceding the ex-principal date.
<b>Method of payment of the Bond yield and repayment of the nominal value of the Bonds:</b>	The Bond yield payment and repayment of the nominal value of the Bonds shall take place in the form of a wire transfer to the account of the holder.
<b>Payment place for the payment of the Bond yield and the nominal value of the Bonds:</b>	Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419, Legal Entity Identifier (LEI): 31570020000000004154
<b>Purpose of the use of the funds raised by issuing the Bonds:</b>	The funds raised by the issue of the Bonds will be used by the Issuer to finance the investment projects of the Penta group of companies, i.e. the companies belonging to the consolidated group of PENTA INVESTMENTS LIMITED, with its registered office at 3rd Floor, Osprey House, Old Street 5-7, JE2 3RG St. Helier, Jersey, registered in the Companies Registry maintained by the Jersey Financial Services Commission under Reg. No. 109645 (hereinafter referred to as "Penta Jersey") through a loan provided to Penta Jersey under the Framework Loan Agreement entered into on 22 May 2018 (hereinafter referred to as the "Framework Loan Agreement"). Repayment of the Bonds at their maturity is, however, not conditional or otherwise dependent on the repayment of the Issuer's receivables owed to it by Penta Jersey arising from the Framework Loan Agreement; the Issuer's obligations under the Bonds are Issuer's separate obligations and the Bonds are not asset-backed securities under Article 2(5) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.
<b>Meeting of the holders of the Bonds:</b>	Not established.
<b>Joint representative of the Holders of the Bonds:</b>	<p>Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419, Legal Entity Identifier (LEI): 31570020000000004154 (in this capacity hereinafter referred to as the "Joint Representative of the Holders of the Bonds") is appointed as the joint representative of the holders of the Bonds.</p> <p>The Joint Representative of the Holders of the Bonds may and shall:</p> <ul style="list-style-type: none"> <li>(i) exercise on behalf of all holders of the Bonds the rights attached to the Bonds to the extent defined by the terms and conditions, the intercreditor agreement, the pledge agreement (as both of these terms are defined below in section "Security Agent") and the prospectus;</li> <li>(ii) check compliance with the terms and conditions, the intercreditor agreement, the pledge agreement and the prospectus by the Issuer;</li> <li>(iii) perform other acts in the name of all holders of the Bonds and/or otherwise protect their interests in the manner and to</li> </ul>



the extent determined by the terms and conditions, the intercreditor agreement, the pledge agreement and the prospectus;

- (iv) inform the holders of the Bonds about any matters of essential nature (such as non-compliance with the terms and conditions, the intercreditor agreement, the pledge agreement and the prospectus by the Issuer), in the manner specified in the intercreditor agreement.

The holders of the Bonds cannot separately exercise the right of the holders of the Bonds attached to the Bonds to the extent to which they are exercised by the Joint Representative of the Holders of the Bonds. This shall be without prejudice to the rights of the holders of the Bonds arising from the mandatory provisions of the Bonds Act.

When performing its duties, the Joint Representative of the Holders of the Bonds shall act with due care and in accordance with the interests of the holders of the Bonds that are or ought to be known to it and shall be bound by the instructions of the meeting of the holders of the Bonds if such a meeting was established. This shall not apply if such instructions are contrary to the generally binding legal regulations or require action that is inconsistent with the common interests of all holders of the Bonds.

In the prospectus, the holders of the Bonds are informed about the risk of a potential conflict of interest between the Joint Representative of the holders of the Bonds and the holders of the Bonds as a result of the fact that the Joint Representative of the holders of the Bonds is a member of the Penta group. However, the Issuer does not perceive this fact as causing a conflict of interest in relation to the holders of the Bonds because while performing its duties, the Joint Representative of holders of the Bonds, who is an entity subject to regulation and supervision on the financial market, shall act with due professional care for the benefit of all holders of the Bonds in accordance with the Act on Bonds, the Securities Act, the terms and conditions, the prospectus and the intercreditor agreement.

The Joint Representative of the Holders of the Bonds shall cease to exist:

- (i) by fulfilling all the obligations arising to it from being the Joint Representative of the Holders of the Bonds;
- (ii) by being removed as the Joint Representative of the Holders of the Bonds;
- (iii) by resigning as the Joint Representative of the Holders of the Bonds;
- (iv) by terminating the Joint Representative of the Holders of the Bonds;
- (v) by dissolution of the legal person of the Joint Representative of the Holders of the Bonds without a legal successor.

After the termination of the Joint Representative of the Holders of the Bonds, the Act on Bonds shall be followed.

The Joint Representative of the Holders of the Bonds shall be liable for damage caused by a breach of its obligations under the terms and conditions, the intercreditor agreement, the pledge agreement and the prospectus.

#### **Security for the Bonds:**

The Bonds are secured as of the issue date in accordance with Section 20b of the Bonds Act by a first-ranking pledge (hereinafter referred to as the "Pledge") over the Issuer's receivables owed to it by: (i) Penta Jersey, arising from the Framework Loan Agreement, a copy of which is available for inspection by the holders of the Bonds at their request at a date agreed in advance during the usual working hours with the administrator of the issue, Privatbanka, a.s.,

in the office specified at Einsteinova 25, 851 01 Bratislava 5, Slovak Republic (hereinafter referred to as the “Designated Office of the Administrator”) and by (ii) Privatbanka, a.s., with its registered office at Einsteinova 25, 851 01 Bratislava, Slovak Republic, Identification No.: 31 634 419, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No: 3714/B, Legal Entity Identifier (LEI): 31570020000000004154 (in this capacity hereinafter referred to as the “Account Bank”) under the maintenance agreement of the account, IBAN No. SK87 8120 0000 0086 3981 4060, entered into between the Issuer as the holder of that account and the Account Bank as the bank at which the account has been opened and maintained; all amounts due under the Framework Loan Agreement will be repaid by Penta Jersey to the Issuer solely for the benefit of that account.

The Bonds are not issued as asset-backed securities under Article 2(5) of the Commission regulation (EC) No 809/2004 implementing the Prospectus Directive because they do not constitute any equity participation in assets or any other rights intended to ensure the servicing of the due amounts or to ensure acceptance or timeliness of the receipt of the due amounts by the holders of assets (paragraph (a) of the quoted provision) and are not asset-backed securities that have payment-dependent payments (or reasonable payments estimates) calculated with reference to identified or identifiable assets (paragraph (b) of the quoted provision).

**Security Agent:**

Privatbanka, a.s., Einsteinova 25, 851 01 Bratislava 5, Slovak Republic, Identification No.: 31 634 419, Legal Entity Identifier (LEI): 31570020000000004154 (in this capacity hereinafter referred to as the “Security Agent”) was appointed as security agent, in accordance with Section 20b(3) of the Act on Bonds. For the avoidance of doubt, the provision of Section 5d of the Act on Bonds shall not apply to the activity of the Security Agent.

The pledge agreement under which the Pledge is created and which also includes details of the manner in which the Pledge is to be enforced (hereinafter referred to as the “Pledge Agreement”) is available for inspection by the holders of the Bonds at their request at a date agreed in advance during the usual working hours in the Designated Office of the Administrator (including the notice of creation of pledge to Penta Jersey as a subdebtor under the pledged receivable and Penta Jersey’s confirmation of receipt of the notice in question). The Pledge Agreement was entered into on 22 May 2018 between the Issuer as pledgor and the Security Agent as pledgee and as joint and several creditor with each holders of the Bonds of each of the Issuer’s obligation in respect of the Bonds.

*Capacity of the Security Agent*

By subscribing, purchasing or otherwise acquiring the Bond, each holder of the Bonds agrees that:

- (i) for the purposes of creating, protecting, exercising and enforcing the Pledge and any other rights arising from the Pledge Agreement, the Security Agent shall be the joint and several creditor of the Issuer’s each monetary obligation under the Bonds owed to each and any holder of the Bonds, and that for this reason, the Security Agent shall have its own and independent right to demand that the Issuer fulfil these obligations under the Bonds as they fall due; by each fulfilment of any such obligation under the Bonds to the Security Agent, the corresponding obligation owed to the relevant holder of the Bonds will be fulfilled to

- the same extent, and vice versa;
- (ii) the exercise of all its rights and enforcing all its claims for repayment of obligations under the Bonds by enforcing the Pledge (including the exercise, registration and enforcement of the Issuer's obligation under the Bonds secured by the Pledge in bankruptcy or other proceedings) exclusively through the Security Agent who, when enforcing the Pledge, will accept instructions from the Joint Representative of the Holders of the Bonds to the extent specified in the Pledge Agreement and the intercreditor agreement;
  - (iii) any right exercised by the Security Agent in relation to the enforcement of the Pledge or other entitlement under the Pledge Agreement shall be deemed to be exercised by the Security Agent as creditor and secured creditor who fully benefits from the Pledge or other right under the Pledge Agreement;
  - (iv) the Security Agent shall distribute the proceeds of enforcement of the Pledge as a result of the exercise and enforcement of the rights under the Pledge or other right under the Pledge Agreement in accordance with Article 3.4 (*Partial Payments*) of the intercreditor agreement and, after such distribution, the Security Agent will not have to pay any more to any holder of the Bonds in accordance with Section 515 of Act No. 40/1964 Coll. the Civil Code, as amended;
  - (v) the Pledge Agreement and the intercreditor agreement be entered into.

The relationship between the Issuer, the Joint Representative of the Holders of the Bonds and the Security Agent in connection with the possible enforcement of the Pledge for the benefit of the holders of the Bonds and in connection with some other administrative proceedings in connection with the Pledge shall be regulated in the intercreditor agreement dated 11 May 2018 (hereinafter referred to as the "Intercreditor Agreement"). A copy of the Intercreditor Agreement shall be available for inspection by the holders of the Bonds, at their request, at a date agreed in advance during the usual working hours in the Designated Office of the Administrator.

When performing its duties as Security Agent, the Security Agent shall proceed with due professional care and in the interest of all holders of the Bonds. The Security Agent shall have only the rights and obligations arising from the terms and conditions, the Intercreditor Agreement, the Pledge Agreement, the agency agreement entered into on 11 May 2018 (under which the Security Agent was authorised to perform its activities by the Issuer and which copy is available for inspection by the holders of the Bonds, at their request, at a date agreed in advance during the usual working hours in the Designated Office of the Administrator) and the prospectus.

#### *Rights and obligations of the Security Agent*

The Security Agent, as the joint and several creditor with each holder of the Bonds under the terms and conditions, may and shall request from the Issuer, for the benefit of the holders of the Bonds, the payment of any amount the Issuer is required to pay to any holder of the Bonds in respect of the Issuer's obligation arising from the Bonds.

The Security Agent, as the joint and several creditor with each of

the holders of the Bonds under the terms and conditions, will in accordance with Section 20b(3) of the Act on Bonds be the only one to enforce the Pledge and all other rights arising from the Pledge Agreement for the benefit of the holders of the Bonds. Instructions on behalf of the holders of the Bonds in connection with the exercise of the Pledge shall be given to the Security Agent by the Joint Representative of the Holders of the Bonds. Thus, when enforcing the Pledge, the holders of the Bonds will be able (through the Security Agent and based on the instructions from the Joint Representative of the Holders of the Bonds) to satisfy their receivables under the Bonds from the Pledge – the receivables that are subject to the Pledge, in accordance with the law, the terms and conditions, the Pledge Agreement and the prospectus. This shall be without prejudice to the right of the holders of the Bonds to demand that the Issuer satisfy their receivables under the Bonds in any other manner permitted under the relevant laws.

The Security Agent may and shall equally exercise all rights, powers, authorisations and decision-making rights arising from the security documents related to the Pledge in accordance with the terms and conditions, the Intercreditor Agreement, the Pledge Agreement, the agency agreement and the prospectus.

If, besides the Bonds, the Issuer also issues other secured bonds that are denominated in a currency other than the euro, the Security Agent shall, on each business day, convert the total nominal value of all Bonds including all future bonds issued and outstanding on the relevant business day from the currencies in which the future bonds are denominated into the euro currency, using the official exchange rate published on the relevant business day by the European Central Bank for the purchase of the euro currency for the currency of those future bonds denominated in a currency other than the euro (or if such exchange rate is not published for the relevant business day, it will use the exchange rate that was most recently published before such a conversion.)

If the total amount of the nominal values of all the Bonds, including all future bonds issued and outstanding on any business day (in the case of future bonds denominated in a currency other than the euro, taking into account their nominal value converted into the euro by the above method), exceeds the maximum amount of principal to which the receivables are secured under the Pledge Agreement, the Security Agent shall notify the Issuer about this fact without undue delay in writing and at the same time request the Issuer to proceed with the mandatory prepayment of the total value of the relevant issue from all the Bonds and the pro rata part of the yield from that issue of the Bonds, in accordance with the section “Mandatory Prepayment of the nominal value of the Bonds and payment of the pro rata part of the Bond yield due to a fall in the exchange rate (in the case of multiple issues of the Issuer’s Bonds)” above.

Unless otherwise stipulated in the terms and conditions or in the prospectus, the Security Agent shall deposit any payment received for the holders of the Bonds within 5 (five) business days to the account of the administrator of the issue for the purpose of payment of the due amounts to the holders of the Bonds in accordance with the terms and conditions and the prospectus. The Security Agent is not obliged to pay interest on any cash amounts held by it for the holders of the Bonds.

#### *Termination of the office of the Security Agent*

If the Security Agent is terminated without a legal successor,



resigns as the Security Agent, is not able to perform its ordinary business activities (due to the withdrawal of the relevant business licenses, insolvency proceedings, etc.) or grossly violates the duties when performing the office of the Security Agent, the Issuer shall without undue delay appoint another person having the licence of the securities trader to act as Security Agent in connection with the Bonds who may, under a license issued by the competent authority, as as and render services provided by the Security Agent in connection with the Bonds (hereinafter referred to as the “New Security Agent”). However, this change shall not affect the position or interests of the holders of the Bonds. For this purpose, the Issuer shall, without delay, then enter into a new security documents with the New Security Agent, which shall in all material respects correspond to the original security documents, and the current Security Agent shall provide all its co-operation in connection with the replacement of the Security Agent. In the event of any other early termination of the office of the Security Agent, the potential termination of the office of the Security Agent shall not become effective until the New Security Agent in respect of the Bonds is appointed, who will fully take over the rights and obligations of the current Security Agent resulting to it from the Intercreditor Agreement, the Pledge Agreement, the terms and conditions, the agency agreement and the prospectus, including the entering into of a new Pledge Agreement so that, at the latest at the moment of the change of the Security Agent, the Pledge is validly created for the benefit of the New Security Agent. The Issuer shall notify the holders of the Bonds of the change of the Security Agent without undue delay in accordance with clause 4.4.22 of the prospectus.

After replacing the Security Agent for any reason under the terms and conditions and the prospectus, for the purposes of the definition of the Security Agent and the terms and condition and the prospectus, the New Security Agent will continue to be deemed as the “Security Agent” to the full extent.

**Creation of security:**

By entering into the Pledge Agreement, on 22 May 2018, the Issuer created the Pledge over the receivables of the Issuer under the Framework Loan Agreement and under the account agreement in the first rank for the name of the Security Agent and provided for its perfection (on 23 May 2018, by its registration in the Notarial Central Register of Pledges) and effectiveness vis-à-vis PENTA INVESTMENTS LIMITED JERSEY as subdebtor (on 23 May 2018, by a written notice to the subdebtor). The Issuer will maintain the Pledge in full until the repayment of all the Issuer's obligations arising from the Bonds.

The Security Agent shall not be liable to the holders of the Bonds for the fact that the Pledge has not been validly created or has not become effective or that it has performed or has not performed any action in respect of the Pledge Agreement except as a result of gross negligence or wilful misconduct of the Security Agent.

**Enforcement of the Issuer's obligations through the Security Agent:**

The Security Agent, as the joint and several creditor with each of the holders of the Bonds under the terms and conditions, may request that the Issuer pay, for the benefit of the holders of the Bonds, any due amount the Issuer is required to pay to any holder of the Bonds in connection with the Issuer's obligation arising from the Bonds, including its enforcement through the enforcement of the Pledge (that is created for the name of the Security Agent). For this reason, all holders of the Bonds shall exercise their rights in respect of the Bonds that could in any way threaten the existence or quality of the Pledge (including the individual exercise, enforcement and

satisfaction of any monetary claims in respect of the Bonds vis-à-vis the Issuer by enforcement of the Pledge) only in cooperation with the Security Agent and through the Security Agent.

The Pledge Agreement and the Intercreditor Agreement determine the extent to which the Security Agent shall, when enforcing the Pledge, accept written instructions from the Joint Representative of the Holders of the Bonds and proceed in accordance with those instructions of the Joint Representative of the Holders of the Bonds.

**Procedure by the  
Security Agent when  
enforcing the Pledge:**

Once any receivable secured by the Pledge has remained unpaid (in whole or in part) when due, the Pledge shall become enforceable and the Security Agent may begin with the enforcement of the Pledge (unless it receives a different written instruction from the Joint Representative of the Holders of the Bonds in which case the pledgee shall proceed in accordance with the instruction from the Joint Representative of the Holders of the Bonds) under the conditions set out in the Pledge Agreement in one of the following ways: (i) by collecting the pledged receivables and applying the collected amounts; (ii) by direct sale of the pledged receivables; (iii) by the sale of the pledged receivables in the form of a the public tender pursuant to Section 281 et seq. of Act No. 513/1991 Coll., the Commercial Code, as amended; or (iv) by the sale of the pledged receivables at a voluntary auction under Act No. 527/2002 Coll., as amended.

The Security Agent shall have the right to take over all proceeds of the sale of the pledged receivables or the right to enforce the Pledge in another manner permitted by the Pledge Agreement and use it to repay all secured receivables due at that time in the following order:

- (i) first, for payment of all costs and expenses of the Security Agent (including, without limitation, the remuneration of legal and other professional advisers), fees and taxes (including VAT) incurred by the Security Agent in connection with the enforcement of the Pledge; and
- (ii) secondly, in the order determined under clause 3.4 (*Partial payments*) of the Intercreditor Agreement,

and if, after applying the proceeds according to paragraphs (i) and (ii) above, there is any surplus left which the Security Agent is not obliged to use otherwise under the applicable law, the Security Agent shall (in compliance with Section 151ma of Act No. 40/1964 Coll., the Civil Code, as amended) release this surplus to the Issuer without undue delay after using the proceeds according to paragraphs (i) and (ii) above.

Within 30 days of the completion of the sale of the pledged receivables, the Security Agent shall provide the Issuer and the Joint Representative of the Holders of the Bonds with a written report describing the individual steps of the sale process, the amount of the sale proceeds, the amount of the costs incurred in connection with the enforcement of the Pledge and information about the distribution of the sale proceeds.

**Issuer's Declaration:**

The Issuer declares that it owes the nominal value of the Bond to its holder and that the information given in these terms and conditions is complete, true and according to the requirements applicable to bonds under Section 3(1) and (2) of the Act on Bonds.

**Issuer's undertaking:**

The Issuer undertakes to pay the holder of the Bonds the nominal amount of the Bond and pay the Bond yield on dates specified in these terms and conditions.

**Transferability of the Bonds:**

Bonds are transferable to their new holder without any restrictions.

**Bond yield taxation:**

The Bond yield will be taxed in accordance with law applicable at the time of yield payments.

**Additional information:**

The Bonds will be issued under the laws applicable in the Slovak Republic. Any rights under the Bonds shall be subject to a limitation period of 10 years from their maturity date. No rights of first refusal, exchange or other rights other than those specified in these terms and conditions shall be attached to the Bonds. The facts associated with the exercise of the rights of the holders of the Bonds will be published in nationwide periodicals publishing stock exchange news and at the registered office of the Issuer. The records concerning the Bonds shall be kept by Centrálny depozitár cenných papierov SR, a.s..