

DISCLAIMER

*This document represents the terms and conditions of notes (the "**Notes**") to be issued by Nitra Holdings Czech Republic a.s. (the "**Issuer**").*

No prospectus in relation to the Notes has been or will be prepared by the Issuer or by any person with the Issuer's consent, nor has any such prospectus been, or will it be, filed with the Czech National Bank or any other supervisory authority for approval. The Issuer intends to issue and offer the Notes on the basis of an exception from the obligation to publish a prospectus. The Notes will not be offered to the public.

The distribution of this document and the offer, sale or purchase of the Notes may be restricted by law in certain jurisdictions. All persons in possession of this document will be responsible for observing any restrictions relating to the offer, purchase or sale of the Notes or to the possession and distribution of this document and any other materials relating to the Notes in all relevant jurisdictions.

All persons interested in the purchase of any Notes are deemed to have declared and agreed that (i) they became acquainted with all relevant restrictions on the offer and sale of the Notes (especially in the Czech Republic) applicable to such persons with respect to a particular offer or sale, (ii) they would offer the Notes for sale and they would sell the Notes only if all the relevant restrictions applicable to such persons with respect to a particular offer and sale have been observed, (iii) before offering any Notes for sale or before selling them, these persons are required to notify all prospective purchasers that any further offer or sale of the Notes may be subject to statutory restrictions in different jurisdictions that must be obeyed.

*The Notes will not be registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except under an exemption from the registration duty under the U.S. Securities Act or in transactions not subjected to registration under the U.S. Securities Act.*

*The Notes may not be offered or sold to persons in the United Kingdom of Great Britain and Northern Ireland (the "**United Kingdom**") through distributing any documents or notices, except for offers to persons authorized to trade in securities on their own or on someone else's account in the United Kingdom or under such circumstances that do not constitute a public offer of securities under the 1985 Companies Act, as amended. All legal acts pertaining to the Notes made in the United Kingdom, from the United Kingdom or otherwise associated with the United Kingdom in any manner whatsoever must also be performed in compliance with the Financial Services and Markets Act 2000 (FSMA 2000), as amended, Financial Promotion Order 2005, as amended, and with the Prospectus Regulations 2019 and The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020, as amended.*

The original version of these terms and conditions was prepared in Czech. In the event of any inconsistency between the language versions the Czech version prevails.

TERMS AND CONDITIONS OF THE NOTES

The substitutable notes issued by Nitra Holdings Czech Republic a.s., with its registered office at Věžeňská 116/5, Prague 1 – Old Town, Postal Code: 110 00, ID-No.: 051 66 373, registered with the Commercial Register under File No. B 21662 maintained by the Municipal Court in Prague (the "**Issuer**"), in the anticipated aggregate nominal value of EUR 9,000,000 (to wit: nine million euros), bearing a fixed interest rate of 8.75 percent (%) p.a., due in 2024 (the "**Issue**" and individual notes within the Issue as the "**Notes**"), are governed by these Terms and Conditions of the Notes (the "**Terms and Conditions**") and by Act No. 190/2004 Coll., on Notes, as amended (the "**Notes Act**").

The Note Issue was adopted by a decision of the Issuer's Board of Directors dated 10 June 2021. The ISIN of the Notes allocated by the Central Depository (as defined below) is CZ0003532798. The title of the Notes is "Notes of Nitra Holdings 8.75/2024".

Services of a fiscal and paying agent related to interest payments and Notes redemption will be provided by the Issuer (also as the "**Fiscal and Paying Agent**" as per context).

On the Issue Date, the Issuer did not apply to have the Notes admitted for trading on a regulated or other market.

If, in these Terms and Conditions, the Issuer, or the Major Shareholder (as defined below), undertakes to ensure that a third party fulfils a certain obligation, the Issuer, or the Major Shareholder, as the case may be, thereby undertakes – within the meaning of Section 1769, second sentence of Act No. 89/2012 Coll., the Civil Code, as amended (the "**NCC**") – to ensure that the third party will fulfil the obligation, as agreed. The first sentence of Section 1769 of the NCC does not apply.

1. GENERAL CHARACTERISTICS OF THE NOTES

1.1 Type, Form, Nominal Value, Anticipated Volume of the Issue

The Notes are issued as book-entered securities in bearer form. The nominal value of each Note is EUR 100,000 (to wit: one hundred thousand euros). The anticipated aggregate nominal value of the Issue is EUR 9,000,000 (to wit: nine million euros); the Issue will consist of 90 (to wit: ninety) pieces of Notes.

1.2 Detachment of the Right to Interest; Pre-emptive and Exchange Rights

There will be no detachment of the right to receive interest payable on the Notes. No pre-emptive or exchange rights are attached to the Notes.

1.3 Noteholders

Unless expressly stipulated otherwise herein, for the purpose of these Terms and Conditions "**Noteholder**" means a person on whose holder's account, maintained by the Central Depository or in follow-up records relating to the central registry for securities, the Note is recorded.

"**Central Depository**" means Centrální depozitář cenných papírů, a.s., a company with its registered office in Prague 1, Rybná 14, Postal Code: 110 05, ID-No.: 250 81 489, registered with the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert No. 4308.

Unless the Issuer is informed in a credible manner about facts proving that the Noteholder is not the owner of the relevant Notes, the Issuer and the Fiscal and Paying Agent will consider each Noteholder in all aspects as the beneficial owner thereof and will make payments to such Noteholder in accordance with these Terms and Conditions. Persons who are Noteholders and who are not registered for any reason in the relevant records of holders of book-entered securities (on their holder's account) will be obliged to promptly notify the Issuer and the Fiscal and Paying Agent of such fact and of their acquisition title to the Notes.

1.4 Transfer of the Notes

The transferability of the Notes is limited. The Notes may not be transferred to a third person without the Issuer's prior written consent. However, consent will not be withheld if, ahead of schedule, but no later than twenty (20) Business Days prior to the planned transfer, the Issuer is notified of the date of the planned transfer and receives (i) all information and documents that a financial institution domiciled in the EU commonly would require to conduct the Know Your Customer (KYC) procedure in order to

identify the potential purchaser of the Notes, (ii) all information and documents on the potential purchaser of the Notes as they may be reasonably required by UCBA (as defined below) or any financial institution that may provide financing to the Material Subsidiary (as defined below) and (iii) any other information that may be required for the determination of the right to receive payments related to the transferred Notes. If the results of the aforementioned procedure are satisfactory for the Issuer, the Issuer shall notify the Noteholder of its consent to the transfer within five (5) Business Days prior to the planned transfer; if, within the set time limit, the Issuer fails to notify a Noteholder of its opinion about the transfer, consent is deemed to have been given.

The Notes shall not be transferred if the proposed transferee is a Sanctioned Party.

In this context:

"Sanctioned Party" means a person that is:

- (i) listed on, or directly or indirectly owned or controlled by a person listed on, a Sanctions List, or a person acting on behalf of such a person;
- (ii) located in or organised under the laws of a country or territory that is the subject of country- or territory-wide Sanctions, or a person who is directly or indirectly owned or controlled by, or acting on behalf of such a person; or
- (iii) otherwise the subject of Sanctions.

"Sanctions" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"Sanctions Authority" means:

- (i) the Security Council of the United Nations;
- (ii) the US;
- (iii) the European Union;
- (iv) the member states of the European Union; and
- (v) the governments and official institutions or agencies of any of paragraphs (i) to (iv) above, including The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury, the US Department of State and Her Majesty's Treasury.

"Sanctions List" means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury, or any similar list maintained by, or public announcement of Sanctions designation made by, a Sanctions Authority and binding on the Issuer or any of its affiliates, each as amended, supplemented or substituted from time to time.

The transfer of the Notes will be effective upon the registration thereof in the holder's account maintained by the Central Depository in accordance with the rules and regulations of the Central Depository and under applicable laws. For those Notes recorded in the clients' (nominee) account in the Central Depository, the transfer of the Notes will be effective (i) upon the registration of that transfer to the clients' account in accordance with the rules and regulations of the Central Depository and under applicable laws, whereas the client account owner is obliged to promptly register such transfer to the holder's account the moment of registration thereof in the clients' account, or (ii) in the event of any transfer between the Noteholders within one clients' account, upon the registration of such transfer in the holder's account in follow-up records relating to the central registry for securities.

1.5 Rating

The Issuer's financial standing (rating) has not been assessed by any company registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council. No separate financial rating of the Issue has been assigned and, therefore, the Issue does not have a separate rating.

2. VOLUME OF THE ISSUE, ISSUE PRICE, SUBSCRIPTION PERIOD, METHOD OF NOTE ISSUE

2.1 Issue Date; Subscription Period

The issue date of the Notes is scheduled on 1 August 2021 (the "**Issue Date**"). The Issuer intends to issue the Notes in the aggregate nominal value of EUR 9,000,000 (to wit: eight million euros) in a single series on the Issue Date; if the Notes are not issued in a single series on the Issue Date, the rest of the Notes may be issued gradually in subsequent series (tranches) at any time after the Issue Date during the subscription period which starts on the date of these Terms and Conditions and ends eighteen (18) months after the Issue Date.

2.2 Issue Price

The issue price of any Notes issued on the Issue Date is equal to 100 percent (%) of par value. The issue price of any Notes issued after the Issue Date will be determined by the Issuer taking into account the prevailing current market conditions. Where relevant, a corresponding aliquot interest will be added to the amount of the issue price for any Notes issued after the Issue Date.

2.3 Method and Place of Note Subscription/Sale

The Issuer itself will offer the Notes for purchase, or exchange for outstanding notes in the aggregate nominal value of EUR 9,000,000, bearing a fixed interest rate of 8.75 percent (%) p.a., due 31 August 2021, ISIN: CZ0003514630 issued by the Issuer (the "**2016 Notes**"), to Czech and/or foreign investors in accordance with applicable laws and an exchange offer memorandum dated 24 May 2021 (the "**Exchange Offer Memorandum**").

The investors will be approached by the Issuer, in particular by means of distance communication (e-mail, telephone, etc.) and asked to place binding orders/instruction to subscribe/exchange the Notes. The orders for subscription of the Notes can be sent to the Issuer particularly by means of distance communication or they can be delivered to the Issuer's registered office; the exchange instruction will be sent to the Issuer in accordance with the exchange terms set out in the Exchange Offer Memorandum.

On the respective settlement dates, the Notes will be allocated to the asset accounts of individual subscribers kept by the Central Depository against payment of the issue price of the Notes (where relevant) by crediting them into a respective account notified by the Issuer to the individual subscribers for this purpose.

Any Notes may be issued by registering them on the Issuer's asset account maintained by the Central Depository in accordance with Section 15(4) of the Notes Act. Subsequently, the Issuer may sell any such Notes to Czech or foreign investors on the secondary market for any price.

2.4 Use of proceeds from the Issue

The Issuer shall use any proceeds from the Issue in particular, directly or indirectly, to purchase, exchange or repay the 2016 Notes, including any related costs and fees, to repay any shareholder's loans, to settle any investments in the Retail Project (as defined below), as well as to cover all costs and expenses incurred by the Issuer and third parties in connection with the Issue.

3. STATUS OF THE NOTES

3.1 Status of the Notes

The Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer secured by the Collateral Assets (as defined below) in favor of the Security Agent (as defined below), which rank and will always rank *pari passu* without preference among themselves, and at least *pari passu* with any other present or future unsubordinated and similarly secured obligations of the Issuer, except for such obligations of the Issuer that may be preferred by mandatory provisions of applicable law.

3.2 Security for Payment Obligations under the Notes; Security Agent

3.2.1. Security for Payment Obligations under the Notes

As at the Issue Date, any payment obligations under the Notes will be secured by a pledge over all (100%) of the Issuer's shares (the "**Shares**") held by Jonathan Wilkinson, born on 22 July 1966, domiciled at Tiché údolí 192, Postal Code: 252 63 Roztoky (the "**Major Shareholder**"), or other minority shareholders, and over receivables arising from the Issuer's account, opened and maintained by Česká spořitelna, a.s., or another bank domiciled in the Czech Republic, into which the total amount paid to members/shareholders by any Material Subsidiary of profit shares, dividends or other similar distributions will be directed (the "**Receivable**" and jointly with the Shares as the "**Collateral Assets**"). The pledge over the Shares and over the Receivable will be created in favour of the Security Agent, i.e. Independent Capital s.r.o. (the "**Security Agent**"). Throughout the Issue, all copies of the respective pledge agreements will be available to the Noteholders for inspection during regular business hours at the Specified Office of the Fiscal and Paying Agent.

"**Material Subsidiary**" means Zeon spol. s r.o., a limited liability company established under Slovak law, with its registered office at Tomášikova 50/E, 831 04 Bratislava, Slovakia, ID-No.: 35 865 105.

In an effort to enhance the position of the Noteholders, the Issuer has decided to ensure redemption of the Notes by creating a pledge over the Collateral Assets by use of a Security Agent, which is contractually obliged to pay to the Fiscal and Paying Agent the proceeds realized from the Collateral Assets for the purpose of their payment to the Noteholders in the amount of the Issuer's outstanding payment obligations. To avoid any doubts, the provisions of Section 1868(1) of the NCC (or any related provisions, particularly Section 1126 *et seq.* of the NCC) do not apply to the activity of the Security Agent. The Security Agent performs its activity in accordance with Section 2010 (2) of the NCC and Sections 20 and 20a of the Notes Act.

The relationship between the Issuer and the Security Agent in connection with a possible future realization of the Collateral Assets in favour of the Noteholders as well as in connection with some other administrative actions related to the Collateral Assets is regulated in an agreement between the Issuer and the Security Agent (the "**Security Agent Agreement**"). A copy of the Security Agent Agreement is available to the Noteholders for inspection during regular business hours at the Specified Office of the Fiscal and Paying Agent.

When discharging its duties and responsibilities, the Security Agent is obliged to act with due care and in compliance with instructions issued by the Noteholders in the form of a resolution of the Meeting (as defined in Article 12.1.1), as provided below, except when – in the Security Agent's discretion – any resolutions of the Meeting are contrary to applicable laws or good morals. If the Security Agent ceases to exist without any legal successor or is unable to pursue its core business activities (due to a revocation of relevant trade licences, insolvency proceedings, etc.) or if the Security Agent materially breaches any of its duties and responsibilities as Security Agent, the Issuer shall forthwith authorize another person (holding the relevant securities broker's license authorizing it to act as Security Agent) to act as Security Agent in respect of the Notes. However, any such change may not affect the position or interests of the Noteholders. For this purpose, the Issuer shall, after such change, immediately enter into new security documentation with a new Security Agent; the new security documentation must correspond in all material respects with the current security documentation. The existing Security Agent is obliged to provide all cooperation necessary in relation to its recall and replacement. The Issuer shall immediately notify the Noteholders of the Security Agent's replacement in accordance with Article 13 of these Terms and Conditions.

3.3 Security Agent

The Security Agent is entitled and obliged, in compliance with a respective resolution of the Meeting, to claim from the Issuer payment of any amounts owed by the Issuer to any Noteholders in respect of the Issuer's payment obligations arising from the Notes. The Security Agent is further entitled and obliged to exercise any and all rights, powers, authorizations and decision-making rights resulting from the security documentation in respect of the Security (including the exercise of voting rights associated with the Shares) in accordance with these Terms and Conditions, the Security Agent Agreement and relevant pledge agreements, including the obligation to ensure that – to the best knowledge and with due care and diligence of the Security Agent – no Event of Default occurs as a result of the exercise of voting rights associated with the Shares. All Collateral Assets are established in favour of the Security Agent. In addition, by subscribing or purchasing the Notes, every Noteholder appoints the Security Agent as the sole party (in whose favour the Collateral Assets are established) to the security documentation to exercise – in its name and on the account of the respective Noteholder – any and all rights, powers, authorizations and decision-making rights resulting from the security documentation (including voting rights associated with the Shares).

3.4 Establishment of the Collateral Assets

The Issuer shall establish the Collateral Assets as at the Issue Date. The Issuer shall duly maintain all the Collateral Assets until all of its payment obligations under the Notes have been paid.

The Security Agent holds no responsibility to the Noteholders if the Collateral Assets are not validly established or do not become effective, or if the Security Agent takes or fails to take any acts in connection with a pledge agreement relating to the subject of the Collateral Assets, except in the event of the Security Agent's gross negligence or wilful unlawful misconduct.

3.5 Recovery of the Issuer's Payment Obligations through the Security Agent

The Security Agent may claim from the Issuer payment of any amounts owed by the Issuer to any Noteholders in respect of the Issuer's payment obligations under the Notes, including the recovery of such amounts through a realization of the Collateral Assets (established solely in favour of the Security Agent). Therefore, all Noteholders are obliged to exercise their rights from the Notes that could in any way threaten the existence or quality of the Collateral Assets (including the application and recovery of any monetary receivable(s) towards the Issuer under the Notes by realizing the Collateral Assets) only in cooperation with and through the Security Agent. If any Event of Default (as defined in Article 9.1 of these Terms and Conditions) occurs, the recovery of the Issuer's payment obligations through the Security Agent (including the realization of the Collateral Assets) will be decided at a Meeting convened in accordance with these Terms and Conditions. The Meeting will decide on the recovery of the Issuer's payment obligations through the Security Agent (including the realization of the Collateral Assets) by a simple majority of votes of the Noteholders attending the Meeting, and it will also determine the joint actions of the Noteholders and the manner in which the pledge is to be exercised in compliance with the law and relevant pledge agreements; when deciding on the manner of exercising the pledge, the Meeting shall in particular respect the exercise methods, deadlines and correctives set forth in the pledge agreements relating to the Collateral Assets.

3.6 Security Agent's Action when Recovering Payment obligations and Realizing the Collateral Assets

If any Event of Default occurs and the Meeting subsequently decides, in accordance with Article 3.5, on the recovery of the Issuer's payment obligations through the Security Agent and on a possible future realization of the Collateral Assets (including the manner in which the Collateral Assets are to be realized, whereas "realization of the Collateral Assets" is also understood as the retaining of the Shares under the conditions set forth in a relevant pledge agreement), the Security Agent shall act in line with the Meeting's resolution, including realization of the Collateral Assets in a specified manner, without delay after having received minutes of the Meeting from the Issuer, the Fiscal and Paying Agent or any Noteholders. Before starting to realize the Collateral Assets, the Security Agent is entitled to request the Noteholders for a reasonable advance on the costs of realizing the Collateral Assets and for other necessary cooperation or assurances (including the promise of indemnity for the Issuer's overdue payment obligations incurred in connection with the realization of the Collateral Assets) related to the Security Agent's services provided when realizing the Collateral Assets. After deducting its own costs, other possible expenses associated with realizing the Collateral Assets and remuneration of 1 percent (%) of the proceeds from realization of the Collateral Assets, the Security Agent shall transfer the proceeds from realization of the Collateral Assets into the Fiscal and Paying Agent's account for their payment to the Noteholders in conformity with these Terms and Conditions. Any surplus incurred will be returned to the Issuer after all payment obligations under the Notes have been paid. During the discharge of its duties and responsibilities, the Security Agent shall notify (itself or through the Administrator) the Noteholders of the procedure followed when realizing the Collateral Assets and of the content of any statement/document which is, in the Security Agent's sole discretion, significant and which the Security Agent has made/executed or received from the Issuer or any other person in connection with the Collateral Assets, and namely in the manner specified in a respective resolution of the Meeting. If the proceeds from realization of the Collateral Assets do not sufficiently cover all payment obligations under the Notes, the individual Noteholders will be satisfied from the proceeds of realization of the Collateral Assets on a proportionate basis. Any unsatisfied part of the payment obligations under the Notes will be enforceable against the Issuer in accordance with applicable laws.

4. NEGATIVE PLEDGE AND OTHER ISSUER'S COVENANTS

4.1 Negative Pledge

The Issuer undertakes that until all its payment obligations under the issued and outstanding Notes under these Terms and Conditions are satisfied, it shall not establish, or allow the establishment of, any security for any Liabilities by way of pledges or other similar third-party rights that would restrict the Issuer's rights over its present or future assets or income, unless the Issuer procures on or before the establishment of such pledges or other similar third-party rights that its payment obligations stemming from the Notes are secured (i) on a *pari passu* basis with its Liabilities so secured, or (ii) in any other manner approved by a resolution of the Meeting (as defined in Article 12 of these Terms and Conditions).

The provision of the preceding paragraph does not apply to any of: (i) any pledges or other similar third-party rights established by operation of law or under a judicial or administrative ruling; (ii) security agreement creating a pledge in the first ranking over the 100 per cent. of the shares (ownership interest) in the Material Subsidiary between, inter alia, the Issuer as pledgor and UniCredit Bank Austria AG, a bank incorporated in the Republic of Austria, with its registered office located at Schottengasse 6-8, A-1010 Vienna, Austria, registered in the Register of Companies of Vienna Commercial Court under No.: FN 150714p ("**UCBA**") as pledgee, as it may be amended from time to time, entered into in connection to the EUR 30,182,000 Term Facility Agreement signed on 12 August 2016 between, inter alia, UCBA as mandated lead arranger, original lender, original hedge counterparty, agent and security agent and the Material Subsidiary as borrower, as amended (the "**Facility Agreement**") and related finance documents, (iii) any other security agreement as may be entered into between the Issuer and UCBA in connection and for purposes of securing debts under or in connection with the Facility Agreement and related finance documents; (vi) any subordination agreement providing for contractual subordination of any existing and future claims of the Issuer to all existing and future claims of UCBA (or another finance party as such claims may be assigned or transferred to in accordance with the Facility Agreement) as it may be amended from time to time; or (vii) any other security agreements as may be entered into by the Issuer and another bank in connection with and for the purposes of repayment of the loan provided in connection with the Facility Agreement.

For the purposes of these Terms and Conditions, "**Liabilities**" means the Issuer's obligations to pay any outstanding amounts arising from debt financing, including the guarantor's obligations. For the purposes of the definition of Liabilities, "**guarantor's Obligations**" means obligations assumed by the Issuer for third-party liabilities under debt financing in the form of a guarantor's declaration, financial guarantee or other forms of assurance, surety, aval (in Czech: *směnečné rukojemství*) or acceptance of joint and severe obligation.

4.2 Limitation on Distribution Payments

Until all its payment obligations under the issued and outstanding Notes under these Terms and Conditions are satisfied, the Issuer shall not decide on payment, nor shall it pay any dividends, other distributions (profit-sharing) or shares in the registered capital, or provide any loans for consumption (mutuum)/credits, or settle any debts, to the shareholder(s).

4.3 Limitation on Additional Indebtedness

So long as any payment obligations from the Notes under these Terms and Conditions remain outstanding, the Issuer shall not enter into any transactions that would directly or indirectly result in an increase of the Issuer's indebtedness. This limitation does not apply to any Liabilities provided to the Issuer by persons within the Issuer's group or otherwise affiliated with the Issuer, provided that concurrently such indebtedness (i) is subordinated to payment obligations under the Notes, (ii) bears no interest or bears the market interest, and (iii) does not exceed the total principal amount of EUR 1,900,000 (to wit: one million nine hundred thousand euros).

4.4 Running a Material Subsidiary

The Issuer undertakes to remain the sole owner of the Material Subsidiary, which is conducting the retail project in Nitra, Slovakia, called "Centro Nitra" (the "**Retail Project**"), and will continue to act in that capacity until the Notes are redeemed. The Issuer undertakes to ensure that the Material Subsidiary is and will continue to be, until all payment obligations under the Notes are discharged in full, the sole owner of the Retail Project.

The Issuer shall ensure that until all its payment obligations under the Notes are fully discharged, any profit shares, dividends or other similar distributions paid by the Material Subsidiary to the Issuer are remitted to a bank account indicated in Article 3.2.1 of these Terms and Conditions; any account receivables will be pledged in favour of the Security Agent (as specified in Article 3.2 above).

To strengthen the position of the Noteholders, as at the Issue Date the Major Shareholder shall pledge all the Shares in favour of the Security Agent, who will be entitled and obliged – under the relevant pledge agreement in respect of the Shares – to exercise all voting rights attached to the Shares in accordance with the principles referred to in these Terms and Conditions and with obligations of the Major Shareholder (and other minority shareholders of the Issuer) and the Issuer arising from these Terms and Conditions.

4.5 Unpermitted transfer of the Shares held by the Major Shareholder

The Major Shareholder may transfer any of his Shares to another party, subject to that party adhering to the terms of the relevant pledge agreement as if the transferee were a party to that pledge agreement as pledgor of the respective Shares so transferred.

4.6 Informing the Noteholders

The Issuer undertakes to inform the Noteholders and the Security Agent, without undue delay and in the manner set out in Article 13 of these Terms and Conditions, about the occurrence of an Event of Default (as defined below)

5. INTEREST

5.1 Method of Interest Calculation, Interest Period

The Notes will bear interest at a fixed rate of 8.75 percent (%) p.a. The interest will be paid semi-annually in arrears, on 1 August and 1 February of each year (each the "**Interest Payment Date**"). The first Interest Payment Date will be 1 February 2022.

The interest will accrue evenly from the first day of each Interest Period to the last day included in such Interest Period at the interest rate set forth in this Article above.

The amount of interest accrued on one (1) Note over any period of one (1) current year will be calculated as a multiple of the nominal value of such Note and the relevant interest rate (expressed in decimal form). The amount of interest accrued on one (1) Note over any period shorter than one (1) current year will be calculated as a multiple of the nominal value of such Note, the relevant interest rate (expressed in decimal form) and the relevant day-count fraction determined according to the Day Count Convention under Article 5.3 of these Terms and Conditions.

For the purposes of these Terms and Conditions, "**Interest Period**" means a period beginning on (and including) the 9 August 2021 and ending on (but excluding) the first Interest Payment Date, and each immediately following period of six (6) months from (and including) the Interest Payment Date to (but excluding) the next Interest Payment Date until the maturity date of the Notes. Where the running of any Interest Period is concerned, the Interest Payment Date will not be adjusted according to the Business Day Convention (see Article 7.3 of these Terms and Conditions).

5.2 End of Interest Accrual

The Notes will cease to bear interest on the Final Redemption Date (as defined in [Article 6.1](#) of these Terms and Conditions) or on the Early Redemption Date (as defined in [Articles 6.4.2, 9.2, 12.4.1 and 12.4.2](#) of these Terms and Conditions), unless the payment of any amount due is unlawfully retained or refused by the Issuer even though all relevant conditions and requirements have been complied with. In such event, interest will continue to accrue at the interest rate set forth in [Article 5.1](#) above until the date on which all amounts due and payable as of that date in accordance with these Terms and Conditions are paid to the Noteholders (provided always that should the payment details of a given Noteholder not have been communicated to the Fiscal and Paying Agent in accordance with these Terms and Conditions prior to a date on which such a payment shall be effected, the payment in this context shall be deemed to have occurred and interest shall stop to accrue if the Fiscal and Paying Agent has made reasonable enquiries to identify the Noteholder's payment details).

5.3 Day Count Convention for Interest Calculation

For the purposes of calculating the interest payable on the Notes for a period of less than one (1) year, the "BCK Standard 30E/360" day-count convention (day-count fraction) will be used, i.e. a year is deemed to consist of three hundred sixty (360) days divided into twelve (12) months of thirty (30) days each; in the event of an incomplete month, the number of days actually elapsed will apply).

6. REDEMPTION AND PURCHASE OF THE NOTES

6.1 Final Redemption

Unless previously redeemed or purchased by the Issuer and cancelled as specified below, the nominal value of the Notes will be redeemed in a single payment on 1 August 2024 (the "**Final Redemption Date**")

A Noteholder is not entitled to demand early redemption of the Notes before the Final Redemption Date with the exception of an early redemption of the Notes in accordance with [Articles 9, 12.4.1 or 12.4.2](#) of these Terms and Conditions.

6.2 Purchase of the Notes

The Issuer is entitled to purchase the Notes at any time on the market or otherwise at any price.

6.3 Cancellation of the Notes

The Notes purchased by the Issuer will not be cancelled, unless the issuer decides otherwise. If the Issuer does not decide on the cancellation of the Notes purchased by it, it will be entitled to dispose of such Notes at its sole discretion.

6.4 Early Redemption at the Option of the Issuer

6.4.1. Early Redemption Notice

The Issuer may, at its sole discretion, upon giving prior notice in accordance with [Article 13](#) of these Terms and Conditions (the "**Early Redemption Notice**"), at any time decide on an early redemption of the Notes – which each Noteholder undertakes not to dispose of from that moment – along with any accrued and undistributed interest thereon according to [Article 5.1](#) of these Terms and Conditions, as at the Early Redemption Date (as defined below). The Early Redemption Notice must be published in compliance with [Article 13](#) of these Terms and Conditions within thirty (30) days before the Early Redemption Date.

However, if the Issuer serves the Early Redemption Notice during the first nine (9) months following the Issue Date, every Noteholder will be entitled to any interest which would accrue on the Notes for the full nine (9) months along with the nominal value of the accelerated Notes.

If the Issuer serves the Early Redemption Notice, every Noteholder is entitled – in addition to the nominal value of the accelerated Notes and any yield of interest accrued thereon – to an early-redemption (acceleration) bonus equal to three (3) month's interest on the accelerated Notes. This is without prejudice to the provisions of the preceding paragraph.

6.4.2. Early Redemption

Any and all amounts payable by the Issuer to any Noteholder in connection with the accelerated Notes will become due and payable on a Business Day (as defined below) defined as the Early Redemption Date in the Early Redemption Notice (the "**Early Redemption Date**").

6.4.3. Other Conditions for Early Redemption of the Notes

The provisions of Article 7 of these Terms and Conditions will apply *mutatis mutandis* to the early redemption of the Notes under this Article 6.4.

6.5 Deemed Payment

For the purpose of Article 4.1, all payment obligations (liabilities) of the Issuer under the Notes will be deemed fully discharged on the date on which the Issuer pays to the Fiscal and Paying Agent the full amount of its payment obligations under the Notes payable in accordance with Articles 5, 6, 9, 12.4.1 and 12.4.2 of these Terms and Conditions.

7. PAYMENT TERMS

7.1 Currency of Payments

The Issuer undertakes to pay interest on and repay the nominal value of the Notes (or any other due amounts under the Notes) solely in euros (EUR), or in any other lawful currency that might replace the euro. The interest will be paid and the nominal value of the Notes will be repaid to the Noteholders subject to and in accordance with these Terms and Conditions, and the tax, foreign exchange and other applicable laws of the Czech Republic in effect at the time of the relevant payment.

7.2 Payment Date

Payment of interest on and the repayment of the nominal value of the Notes will be made by the Issuer through the Fiscal and Paying Agent on the dates specified in these Terms and Conditions (each such date being hereinafter referred to, according to its meaning, as the "**Interest Payment Date**" or "**Final Redemption Date**" or "**Early Redemption Date**" or also as the "**Payment Date**").

7.3 Business Day Convention

If any Payment Date falls on a day that is not a Business Day, that Payment Date will instead fall on the next following Business Day, and the Issuer will not be obliged to pay any interest or any other additional charges because of such delay in payment resulting from the application of any Business Day convention.

For the purposes of these Terms and Conditions, "**Business Day**" means any day (other than a Saturday or Sunday) on which banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in euros are settled.

7.4 Determination of the Right to Receive Payments Related to the Notes

The authorized persons to whom the Issuer will pay interest or other yield on the Notes are persons on whose holder's account maintained by the Central Depository, or in the register maintained by a person keeping follow-up records relating to the central registry for securities; the Notes are recorded at the close of the relevant Record Date for Interest Payment (the "**Authorized Persons**"). For determining the beneficiary of interest or other yield on the Notes, neither the Issuer nor the Fiscal and Paying Agent will take into consideration any transfers of the Notes effected after the Record Date for Interest Payment.

"**Record Date for Interest Payment**" is a day falling ten (10) Business Days before the relevant Interest Payment Date; however, for determining the Record Date for Interest Payment, the Interest Payment Date will not be adjusted according to the Business Day Convention.

The Authorized Persons to whom the Issuer will repay the nominal value of the Notes are persons on whose holder's account maintained by the Central Depository, or in the register maintained by a person keeping follow-up records relating to the central registry for securities; the Notes are recorded at the close of the relevant Record Date for Nominal Value Repayment (the "**Authorized Persons**"). For determining the beneficiary of the nominal value of the Notes, neither the Issuer nor the Fiscal and Paying Agent will take into consideration any transfers of the Notes effected after the Record Date for Nominal Value Repayment.

"Record Date for Nominal Value Repayment" is a day falling ten (10) Business Days before the relevant Final Redemption Date or Early Redemption Date; however, for determining the Record Date for Nominal Value Repayment, such Payment Date will not be adjusted according to the Business Day Convention.

7.5 Payments

The Fiscal and Paying Agent will make payments in respect of the Notes to the Authorized Persons only by means of wire transfer to their accounts kept at a bank in the Czech Republic.

The Fiscal and Paying Agent will make the payments to the Authorized Persons by wire transfer to their bank accounts according to the instructions that the respective Authorized Person delivers to the Fiscal and Paying Agent in a credible manner at the address of the Fiscal and Paying Agent's Specified Office. The instructions will be in the form of a signed, written statement with an officially legalized (notarized) signature or signatures containing sufficient details of that account in order to allow the Fiscal and Paying Agent to make the payment; it will be accompanied by an original or officially certified copy of a certificate of tax domicile of the recipient of the respective payment (payee) for the relevant tax period and, if the payee is a legal entity, also by an original or officially certified copy of a valid excerpt from the Commercial Register not older than three (3) months in respect of the payee (such instructions together with the excerpt from the Commercial Register (if applicable) and the certificate of tax domicile and any other relevant appendices is hereinafter also referred to as the **"Instructions"**). Any originals of foreign official instruments or any deeds notarized abroad must be super-authenticated or certificated by a Hague Convention Apostille (whichever is relevant). The Instructions must be in a form and content reasonably acceptable to the Fiscal and Paying Agent. The Fiscal and Paying Agent may require satisfactory evidence that the person who has signed the Instructions is authorized to sign it on behalf of the Authorized Person. Such evidence must be delivered to the Fiscal and Paying Agent together with the Instructions. In this respect, the Fiscal and Paying Agent may require, without limitation, (i) the presentation of a power of attorney if the Authorized Person is represented by an agent (if necessary with an official Czech translation) and (ii) an additional confirmation of the Instructions by the Authorized Person. Notwithstanding the foregoing, neither the Fiscal and Paying Agent nor the Issuer will be obliged to examine the correctness, completeness or authenticity of any the Instructions in any manner whatsoever and neither of them will be liable for any damage incurred in connection with any delay in the delivery of the Instructions by the Authorized Person or with the delivery of an incorrect or otherwise defective Instructions. The Instructions will be deemed properly made, if they contain all the items required by this Article, are delivered to the Fiscal and Paying Agent in accordance with this Article and comply with the requirements of this Article in all other respects.

The Instructions will be deemed filed in a timely manner, if they are delivered to the Fiscal and Paying Agent not later than five (5) Business Days before the relevant Payment Date.

The Issuer's liability to pay any amount due in connection with the Notes will be deemed discharged in a due and timely manner if the relevant amount has been remitted to the Authorized Person in compliance with proper Instructions according to this Article 7.5 and if it has been debited from the Fiscal and Paying Agent's account not later than on the relevant due date of that amount.

Neither the Issuer nor the Fiscal and Paying Agent will be liable for any delay in the payment of any amount due caused by the Authorized Person, e.g. by its failure to deliver the Instructions in a timely manner. If any Authorized Person fails to deliver proper Instructions to the Fiscal and Paying Agent in time under this Article 7.5 of these Terms and Conditions, the Issuer's liability to pay any amount due will be deemed discharged in a due and timely manner *vis-à-vis* such Authorized Person if the relevant amount has been remitted to the Authorized Person in accordance with proper Instructions according to this Article 7.5 and if the amount has been debited from the Fiscal and Paying Agent's account not later than 5 (five) Business Days following the day on which the Fiscal and Paying Agent received the proper Instructions, in which case the Authorized Person will have no right to receive any interest or any other yield or additional payment on account of the delay.

Neither the Issuer nor the Fiscal and Paying Agent will be liable for any damages suffered due to (i) a failure to deliver in time the proper Instructions or any other documents or information required to be delivered under this Article 7.5, or (ii) the Instructions and/or any related documents or information being incorrect, incomplete or untrue, or (iii) circumstances beyond the control of the Issuer or the Fiscal and Paying Agent. No Authorized Person will be entitled in any such event to receive any additional payment, other compensation or interest for any such delay in the relevant payment.

7.6 Change in the Payment Method

The Issuer and the Fiscal and Paying Agent may jointly decide to change the payment procedure. However, such change may not have the effect of imparting the position or interests of the Noteholders. The Noteholders will be notified of such decision in the manner as set forth in Article 13 of these Terms and Conditions.

8. TAXATION

The repayment of the nominal value of, and payments of interest on, the Notes will be made without withholding any taxes or charges of any nature whatsoever, unless the withholding is required by applicable laws of the Czech Republic in effect on the date of the relevant payment. If any withholding of taxes or charges is required by the applicable laws of the Czech Republic in effect on the date of the relevant payment, the Issuer will not be obliged to pay to the Noteholders any additional amounts as compensation for the withholding of taxes or charges.

The following brief summary of taxation on the Notes and of foreign exchange regulation in the Czech Republic is mostly based on Act No. 586/1992 Coll., on Income Taxes, as amended, and related laws and regulations in effect as at the date of these Terms and Conditions, and on the prevailing legal interpretation applied by the Czech administrative authorities and other governmental authorities as known to the Issuer as at the date of these Terms and Conditions. All information stated below may be subject to change in the relevant laws as well as regulations that may take effect after that date or in the interpretation of such laws and regulations that may be applied after that date.

8.1 Interest

Coupon interest on holding of notes issued from 1 January 2021 (excluding any interest defined as the difference between the nominal value of the notes paid at maturity and their issue price) (the "**Interest**") payable to an individual who is a Czech tax resident, or is a Czech tax non-resident who does not receive Interest through a permanent establishment in the Czech Republic, is subject to withholding tax collected at the source (i.e. withheld by the Issuer upon the Interest payment). Under Czech tax legislation the rate of this withholding tax is 15 percent (%), unless a relevant double taxation treaty provides for a reduced rate applicable to tax non-residents. If the recipient of Interest income is an individual who is a Czech tax non-resident, and does not receive the Interest through a Czech permanent establishment and is a tax non-resident of any other member state of the European Union (EU) or the European Economic Area (EEA) or any third country/jurisdiction, with which the Czech Republic has signed an international double-taxation treaty (being in force and effect) or an international agreement on exchange of information in tax matters (income tax), including multilateral international agreements, then the rate of withholding tax is 35 percent (%) under Czech tax law. The above rate of withholding tax constitutes final taxation of Interest in the Czech Republic. The withholding tax base amount as well as the withholding tax rate payable to a particular individual are not rounded, and the total tax amount withheld by a taxpayer is rounded down to whole Czech crowns (CZK).

The Interest taxation regime for individuals who are Czech tax non-residents and receive Interest through their permanent establishment in the Czech Republic is – from an interpretation point of view – unclear as to whether the Interest income is subject to a 15 percent withholding tax (which in this case represents the final tax on Interest income in the Czech Republic), or whether the Interest income forms a part of the general tax base. If the Interest income is not subject to withholding tax and forms a part of the general tax base, then the Interest is subject to progressive personal income tax at the rate of 15 percent (%) or 23 percent (%). The higher tax rate applies to the part of the total tax base of the individual exceeding CZK 1,701,168 (for 2021). If the Interest income forms a part of the general tax base and is received through a Czech permanent establishment of individuals who are Czech, EU and EEA tax non-residents, the Issuer is obliged to withhold tax at the rate of 10 percent (%) on this income as tax security at the moment of Interest payment. The withheld tax security amount is rounded up to whole Czech crowns (CZK). Individuals operating through a Czech permanent establishment are generally obliged to file a tax return in the Czech Republic; the withheld tax security amount is included in the total tax liability.

Interest payable to a legal entity which is a Czech tax resident, or is a Czech tax non-resident operating through a permanent establishment in the Czech Republic, is not subject to withholding tax, forms a part of the general tax base and is subject to corporate income tax at the rate of 19 percent (%). Interest paid to a legal entity, which is a Czech tax non-resident not operating through a permanent establishment in the Czech Republic, is subject to withholding tax collected at the source (i.e. withheld by the Issuer upon Interest payment). Under Czech tax legislation the rate of such withholding tax is 15 percent (%), unless

a relevant double taxation treaty provides for a reduced rate applicable to tax non-residents. If the recipient of Interest income is a legal entity which is a Czech tax non-resident and a tax non-resident of the EU, EEA or third country/jurisdiction, with which the Czech Republic has signed an international double-taxation treaty (being in force and effect) or an international agreement on exchange of information in tax matters (income tax), including multilateral international agreements, then the rate of withholding tax is 35 percent (%) under Czech tax law. The above rate of withholding tax constitutes final taxation of Interest in the Czech Republic. The withholding tax base amount as well as the withholding tax rate payable to a particular recipient is not rounded, and the total tax amount withheld by a taxpayer is rounded down to whole Czech crowns (CZK).

If the Interest is payable to a Czech permanent establishment of a legal entity that is a Czech and EU/EEA tax non-resident, the Issuer is obliged to withhold tax at the rate of 10 percent (%) on that income as tax security at the moment the Interest is paid. Once the tax security is withheld according to the foregoing sentence, the tax administrator is entitled (but not obliged) to consider the taxpayer's tax liability as having been met. Legal entities operating through a Czech permanent establishment are generally obliged to file a tax return in the Czech Republic; while the withheld tax security amount (if any) is included in the total tax liability. The withheld tax security amount is rounded up to whole Czech crowns (CZK).

The above summary anticipates that the recipient of Interest is the beneficial owner thereof. The double-taxation treaty between the Czech Republic and the country of residence of the Interest recipient may exclude the taxation of Interest in the Czech Republic or reduce the tax rate. Claims for a tax regime under a double-taxation treaty may be conditional upon proving facts that the relevant double-taxation treaty actually applies to the recipient of the Interest payment. The Interest payer or the paying agent may request the recipient to provide information necessary for meeting the notification duty under the EU Directive on Taxation of Savings Income.

Certain categories of taxpayers (e.g. foundations, the Securities Traders Guarantee Fund, etc.) may under certain circumstances claim income tax exemption in respect of Interest revenues. The income tax exemption is subject to the taxpayer proving that claim sufficiently in advance before applying withholding tax.

8.2 Profit/loss on sale

Capital gains realized by an individual on the sale of notes are not subject to withholding tax, if the notes are sold by a Czech tax resident or by a Czech tax non-resident through its permanent establishment located in the Czech Republic or through a Czech tax resident purchaser or through a permanent establishment of a Czech tax non-resident purchaser in the Czech Republic. The gains are included in the general income tax base and are subject to progressive personal income tax at the rate of 15 percent (%) or 23 percent (%). The higher tax rate applies to the part of the total tax base of the individual exceeding CZK 1,701,168 (for 2021). Capital losses on the sale of notes are generally tax non-deductible for individuals who are non-entrepreneurs, unless they realize any taxable capital gains on the sale of other securities during the same tax period. In that case, capital losses on the sale of notes can be mutually set off up to the amount of capital gains on the sale of other securities.

Capital gains realized by an individual on the sale of notes that have not been included in business assets are generally exempt from income tax, if the holding period between the purchase and sale of the notes is at least three (3) years. Income from the sale of notes not exceeding CZK 100,000 in a calendar year is exempt from personal income tax regardless of the holding period of the notes.

Capital gains realized by a legal entity on the sale of notes are included in the general income tax base and are subject to corporate income tax at the rate of 19 percent (%) if the notes are sold by a Czech tax resident or by a Czech tax non-resident through its permanent establishment located in the Czech Republic or through a Czech tax resident purchaser or through a permanent establishment of a Czech tax non-resident purchaser in the Czech Republic. Capital losses realized on the sale of notes are generally tax deductible for this category of legal entities.

If the notes are sold by a Czech tax non-resident, who is not an EU or EEA tax resident at the same time, to a Czech tax resident purchaser or to a Czech tax non-resident operating through its permanent establishment in the Czech Republic or employing in the Czech Republic employees for a period of more than 183 days, such purchasers are generally obliged to withhold 1 percent (%) on such income as tax security when paying the purchase price for the notes. In that case, purchasers are generally obliged to file a tax return in the Czech Republic; the withheld tax security amount is included in the total tax liability. The withheld tax security amount is rounded up to whole Czech crowns (CZK).

An applicable double taxation treaty concluded between the Czech Republic and the country where the selling noteholder is tax resident may eliminate the taxation of capital gains from the disposition of notes in the Czech Republic, including tax security. Claims for a tax regime under a double-taxation treaty may be conditional upon proving facts that the relevant double-taxation treaty actually applies to the recipient of interest payment.

8.3 Interest income arising from the right to repayment of the notes

Income arising from the right to repayment of the notes, which means a positive difference between the nominal value of a note paid on repayment or the amount paid on early repayment and the price at which the taxpayer acquired the note or the usual market price in case of its acquisition for no consideration, shall be taxed in accordance with the rules on taxation of profits/losses on the sale of notes referred to above, with the exception of the exemption of such income from personal income tax, which applies if the period between the acquisition and sale of the notes exceeds 3 years.

If this income is generated by a tax non-resident taxpayer, who is not tax resident of an EU or EEA state, the income is subject to tax security at the rate of 1 percent (%) to be withheld from the amount paid to the investor at the maturity of the notes.

9. EARLY REDEMPTION OF THE NOTES UPON THE OCCURRENCE OF EVENTS OF DEFAULT

9.1 Events of Default

If any of the following events occurs and persists (each an "**Event of Default**"):

(a) *Payment default*

Any payment in connection with the Notes not made in accordance with Article 7 of these Terms and Conditions, and this default is not remedied for more than ten (10) Business Days from the date the Issuer was notified thereof by any Noteholder by means of a letter delivered to the Issuer or to the address of the Fiscal and Paying Agent's Specified Office; or

(b) *Breach of other obligations*

If:

- (i) the Issuer fails to fulfil or to comply with any obligation relating to the Notes (other than the one referred to in (a) above) under these Terms and Conditions and any such failure results on a material adverse effect on the ability of the Issuer to perform its payment obligations under these Terms and Conditions); or
- (ii) the Material Subsidiary alienates the Retail Project by the Material Subsidiary to a third party who is not controlled by the Issuer, or
- (iii) any party which is obliged under the Security Agent Agreement or any pledge agreement relating to the Collateral Assets fails to comply with any material obligation thereunder

and the default is not remedied for more than forty-five (45) calendar days from the date the Issuer was notified thereof by any Noteholder by means of a letter delivered to the Issuer or to the address of the Fiscal and Paying Agent's Specified Office; or

(c) *Cross-default by the Issuer or by its Material Subsidiary*

Any other Liabilities of the Issuer or any of its Material Subsidiaries (excluding liabilities arising in the ordinary course of business) exceeding in aggregate EUR 500,000 (to wit: five hundred thousand euros) or its equivalent in any other currency are not duly paid by the Issuer or any of its Material Subsidiaries on their due date and remain unpaid after the expiration of any applicable grace period (originally agreed); and/or any such Liabilities are declared due and payable before the original due date other than at the option of the Issuer or any of its Material Subsidiaries or (if no Event of Default, however described, has occurred) at the option of any creditor; or

(d) *Court judgments and other decisions*

The Issuer or any of its Material Subsidiaries fails to comply with any of its payment obligations exceeding, individually or in aggregate, EUR 500,000 (to wit: five hundred thousand euros) or its equivalent in any other currency, as determined by a final and binding decision of the competent court, arbitration court or administrative authority, within thirty (30) days after the delivery of the

decision to the Issuer or any of its Material Subsidiaries or within any longer period set forth in the relevant decision; or

(e) *Illegality*

The Issuer's obligations under the Notes cease to be partially or fully legally enforceable or become in breach of applicable laws or performance of any of the Issuer's material obligations under these Terms and Conditions or under the Notes becomes illegal; or

(f) *Insolvency*

The Issuer or any of its Material Subsidiaries becomes insolvent or files a petition for bankruptcy over its assets, petition for permission of restructuring, a petition for discharge of debts or any other similar insolvency petition with a court; or an insolvency petition (not manifestly unfounded) in respect of the Issuer or any of its Material Subsidiaries is filed with a court; or the court or any other authority of the relevant jurisdiction delivers a decision on the bankruptcy in respect of the Issuer's or any of its Material Subsidiaries' assets, on the restructuring or discharge of debts or any other similar decision; or any such insolvency petition is refused by court due to a lack of the Issuer's or any of its Material Subsidiaries' assets to cover the proceedings; or

(g) *Liquidation*

(i) The relevant Czech court renders a final judgment, or the Issuer's General Meeting passes a resolution on the winding up of the Issuer with liquidation; or (ii) a court in the relevant jurisdiction renders a final judgment or the Material Subsidiary's General Meeting passes a resolution on the winding up of the Material Subsidiary with liquidation; or

(h) *Realization of the Collateral Assets*

Any third party as a secured creditor or any other authorized person makes any act towards the realization of the Collateral Assets; or

(i) *Non-establishment or cessation of the Collateral Assets in favour of the Security Agent*

The Collateral Assets (or any part thereof) in favour of the Security Agent are not established within the set time limit or cease to be in full force and effect at any time for whatever reason, and the Issuer is in delay with convening the Meeting or the Issuer challenges the validity or effectiveness of the Collateral Assets (or any part thereof) in favour of the Security Agent; or

(j) *Unpermitted transfer of the Shares held by the Major Shareholder*

The Major Shareholder transfers any of the Shares to a third-party contrary to these Terms and Conditions or a relevant pledge agreement; or

(k) *Termination of business activities*

The Issuer or any of its Material Subsidiaries discontinues its core business activities or loses the license to carry out its core business activities;

then any Noteholder, at its discretion, by a written notice addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office (the "**Early Redemption Notice**"), may request early redemption of the Notes held by that Noteholder which the Noteholder undertakes not to dispose of from that moment, plus any accrued and undistributed Interest thereon according to Article 5.1 of these Terms and Conditions, as at the Early Redemption Date (as defined below), and the Issuer is obliged to redeem those Notes (together with accrued and undistributed Interest thereon) in accordance with Article 9.2 of these Terms and Conditions. In addition to the amounts mentioned in the preceding sentence, every Noteholder becomes entitled to claim a contractual penalty for the occurrence of an Event of Default at the fixed rate of fifteen (15) percent (%) of the nominal value of the Notes, for the early redemption of which the Noteholder has requested and which have not been duly redeemed as at the Early Redemption Date (as defined below) (to avoid any doubts, this is without prejudice to the Noteholder's claim for compensation of damage arising from early redemption of the Notes).

9.2 Maturity of Accelerated Notes

Any and all amounts payable by the Issuer to any Noteholder according to foregoing Article 9.1 of these Terms and Conditions will become due and payable on the last Business Day of the month following the month in which the Noteholder delivered the relevant Early Redemption Notice, addressed to the Issuer, to the Specified Office of the Fiscal and Paying Agent (the "**Early Redemption Date**"), unless the Issuer remedies the relevant Event of Default before it receives the Early Redemption Notice in respect of the relevant Notes or unless the Early Redemption Notice is withdrawn in accordance with Article 9.3 of these Terms and Conditions.

9.3 Withdrawal of the Early Redemption Notice

A Noteholder may withdraw the Early Redemption Notice, in writing, but only with respect to the Notes held by that Noteholder and only if the withdrawal is addressed to the Issuer and delivered to the Fiscal and Paying Agent at the address of the Specified Office before the relevant amounts become due and payable according to preceding Article 9.2 of these Terms and Conditions. However, any such withdrawal of the Early Redemption Notice will not affect any Early Redemption Notices given by the other Noteholders.

9.4 Other Conditions for Early Redemption of the Notes

The provisions of Article 7 of these Terms and Conditions will apply *mutatis mutandis* to the early redemption of the Notes under this Article 9.

10. STATUTE OF LIMITATIONS

All rights connected with the Notes will become statute-barred upon the expiration of ten (10) years from the day when those rights could be exercised for the first time.

11. FISCAL AND PAYING AGENT

11.1 Fiscal and Paying Agent

11.1.1. Fiscal and Paying Agent and its Specified Office

The Issuer will act as the Fiscal and Paying Agent. The specified office and place of payment (the "**Specified Office**") will be located at the address of the Issuer's registered office.

11.1.2. Additional and Other Fiscal and Paying Agent and Specified Office

The Issuer reserves the right to appoint, at any time, an additional or other Fiscal and Paying Agent and to designate an additional or other Specified Office, or to appoint additional payment providers.

The Issuer will give notice of such change in the Fiscal and Paying Agent or Specified Office and/or of the appointment of additional payment providers to the Noteholders in the manner set forth in Article 13 of these Terms and Conditions. Any such change will become effective upon the expiration of fifteen (15) calendar days following the date of the notice, unless a later effective date is specified in the notice. In any event, any change that would otherwise become effective less than thirty (30) calendar days before or after the Payment Date for any amount(s) payable under the Notes will become effective on the thirtieth (30th) day following the Payment Date. Any change in the Fiscal and Paying Agent or its Specified Office may not affect the position or interests of the Noteholders.

12. NOTEHOLDERS' MEETING AND AMENDMENTS TO THE TERMS AND CONDITIONS

12.1 Authority and Convocation of the Meeting

12.1.1. Right to Convene the Meeting

The Issuer or any Noteholder(s) may convene a meeting of the Noteholders (the "**Meeting**") in accordance with these Terms and Conditions and applicable laws, if so required to decide on common interests of the Noteholders. The costs of organizing and convening the Meeting will be borne by the person who convened the Meeting, unless stipulated otherwise by law. The costs related to the attendance at the Meeting will be borne by each participant itself. If the convening person is one or more

Noteholders, these person(s) will be required, not later than on the date of publishing the notice of the Meeting (see Article 12.1.3 of these Terms and Conditions), (i) to deliver to the Fiscal and Paying Agent a request for procuring evidence of the number of all Notes entitling the holder(s) to attend the Meeting convened by a Noteholder or Noteholders, i.e. an extract from the relevant register of the Note Issue, and (ii) where relevant, to pay to the Fiscal and Paying Agent an advance to cover the costs associated with its services in relation to the Meeting. The due and timely delivery of the request under item (i) above and the payment of the advance for the costs referred to in item (ii) above are the prerequisites for the valid convocation of the Meeting.

12.1.2. Meeting Convened by the Issuer

The Issuer is obliged to promptly convene the Meeting and request, at such a Meeting, an opinion of the Noteholders on the following issues (each of them the "**Material Change**"):

- (a) the Issuer's proposal for any amendment to these Terms and Conditions that requires the Noteholders' consent under applicable laws;
- (b) the Issuer's proposal for the its transformation (in accordance with the respective provisions of Act No. 125/2008 Coll., on Transformations on Business Companies and Cooperatives, as amended), with the exception of merging with the Material Subsidiary;
- (c) the Issuer's proposal for entering into an agreement on the sale of a business enterprise or any part thereof, irrespective of which party to such agreement is the Issuer, if the due and timely redemption of the Notes or the distribution of interest thereon may be jeopardized;
- (d) the Issuer's default in the satisfaction of any rights attached to the Notes which persists for more than ten (10) Business Days following the day on which the relevant right could be exercised;
- (e) a request to replace the Security Agent by the Noteholders whose total nominal value of Notes represents at least 5 percent (%) of the total nominal value of the Issue; or
- (f) any other changes that might significantly impair the Issuer's ability to discharge its payment liabilities under the Notes;

however, only provided that convocation of the Meeting is also required by applicable laws.

The Issuer may convene the Meeting to propose a collective action if it has knowledge that any Event of Default has occurred or may occur.

12.1.3. Notice of the Meeting

The Issuer is obliged to give notice of the Meeting in the manner set forth in Article 13 of these Terms and Conditions and, at the same time, to send the notice to the Fiscal and Paying Agent at the address of the Specified Office, not later than fifteen (15) calendar days prior to the date of the Meeting. If the Meeting is convened by any Noteholder(s), the convening person(s) shall deliver a notice of the Meeting (containing all statutory elements) sufficiently in advance (at least twenty (20) calendar days prior to the proposed date of the Meeting) to the Issuer at the address of the Specified Office. The Issuer will promptly ensure that the notice of the Meeting is published in the manner and within the time limit specified in the first sentence of this Article 12.1.3 (however, the Issuer is not responsible for the content of the notice nor for any delay or default in complying with any statutory time limits by the Noteholder who convened the Meeting). The notice of the Meeting must contain at least (i) the business name, identification number and registered office of the Issuer, (ii) the identification of the Notes, to the minimum extent of the Note title, the Issue Date and the ISIN, (iii) the venue, date and time of the Meeting, provided that the venue must be Prague, the date of the Meeting must fall on a day that is a Business Day and the time of the Meeting may not be earlier than 4:00 p.m., (iv) the agenda of the Meeting and, in the case of any proposed amendment(s) referred to in Article 12.1.2 (a) above, the specification of the proposed amendment(s) and justification thereof, and (v) the day that is the record (conclusive) date for attending the Meeting. The Meeting will only be authorized to adopt draft resolutions contained in the notice of the Meeting; any matters that were not included on the proposed agenda of the Meeting may be decided only in the presence and with the approval of all Noteholders entitled to vote at the Meeting. If there is no more reason to convene the Meeting, the convening person will call off the Meeting in the same manner as convened.

12.2 Persons Authorized to Attend and Vote at the Meeting

12.2.1. Persons Authorized to Attend the Meeting

To be entitled to attend and vote at the Meeting, a person must be a Noteholder (the "**Person Authorised to Attend the Meeting**") recorded as a Noteholder in the register kept by the Central Depository and in an extract from the Notes issue register provided by the Central Depository at the close of a calendar day that is seven (7) calendar days before the date of the relevant Meeting (the "**Meeting Attendance Record Date**") or any person who produces a certificate of custodian on whose asset account with the Central Depository the relevant number of the Notes was recorded on the Meeting Attendance Record Date certifying that such person is a Noteholder and that the Notes held by such person are registered in the account of the custodian by reason of their custodianship. The certificate according to the preceding sentence must be satisfactory in form and substance to the Fiscal and Paying Agent. No transfers of the Notes made after the Meeting Attendance Record Date will be taken into account.

12.2.2. Voting Rights

Each Person Authorized to Attend the Meeting will have such number of votes out of the total number of votes that corresponds to the ratio between the nominal value of the Notes held by such person as at the Meeting Attendance Record Date to the aggregate outstanding nominal value of the Issue as at the Meeting Attendance Record Date. No voting right will be attached to any Notes held by the Issuer on the Meeting Attendance Record Date that have not been redeemed early by the Issuer within the meaning of Article 6.3 of these Terms and Conditions. If the Meeting decides on recalling a common proxy, the common proxy (if he/she is a Person Authorized to Attend the Meeting) may not exercise his/her voting right.

12.2.3. Attendance of the Meeting by Other Persons

The Issuer is obliged to attend the Meeting, either in person or by proxy. Other persons entitled to attend the Meeting are proxies of the Fiscal and Paying Agent, the common proxy of the Noteholders under Article 12.3.3 of these Terms and Conditions (unless he/she is a Person Authorized to Attend the Meeting) and any guests invited by the Issuer and/or the Fiscal and Paying Agent.

12.3 Course of the Meeting; Decision-Making

12.3.1. Quorum

The Meeting will constitute a quorum if attended by the Persons Authorized to Attend the Meeting, who were, as at the Meeting Attendance Record Date, holders of the Notes the nominal value of which represents more than thirty (30) percent (%) of the aggregate nominal value of the issued and outstanding Notes under the Issue. Any Notes held by the Issuer on the Meeting Attendance Record Date that have not been redeemed early at the option of the Issuer within the meaning of Article 6.3 of these Terms and Conditions will not be included for the purposes of the Meeting's quorum. If the Meeting decides on recalling a common proxy, any votes belonging to the common proxy (if he/she is a Person Authorized to Attend the Meeting) will not be included in the total number of votes. Before opening the Meeting the Issuer shall provide information on the number of all Notes in respect of which the Persons Authorized to Attend the Meeting are entitled to attend and vote at the Meeting in accordance with these Terms and Conditions.

12.3.2. Chairman of the Meeting

The Meeting convened by the Issuer will be presided over by a chairman appointed by the Issuer. The Meeting convened by a Noteholder or Noteholders will be presided over by a chairman elected by a simple majority of votes of the attending Persons Authorized to Attend the Meeting. Until the chairman is elected, the Meeting will be presided over by a person appointed by the Noteholder(s) who convened the Meeting, and the election of the chairman must be the first item on the agenda of any Meeting not convened by the Issuer.

12.3.3. Common Proxy

The Security Agent serves as the first joint representative (common proxy) of the Noteholders. The Meeting may elect, by resolution, an individual or a legal entity to act as a common proxy. The common proxy is authorized under the law (i) to enforce, on behalf of all of the Noteholders, any rights associated with the Notes to the extent specified in a resolution adopted by the Meeting, (ii) to supervise the compliance with these Terms and Conditions by the Issuer, and (iii) to execute, on behalf of all of the Noteholders, any other acts or protect the Noteholders' interests in the manner and to the extent specified in a resolution adopted by the Meeting. The Meeting may recall the common proxy in the same way in which the common proxy was elected or replace him/her with a new common proxy.

12.3.4. Decision-Making at the Meeting

The Meeting will decide on any issues on its agenda in the form of resolutions. Any resolution that (i) approves a proposal according to Article 12.1.2 (a) of these Terms and Conditions, or (ii) appoints or recalls a common proxy, will require the affirmative vote of at least 3/4 (three-quarters) of votes of the attending Persons Authorized to Attend the Meeting. Unless provided otherwise by law, any other resolutions will require a simple majority of votes of the attending Persons Authorized to Attend the Meeting in order to pass.

12.3.5. Adjourned Meeting

If within one (1) hour after the scheduled opening of the Meeting a quorum is not present, then the Meeting will be automatically adjourned without further notice.

If the Meeting which is to decide on amendments to the Terms and Conditions under Article 12.1.2 (a) of these Terms and Conditions does not have a quorum within one (1) hour after the scheduled opening of the Meeting, the Issuer shall convene, if necessary, a substitute Meeting to be held not later than six (6) weeks after the scheduled date of the original Meeting. The holding of a substitute Meeting with an unchanged agenda will be notified to the Noteholders not later than fifteen (15) days after the scheduled date of the original Meeting. The substitute Meeting deciding on amendments to the Terms and Conditions according to Article 12.1.2 (a) of these Terms and Conditions will have a quorum irrespective of the conditions for quorum set out in Article 12.3.1 above.

12.4 Certain Additional Rights of the Noteholders

12.4.1. Consequence of Voting against Certain Resolutions of the Meeting

If the Meeting approved a Material Change in accordance with Article 12.1.2 (a) through (f) of these Terms and Conditions, the Person Authorized to Attend the Meeting who, according to the minutes of such Meeting, voted against the resolution adopted by the Meeting or failed to attend the Meeting (the "**Applicant**") may request repayment of the nominal value of the Notes that such Noteholder owned on the Meeting Attendance Record Date and which will not be disposed of from that time, together with any pro-rata interest accrued on those Notes in compliance with these Terms and Conditions (if relevant). This right must be exercised by the Applicant within thirty (30) days from the publication date of that Meeting resolution according to Article 12.5 of these Terms and Conditions by written notice (the "**Application**") addressed to the Issuer and delivered to the Specified Office of the Fiscal and Paying Agent; failure to do this, the right terminates. The amounts referred to above will become due and payable within thirty (30) days from the date the Application was delivered to the Fiscal and Paying Agent (the "**Early Redemption Date**").

12.4.2. Resolution on Early Redemption of the Notes upon Noteholders' Request

If the Meeting agenda includes a Material Change under Article 12.1.2 (b) through (f) of these Terms and Conditions and the Meeting does not consent to such a Material Change, the Meeting may, even beyond the scope of the agenda, decide that if the Issuer proceeds in conflict with the resolution of the Meeting that disagreed with the Material Change under Article 12.1.2 (b) through (f) of these Terms and Conditions, the Issuer will be obliged to repay the nominal value of the Notes early and any pro-rata interest accrued thereon (if relevant) to any Noteholder who requests early repayment (the "**Applicant**"). This right must be exercised by the Applicant by written notice (the "**Application**") addressed to the Issuer and delivered to the Specified Office of the Fiscal and Paying Agent. The amounts referred to above will become due and payable within thirty (30) days from the date the Application was delivered to the Fiscal and Paying Agent (the "**Early Redemption Date**").

12.4.3. Requirements of the Application

The Application must specify the number of Notes whose redemption is claimed in compliance with this Article. The Application must be in writing and signed by persons authorized to act on behalf of the Applicant, the authenticity of such signatures to be officially verified. Within the same time limit, the Applicant is obliged to deliver to the Specified Office of the Fiscal and Paying Agent all documents required for making the payment under Article 7 of these Terms and Conditions.

12.5 Minutes of the Meeting

Minutes of the business transacted at the Meeting will be taken by the person who convened the Meeting or by a person authorized by that person within thirty (30) days from the date of the Meeting. The minutes will contain the conclusions of the Meeting, including, without limitation, any resolutions adopted by the Meeting. If the Meeting is convened by a Noteholder or Noteholders, the minutes of the Meeting must be delivered to the Issuer at the Specified Office address not later than thirty (30) days after the date of the Meeting. The Issuer is obliged to keep the minutes of the Meeting until the rights under the Notes come under the statute of limitations. The minutes of the Meeting will be available for inspection by the Noteholders at the Specified Office during regular office hours. The Issuer is obliged, in person or through his/her authorized person (especially the Fiscal and Paying Agent), to publish all resolutions of the Meeting in the manner set forth in Article 13 of these Terms and Conditions not later than thirty (30) days after the date of the Meeting. If the Meeting has discussed a resolution on any of the Material Changes referred to in Article 12.1.2 (b) through (f) of these Terms and Conditions, a notarial record must be made of the attendance at the Meeting and any resolutions adopted by the Meeting. If the Meeting adopts any resolution, the notarial record must also contain the names of the Persons Authorized to Attend the Meeting who validly voted for the adoption of that resolution and the number of Notes held by those persons on the Meeting Attendance Record Date.

13. NOTICES

Any notice to the Noteholders will be valid and effective if published in Czech on the Issuer's website: http://discovery-group.cz/Nitra_Holdings_Czech_Republic/ under Section "Relationships with Investors". If the mandatory provisions of applicable laws or these Terms and Conditions determine any other method for publishing any of the notices given hereunder, such notice will be deemed to be validly published upon its publication in the manner prescribed by the relevant legislation. If any notice is published in multiple ways, the publication date of that notice will be deemed to be the date of its first publication.

14. GOVERNING LAW, LANGUAGE AND DISPUTE RESOLUTION

Any rights and obligations under the Notes will be governed by, and interpreted and construed in accordance with, the laws of the Czech Republic. These Terms and Conditions may be translated into other languages. In the event of any inconsistencies between the various language versions, the Czech language version prevails. Any dispute between the Issuer and the Noteholders arising out of or in connection with the Note Issue or these Terms and Conditions will be finally resolved by the Municipal Court in Prague.

On behalf of **Nitra Holdings Czech Republic a.s.**

In Prague on 11 June 2021

Jonathan Wilkinson
chairman of the board of directors

Paulína Sjöstrandová
member of the board of directors

I hereby agree with the duties and responsibilities arising from these Terms and Conditions for me as the Issuer's (major) shareholder.

In Prague on 11 June 2021

Jonathan Wilkinson