



**PPF Telecom Group B.V.**  
**(formerly known as PPF Arena 1 B.V.)**

*(a private company with limited liability incorporated in the Netherlands)*

**EUR3,000,000,000**  
**Euro Medium Term Note Programme**

**unconditionally and irrevocably guaranteed by**  
**certain subsidiaries of PPF Telecom Group B.V.**

Under this EUR3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), PPF Telecom Group B.V. (formerly known as PPF Arena 1 B.V.) (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) on a joint and several basis by the Guarantors (as defined below). References in these Base Listing Particulars to the **Guarantors** are references to PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V. (the “**Original Guarantors**”) and each (if any) additional guarantor (each an “**Additional Guarantor**”) but shall not include any Subsidiary (as defined under “*Terms and Conditions of the Notes*”) of the Issuer which ceases to be a Guarantor of the relevant Series (as defined under “*Terms and Conditions of the Notes*”) of Notes after the relevant Issue Date, all as described under “*Terms and Conditions of the Notes – Status of the Notes, the Guarantee and Security*”. Notes may be issued in bearer or registered form (respectively, “**Bearer Notes**” and “**Registered Notes**”). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined below)), subject to increase as described herein.

Subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the terms of the Intercreditor Agreement) and registration pursuant to the terms of the relevant Security Documents, the Notes will constitute secured obligations of the Issuer and the Guarantee will constitute secured obligations of each of the Guarantors. The Notes, the Guarantee and the Transaction Security (as defined below) will be subject to restrictions on enforcement and other intercreditor arrangements. See “*Description of the Group – Material Financing Arrangements – PPF Intercreditor Agreement*” for further information. In addition, some or all of the Guarantors and some or all of the Transaction Security may be released under certain circumstances. See “*Terms and Conditions of the Notes – Status of the Notes, the Guarantee and Security*” for further information.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme

from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in these Base Listing Particulars to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.**

These Base Listing Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the approval of this document as base listing particulars (“**Base Listing Particulars**”). Application has also been made to Euronext Dublin for Notes issued under the Programme for a period of 12 months from the date of these Base Listing Particulars to be admitted to the official list (the “**Official List**”) and to trading on the Global Exchange Market of Euronext Dublin (the “**Global Exchange Market**”). The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”). These Base Listing Particulars have been approved by Euronext Dublin.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantors and the relevant Dealer and as specified in the relevant pricing supplement document (the “**Pricing Supplement**”). The Issuer may also issue unlisted Notes not admitted to trading on any market. However, these Base Listing Particulars have not been approved as a base prospectus for the purposes of the Prospectus Regulation and, accordingly, no offer to the public may be made and no admission to trading may be applied for on any market in the EEA designated as a regulated market, in each case for the purposes of the Prospectus Regulation.

The minimum denomination of any Notes issued under the Programme shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in the Pricing Supplement).

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

The Issuer has been assigned a long-term issuer rating of BBB- with stable outlook by Fitch Ratings Limited (“**Fitch**”), Ba1 with stable outlook by Moody’s Investors Service Limited (“**Moody’s**”) and BB+ with stable outlook by S&P Global Ratings Europe Limited (“**S&P**”). Each of Fitch and Moody’s is established in the United Kingdom and is registered under the

Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). S&P is established in the European Union and is registered under the CRA Regulation. As such, each of Fitch, Moody’s and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of EURIBOR or LIBOR as specified in the relevant Pricing Supplement. As at the date of these Base Listing Particulars, the administrator of LIBOR and the administrator of EURIBOR are included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”).

**Global Co-ordinators and Joint Arrangers**

**HSBC**

**Société Générale  
Corporate & Investment Banking**

**Dealers**

**HSBC**

**Société Générale  
Corporate & Investment Banking**

The date of these Base Listing Particulars is 9 March 2020

## IMPORTANT INFORMATION

The Issuer accepts responsibility for the information and each Original Guarantor accepts responsibility for the information in relation to itself contained in these Base Listing Particulars and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and each Original Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in these Base Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information in the “*Risk Factors*”, “*Description of the Group*” and “*Industry*” sections of these Base Listing Particulars has been extracted from certain third party sources as specified therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

These Base Listing Particulars are to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*”). These Base Listing Particulars shall be read and construed on the basis that those documents are incorporated and form part of these Base Listing Particulars.

None of the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, or the Trustee as to the accuracy or completeness of the information contained or incorporated in these Base Listing Particulars or any other information provided by the Issuer or the Original Guarantors in connection with the Programme. None of the Dealers nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in these Base Listing Particulars or any other information provided by the Issuer or the Original Guarantors in connection with the Programme.

No person is or has been authorised by the Issuer, the Original Guarantors or the Trustee to give any information or to make any representation not contained in or not consistent with these Base Listing Particulars or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Original Guarantors, any of the Dealers or the Trustee.

Neither these Base Listing Particulars nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Original Guarantors, any of the Dealers or the Trustee that any recipient of these Base Listing Particulars or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Original Guarantors. Neither these Base Listing Particulars nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Original Guarantors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of these Base Listing Particulars nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer and/or the Original Guarantors is correct at any time subsequent

to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Original Guarantors during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

**IMPORTANT – EEA AND UK RETAIL INVESTORS** – If the Pricing Supplement includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Pricing Supplement in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Global Co-ordinators and Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THESE BASE LISTING PARTICULARS AND OFFERS OF NOTES GENERALLY**

These Base Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Base Listing Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Original Guarantors, the Dealers and the Trustee do not represent that these Base Listing Particulars may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Original Guarantors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of these Base Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Base Listing Particulars nor any advertisement or other offering

material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Base Listing Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Base Listing Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Base Listing Particulars and the offer or sale of Notes in the United States, the EEA (including, for these purposes, the United Kingdom, the Netherlands and Belgium) and Japan, see “*Subscription and Sale*”.

These Base Listing Particulars have been prepared on the basis that any offer of Notes in any Member State of the EEA or the UK will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes which are the subject of an offering contemplated in these Base Listing Particulars as completed by a Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Original Guarantors or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

Unless otherwise indicated, the financial information in these Base Listing Particulars relating to the Issuer and all its consolidated subsidiaries (collectively, the “**Group**”) has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 2018 (together, the “**Financial Statements**”).

The Issuer’s financial year ends on 31 December and references in these Base Listing Particulars to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted in the European Union (the “**EU**”) and have been audited.

The Financial Statements and financial information included elsewhere in these Base Listing Particulars have, unless otherwise noted, been presented in Euro.

### Omission of Information

Prospective investors should note that the Financial Statements include both Guarantors and non-guarantor subsidiaries of the Issuer (the “**Non-Guarantors**”). The Guarantors are wholly-owned direct subsidiaries of the Issuer (see “*Description of the Group – Group Structure*” below). Pursuant to an omission granted by Euronext Dublin, these Base Listing Particulars do not include the individual financial statements of the Guarantors as of and for the years ended 31 December 2019 and 2018.

The table below sets out EBITDA and Net Assets of each of the Issuer, the Guarantors and Non-Guarantors and the percentage of the consolidated EBITDA and Net Assets (respectively) of the Group they represented as of and for the year ended 31 December 2019:

|                                | As of and for the year ended 31 December 2019        |                        |                |       |
|--------------------------------|------------------------------------------------------|------------------------|----------------|-------|
|                                | Issuer                                               | Guarantors             | Non-Guarantors | Group |
|                                | <i>(in EUR millions, unless otherwise indicated)</i> |                        |                |       |
| EBITDA .....                   | 0                                                    | 4                      | 1,393          | 1,397 |
| as a percentage of total ..... | 0%                                                   | 0%                     | 100%           | 100%  |
| Net Assets .....               | (101) <sup>(1)</sup>                                 | (2,165) <sup>(1)</sup> | 4,527          | 2,261 |
| as a percentage of total ..... | (4)%                                                 | (96)%                  | 200%           | 100%  |

Notes:

- (1) Negative Net Assets are result of IFRS EU consolidation adjustments, where investments in subsidiaries are eliminated and only liabilities remain. On individual basis, the Issuer and the Guarantors report positive Net Assets as of 31 December 2019.

### Non-IFRS Information

To supplement the Financial Statements, the Group uses certain other ratios and measures included in these Base Listing Particulars that are not measures defined by IFRS, namely EBITDA, EBITDA Margin, CAPEX, Free Cash Flow and Net Assets.

“**CAPEX**” is defined as additions to property, plant and equipment and intangible assets.

“**EBITDA**” is defined as income before income taxes and financial income (costs) plus depreciation and amortisation, plus impairment of property, plant and equipment and intangible assets including goodwill.

“**EBITDA Margin**” is defined as EBITDA divided by total revenues, expressed as a percentage.

“**Free Cash Flow**” is defined as net cash from/(used in) operating activities less cash used for purchase of property, plant and equipment and intangible assets and including proceeds from disposals of property, plant and equipment and intangible assets.

“**Net Assets**” is defined as total assets less total liabilities.

“**Net Financial Indebtedness**” is defined as non-current liabilities due to banks plus current liabilities due to bank plus debt securities issued less cash and cash equivalents and less Czech treasury bills.

The following table provides a reconciliation of Net Financial Indebtedness of the Group as of 31 December 2019:

|                                           | <b>As of 31 December 2019</b> |
|-------------------------------------------|-------------------------------|
|                                           | <i>(in EUR millions)</i>      |
| Non-current liabilities due to banks..... | 1,867                         |
| Current liabilities due to bank .....     | 272                           |
| Non-current securities issued.....        | 1,855                         |
| Debt securities issued .....              | 14                            |
| <i>less</i>                               |                               |
| Cash and cash equivalents .....           | (795)                         |
| Czech treasury bills .....                | 0                             |
| <b>Net Financial Indebtedness.....</b>    | <b>3,213</b>                  |

The Group has presented these measures (1) as they are used by its management to monitor its financial position for outstanding debt and available operating liquidity and (2) to represent similar measures that are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. The Group believes that the inclusion of these ratios and measures, when considered in conjunction with measures reported under IFRS, enhance the investor’s understanding of indebtedness and the Group’s current ability to fund the Group’s ongoing operations.

However, the non-IFRS measures mentioned in these Base Listing Particulars are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in CAPEX, EBITDA, EBITDA Margin, Free Cash Flow, Net Assets, Net Financial Indebtedness and the other non-IFRS measures mentioned in these Base Listing Particulars to similar measures used by other companies.

Further, none of these non-IFRS measures is a measurement of performance under IFRS, and investors should not consider CAPEX, EBITDA, EBITDA Margin, Free Cash Flow, Net Assets, Net Financial Indebtedness or the other non-IFRS measures mentioned in these Base Listing Particulars as an alternative to net income, operating profit, cash flows from operations, investing activities or financing activities or other measures determined in accordance with IFRS. These non-IFRS measures have limitations as analytical tools, and investors should not consider them in isolation. Some of these limitations include that:

- they do not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital needs;
- they do not reflect the interest expense, or the cash requirements necessary, to service interest or principal payments on debt;



- although depreciation and amortisation are non-monetary charges, the assets being depreciated and amortised will often need to be replaced in the future and EBITDA does not reflect any cash requirements that would be required for such replacements;
- some of the items eliminated in calculating EBITDA reflect cash payments that were made, or will be made in the future; and
- the fact that other companies in the same industry may calculate EBITDA and the other non-IFRS measures mentioned in these Base Listing Particulars differently than those mentioned in these Base Listing Particulars, which limits their usefulness as comparative measures.

### **Use of Certain Terms and Conventions**

The terms EBITDA, financial indebtedness, Net Financial Indebtedness, leverage and leverage ratio of the Group included in these Base Listing Particulars do not represent the terms of the same or similar names as may be defined by any documentation for any financial liabilities of the Group.

The term *pro forma* as used in “*Terms and Conditions of the Notes*” has the meaning attributed to this term therein and does not refer to the consolidated condensed pro forma financial information incorporated by reference into these Base Listing Particulars (see “*Documents Incorporated by Reference*”).

These Base Listing Particulars are drawn up in the English language. Certain legislative references and technical terms in English version have been cited in their original Czech, Slovak, Hungarian, Bulgarian, Serbian or Montenegrin language in order that the correct technical meaning may be ascribed to them under applicable law.

Capitalised terms which are used but not defined in any particular section of these Base Listing Particulars will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of these Base Listing Particulars.

### **In these Base Listing Particulars, all references to:**

- *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars;
- *Sterling*, *£* and *GBP* refer to pounds sterling;
- *Euro*, *EUR* and *€* refer to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);
- *HUF* refer to Hungarian forint; and
- *yen* are to the lawful currency of Japan.

References to a **billion** are to a thousand million.

Certain figures and percentages included in these Base Listing Particulars have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

These Base Listing Particulars contains various forward-looking statements that relate to, among others, events and trends that are subject to risks and uncertainties that could cause the actual business activities, results and financial position of the Issuer, the Group and the Original Guarantors to differ materially from the information presented herein. When used in

these Base Listing Particulars, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer, the Group, the Original Guarantors and their management, are intended to identify such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of these Base Listing Particulars. The Issuer does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect the events or circumstances after the date of these Base Listing Particulars or to reflect the occurrence of unanticipated events.

When relying on forward-looking statements, investors should carefully consider the foregoing risks and uncertainties and other events, especially in light of the political, economic, social and legal environment in which the Group operates. Factors that might affect such forward-looking statements include, among other things, overall business and government regulatory conditions, changes in tariff and tax requirements (including tax rate changes, new tax laws and revised tax law interpretations), interest rate fluctuations and other capital market conditions, including foreign currency exchange rate fluctuations, economic and political conditions in the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia, Montenegro and other markets, and the timing, impact and other uncertainties of future actions. See “*Risk Factors*”. The Issuer and the Original Guarantors do not make any representation, warranty or prediction that the factors anticipated by such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

### **SUITABILITY OF INVESTMENT**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Base Listing Particulars or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or

pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Base Listing Particulars and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer, the Guarantors and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes.*

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer: PPF Telecom Group B.V. (formerly known as PPF Arena 1 B.V.)

Issuer Legal Entity Identifier 31570074PLDZISJWNN43  
(LEI)

Guarantors: PPF Infrastructure B.V.  
PPF Telco B.V.  
PPF TMT Bidco 1 B.V.  
(together, the “**Original Guarantors**”)

and each Additional Guarantor (if any) as defined under the “*Terms and Conditions of the Notes*”.

In relation to each Series, any of the Original Guarantors or any Additional Guarantor may after the relevant Issue Date (as specified in the applicable Pricing Supplement) cease to be a Guarantor under certain circumstances, as described in Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*).

Certain limitations in respect of the obligations of the Guarantors under the Guarantee will be included in the Trust Deed. In the event that an Additional Guarantor is added pursuant to Condition 3.4 (*Status of the Notes, the Guarantee and Security – Additional Guarantors*), any applicable limitations shall be set out in the relevant supplemental Trust Deed applicable to such Additional Guarantor.

Risk Factors: There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Original Guarantors’ ability to fulfil their obligations under the Guarantee and the Trustee’s ability to exercise its rights on behalf of Noteholders under the Intercreditor Agreement and Security Documents. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “*Risk*

*Factors”.*

Description: Euro Medium Term Note Programme

Global Co-ordinators and Joint Arrangers: HSBC Bank plc  
Société Générale

Dealers: HSBC Bank plc  
Société Générale

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of these Base Listing Particulars.

**Notes having a maturity of less than one year**

Notes having a maturity of less than one year, if the proceeds of the issue are accepted in the United Kingdom, will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Trustee: Citibank, N.A., London Branch

Issuing and Principal Paying Agent: Citibank, N.A., London Branch

Registrar: Citigroup Global Markets Europe AG

Security Agent: Komerční banka, a.s.

Programme Size: Up to EUR3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Original Guarantors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Distribution:        | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Currencies:          | Subject to any applicable legal or regulatory restrictions, notes may be denominated in Euro, Czech koruna, Sterling, U.S. dollars, yen and any other currency agreed between the Issuer and the relevant Dealer.                                                                                                                                                                                                                                                                                                                                                                                            |
| Maturities:          | The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.                                                                                                                                                                                                                                                                     |
| Issue Price:         | Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Form of Notes:       | The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .                                                                                                                                                                                                                                                                                                                                                                                                                |
| Fixed Rate Notes:    | Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.                                                                                                                                                                                                                                                                                                                                               |
| Floating Rate Notes: | <p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li> <li>(b) on the basis of the reference rate set out in the applicable Pricing Supplement.</li> </ul> |

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the

Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “*Certain Restrictions - Notes having a maturity of less than one year*” above.

Optional Redemption by Noteholders following a Change of Control:

The applicable Pricing Supplement will indicate if a Change of Control put will apply to the relevant Notes. If applicable, then upon the occurrence of a Change of Control Put Event, the holder of each Note will have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note at 101 per cent. of the principal amount of the Notes together with accrued interest as further described in Condition 7.6 (*Redemption and Purchase - Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*).

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions - Notes having a maturity of less than one year*” above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made



without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8 (*Taxation*). In the event that any such deduction is made, the Issuer or, as the case may be, the Original Guarantors will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Certain Covenants:

The terms of the Notes will contain covenants that limit, among other things, the ability of the Issuer and its restricted subsidiaries to:

- create security interests on assets to secure indebtedness;
- incur or guarantee additional indebtedness and issue certain preferred stock;
- make certain restricted payments and investments, including dividends or other distributions with respect to the shares of the Issuer or its restricted subsidiaries;
- enter into certain asset sale transactions;
- enter into certain transactions with affiliates; and
- merge or consolidate with other entities.

Certain of these covenants will be suspended if and for as long as the Notes achieve and maintain investment-grade ratings and no Potential Event of Default or Event of Default has occurred and is continuing as described in Condition 4.9 (*Covenants - Suspension of Covenants on Achievement of Investment Grade Status*).

Each of these covenants is subject to a number of important qualifications and exceptions as further described in Condition 4 (*Covenants*).

Cross Acceleration:

The terms of the Notes will contain a cross acceleration provision as further described in Condition 10 (*Events of Default and Enforcement*).

Security:

Subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the provisions of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents, the obligations of the Issuer and the Guarantors under the Notes, the Guarantee, the PPF Facilities Agreement and certain other obligations of the Issuer and the Guarantors are secured by security (which includes the Security Interests on the Collateral as

defined in the Conditions of the Notes) (the “**Transaction Security**”) created under a number of security documents (the “**Security Documents**”) which provide the Noteholders with the benefit of a common security package alongside other Secured Parties (as defined in the Intercreditor Agreement). As of the date of these Base Listing Particulars, the Transaction Security consists of:

- Bulgarian law governed financial collateral with the creation of a pledge over all the shares in Telenor Bulgaria EAD;
- Czech law governed pledges of receivables from bank accounts of the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed share pledges over all the shares in the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed share pledge over 75 per cent. shares in TMT Hungary B.V.;
- Dutch law governed pledges over bank account receivables of the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed pledges over intercompany loans provided by the Issuer, the Investor, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- English law governed security over hedging receivables (the Issuer only), acquisition agreements and intercompany loans provided or received by the Issuer, the Investor, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Hungarian law governed pledge over all the shares in Telenor Common Operation Zrt.;
- Montenegrin law governed pledge on quota (shares) in respect of Telenor d.o.o. Podgorica; and
- Serbian law governed pledge of quota (shares) in respect of Telenor d.o.o. Beograd.

The registration of some of the Security Interests may occur after the Issue Date of the first Tranche of the first Series of Notes under the Programme. Due to the administrative procedures of the relevant registries, this may concern, in particular, the Montenegrin law governed pledge on quota (shares) in respect of Telenor d.o.o. Podgorica and the Serbian law governed pledge of quota (shares) in respect of Telenor d.o.o. Beograd.

Some or all of the Transaction Security may be released

in certain circumstances. In addition, the validity and enforceability of the Transaction Security is subject to certain limitations. The Noteholders and the other Secured Parties share in the benefit of the security interests in the Transaction Security, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents, as further described in Condition 3.5 (*Status of the Notes, the Guarantee and Security – Security*) and in “-Material Financing Arrangements—Intercreditor Agreement”.

Intercreditor Agreement:

The Trustee and the Security Agent entered into a Creditor Representative Accession Undertaking dated 22 March 2019 under which the Trustee, as representative of the Noteholders, acceded to the intercreditor agreement originally dated 21 March 2018, as amended and/or supplemented and/or restated from time to time, by, amongst others, the Issuer, the Original Guarantors and the Security Agent (the “**Intercreditor Agreement**”).

The Intercreditor Agreement, among other things, sets out the ranking of liabilities of the obligors and creditors under certain of the Issuer’s existing and future financing arrangements (including the PPF Facilities Agreement (as defined below) and the Notes) and of the security interests (including the Transaction Security) granted to the creditors, regulates when payments can be made, and enforcement action taken, in respect of such liabilities and such security interests, provides for the turnover of recoveries or payments to the creditors and the application of proceeds of enforcement of such security interests. For further information see “*Description of the Group – Material Financing Arrangements – PPF Intercreditor Agreement*”.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the terms of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents) secured obligations of the Issuer and will rank *pari passu* without any preference among themselves but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

Guarantee:

The Notes will be unconditionally and irrevocably guaranteed by the Guarantors. The obligations of each of the Guarantors under the Guarantee will be direct, unconditional and (subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the terms of the Intercreditor

Agreement and registration pursuant to the terms of the relevant Security Documents) secured obligations of each of the Guarantors and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of each of the Guarantors from time to time outstanding.

In relation to each Series, any of the Original Guarantors or any Additional Guarantor may after the relevant Issue Date cease to be a Guarantor under certain circumstances, as described in Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*).

Rating:

The Issuer has been assigned a long-term issuer rating of BBB- with stable outlook by Fitch, Ba1 with stable outlook by Moody's and BB+ with stable outlook by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating assigned to the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin, with effect from the Issue Date or such other date as specified in the relevant Pricing Supplement. Euronext Dublin's Global Exchange Market is not a regulated market for the purposes of MiFID II.

Notes may be listed and/or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. The Intercreditor Agreement and any non-contractual obligations arising out of or in connection

with the Intercreditor Agreement will be governed by, and shall be construed in accordance with, English law. Each Security Document is governed by applicable local laws.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, for these purposes the United Kingdom, the Netherlands and Belgium) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

United States  
Restrictions:

Selling

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the Group's business and the industry in which it operates, together with all other information contained in these Base Listing Particulars including, in particular, the risk factors described below.*

*Investors should note that the risks described below are not the only risks the Issuer, the Guarantors and the Group may face. These are the risks that the Issuer, the Guarantors and the Group currently consider to be material. There may be additional risks that the Issuer, the Guarantors or the Group currently consider to be immaterial or of which they are currently unaware and any of these risks could have similar effects to those set forth below. The risks described below are not ordered according to their materiality or likelihood of their occurrence.*

### **Risks related to the Issuer's ability to fulfil its obligations under the Notes and the Guarantors' ability to fulfil their obligations under the Guarantee**

***The Issuer and the Guarantors are holding companies with no revenue generating operations of their own and are completely dependent on cash flow from their operating subsidiaries to service their indebtedness, including the Notes and the Guarantee.***

Since the Issuer is the holding company and the Guarantors are the sub-holding companies of their subsidiaries, they are reliant on revenue generation through their subsidiaries. The Issuer intends to service and repay the Notes from ongoing dividend distributions it receives from other members of the Group. The Issuer and the Guarantors have no revenue generating operations of their own, and therefore the Issuer's cash flow and ability to service its indebtedness, including under the Notes, and the Guarantors ability to fulfil their obligations under the Guarantee, will depend on the continued operation, solvency, creditworthiness, operating performance and financial condition of the Group and the receipt by the Issuer and by the Guarantors, in a proper and timely manner, of funds from the other members of the Group in the form of dividends. Therefore, the Issuer and the Guarantors are indirectly subject to the same risk factors as the other members of the Group and the Group as a whole, which are described further below.

### **Risks related to the Group's business and industries generally**

***Most of the Group's revenues are generated from operations in the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia and Montenegro, and any significant downturn in the economies of any of these countries or other social or political developments could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.***

Most of the Group's revenues are generated from operations in the Central and Eastern Europe ("CEE"), in particular, the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia and Montenegro. The economies of the countries in the CEE region are vulnerable to external shocks, such as the global economic and financial crisis, which commenced in the second half of 2008. A significant decline in the economic growth of any of the countries' trading partners, in particular Germany and other member states of the EU, could in the future have an adverse effect on the balance of trade of these countries and adversely affect their economic growth. Any significant downturn in the economies of the CEE countries or certain other countries where the Group operates, any changes in their economic, tax, regulatory, administrative or other conditions or policies, as well as political and economic developments over which the Group has no control, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Factors relating to general economic conditions, such as consumer spending and confidence, employment trends, business investment, government spending, the volatility, liquidity and strength of both debt and equity markets, the availability and cost of credit, and the volatility in inflation and market interest rates, all affect the profitability of the Group's business. Reduced consumer spending in markets where the Group operates and, in particular, spending on telecommunications services and products, may adversely impact the Group's operations. Macroeconomic trends may impair growth prospects in the telecommunications market in the CEE region in terms of the penetration of new value-added services and traffic, average revenue per user ("ARPU") and number of customers. Recessionary conditions may also increase the number of defaults or delays in payments from the Group's customers, increase customer deactivation rates (referred to as customer "churn") and prevent the Group from attracting new customers. The materialisation of any of the above-mentioned risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group has significant investments and operations in less mature markets.***

Markets such as the CEE region in which the Group operates may have higher volatility, more limited liquidity and a narrower export base than more mature markets and are subject to greater legal, economic, fiscal and political risks than mature markets. They are subject to rapid and sometimes unpredictable change and are particularly vulnerable to market conditions and economic downturns elsewhere in the world. As a result, investing in the securities of issuers with substantial operations in less mature markets generally involves a higher degree of risk than investing in the securities of issuers with substantial operations in Western Europe or other similar jurisdictions.

The Group's operations in the CEE region are exposed to risks which are common to all regions that have recently undergone, or are undergoing, political, economic and social change, including currency fluctuations, an evolving regulatory and legal environment, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies and other similar factors. The Group's performance could be significantly affected by events in the CEE region which are beyond its control, such as a general downturn in the economy, political instability, changes in regulatory requirements and applicable laws, including in relation to taxation, the condition of financial markets and interest and inflation rate fluctuations. These effects may be even more prominent in countries such as Serbia and Montenegro that are not yet part of the EU. Despite their candidate status, there is no guarantee that they will successfully join the EU in the near future or at all.

In addition, international investors may react to events, disavouring an entire region or class of investment, a phenomenon known as the "contagion effect". If such a contagion effect occurs, the CEE region could be adversely affected by negative economic or financial developments in other countries with less mature markets. Financial or political instability in less mature markets also tends to have a material adverse effect on capital markets and the wider economy as investors generally move their money to more mature markets, which they may consider to be more stable.

Any such events could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The business of the Group's operating subsidiaries depends on certain key suppliers, service providers and vendors as well as on the networks and associated infrastructure of other telecommunications operators and roaming arrangements with international mobile operators.***

The ability of CETIN to provide domestic network services and international transit services, and the ability of O2 Czech Republic and its Czech subsidiaries (collectively, the "O2 CZ

**Group**”) and the subsidiaries of the Issuer in Hungary, Bulgaria, Serbia and Montenegro (collectively, the “**Telenor CEE Group**”) to provide commercially viable and uninterrupted international, mobile and data communication services depends, in part, upon their arrangements with third parties, including certain key suppliers, service providers, vendors and other telecommunications operators (see “*Description of the Group–Material Business Contracts*”). In addition, as neither the O2 CZ Group nor the Telenor CEE Group owns a sufficiently dense fixed and fibre infrastructure network, they both rely on other operators’ networks through many wholesale, lease and other agreements to enable them to provide their customers with services based on or utilising such fixed networks. In particular, the Group takes advantage of passive sharing of other operators’ infrastructure, such as telecommunications towers, masts and indoor networks.

The Group also depends on suppliers and service providers in connection with, among other things, their specific network equipment and related support services, business support systems, roaming services, and other supplies and services necessary for the provision of their own telecommunication services. In particular, CETIN is dependent on a number of outsourcing and supply relationships with external suppliers to build, operate and maintain its copper and fibre infrastructure and access network, and to supply CETIN with key materials, equipment, and construction and maintenance services. Further, although the Telenor CEE Group is in the process of transitioning away from Telenor ASA and its subsidiaries (the “**Telenor Group**”) for the provision of a majority of the services in favour of certain Group companies and other third parties, it continues to partially depend on the Telenor Group for the provision of certain essential services, such as procurement and migration assistance. With regard to the handset devices which the O2 CZ Group and the Telenor CEE Group sell to their customers, the O2 CZ Group and the Telenor CEE Group rely on a limited number of external suppliers of popular devices.

In addition, the Group depends on certain foreign vendors, such as the Chinese companies Huawei and ZTE, for its key technology segments as well as for the supply of handset devices. The Group’s ability to continue to receive the required support or supplies from such vendors may be impaired or significantly constrained due to, among other things, any bans, tariffs or sanctions imposed on goods and services from China or on any of the above-mentioned vendors, requirements under governmental tenders and subsidies, regulatory requirements in relation to security of core, critical or other infrastructure or generally, or as a result of measures prohibiting the use of network technology and other equipment from such foreign vendors. Following the European Commission’s recommendation from March 2019 regarding measures to ensure a high level of cybersecurity of 5G network across the EU, relevant Member States have initiated a risk assessment of their 5G network infrastructures. In January 2020, the European Commission published the ‘EU Toolbox for 5G Security’, under which Member States are expected to take first concrete, measurable steps to implement key measures by April 2020. The process should be finalised and the European Commission’s recommendation from March 2019 reviewed by October 2020. Parallel to this, the Group has commenced a risk analysis of its network and IT systems with the aim of adopting appropriate operational measures to address any risks identified. The results of this analysis as well as the measures to be adopted by the relevant Member States may adversely affect the Group’s choices of suppliers or otherwise limit its business.

Consequently, the ability of the Group to provide its services depends on the performance of third-party suppliers and service providers of their respective obligations under existing arrangements. Any failure of these third parties to perform within the agreed service requirements could materially affect the quality of the services provided by the Group. In case the Group’s ability to continue to receive support from certain key third-party suppliers of network and other equipment is impaired or significantly constrained, the quality and stability of the Group’s network and market responsiveness may be negatively affected and the Group



may be required to incur unplanned capital expenditure towards the replacement of its network equipment and other technology equipment and products even before they reach their maturity. This may be costly and time demanding.

Further, there can be no assurance that the Group's operating companies will be able to maintain, renew or renegotiate their existing arrangements with these parties on commercially favourable terms or at all. In addition, certain material agreements may be terminated pursuant to early termination rights, may expire on a staggered basis, may not be renewed or may be subject to a maximum term. Any material increase in costs in connection with such arrangements, or the loss of any material agreement and a failure to find a suitable alternative could have a material adverse effect on the Group's business, as well as their financial condition, results of operations, cash flows and prospects.

***The telecommunications services market in the CEE region is characterised by high levels of competition from existing and potential new telecommunications operators and alternative telecommunications providers and the Group may not be able to maintain its market share.***

The O2 CZ Group and the Telenor CEE Group operate in markets characterised by a high level of competition and continuous technological developments. In all markets in which the Group operates, the Group faces substantial competition from existing major telecommunication competitors and, in most markets, a steady inflow of new competitors, such as mobile virtual network operators ("MVNOs") that obtain access to a host mobile network operators' networks through wholesale access agreements and use such network to provide retail mobile services. Competition in the telecommunications industry is based mainly on price, network coverage and quality and customer relationship management.

For example, in the Czech Republic, the O2 CZ Group's main competitors in the fixed and mobile sectors are T-Mobile and Vodafone. In September 2019 and in line with Vodafone and T-Mobile pursuing a similar strategy, the O2 CZ Group launched new mobile tariffs called 'O2 NEO' offering unlimited mobile data packages. In Slovakia, the main competitors of the O2 CZ Group are Orange and T-Mobile. The Telenor CEE Group's main competitors in Hungary are Magyar Telekom (majority owned by Deutsche Telekom), Vodafone and UPC (via MVNOs). Vodafone's acquisition of Liberty Global's operations in Germany, the Czech Republic, Hungary and Romania, also including UPC, which closed in July 2019, is expected to further strengthen the position of Vodafone and UPC in those markets, especially given the fact that the transaction was approved by the European Commission with only limited remedies and light antitrust measures. In Bulgaria, the Telenor CEE Group's main competitors are A1 Bulgaria, part of A1 Telekom Austria Group, and Vivacom. In 2019, BC Partners owned United Group, a major provider of telecommunication and media services in South East Europe, agreed to acquire Vivacom. The transaction is expected to close in the second quarter of 2020, subject to, among other things, antitrust approvals. In Serbia, the main competitors are Telekom Srbija, a state-owned company, and VIP, which is also part of the A1 Telekom Austria Group. The A1 Telekom Austria Group is planning to roll out its A1 brand across all of its operating subsidiaries, including VIP in Serbia, during 2020, which may give it a competitive advantage by leveraging the A1 brand's reputation on the Serbian market. Telekom Srbija has recently expanded its operations through the acquisition of four cable operators. In Montenegro, the Telenor CEE Group competes with Crnogorski Telekom (part of the Deutsche Telekom Group) and M-Tel (majority owned by Telekom Srbija), which has rolled out an aggressive discount and subsidy strategy.

In addition to the competition from the existing operators, there is a risk that the entry of new operators into any of the markets where the O2 CZ Group and the Telenor CEE Group operate could, if successful, significantly increase competition among the operators. This may be the case for instance in the Czech Republic and Bulgaria, where the entry of a new operator has been expected for some time, or in Hungary, where a fixed cable provider DIGI

purchased spectrum licences and launched mobile services in 2019. The O2 CZ Group and the Telenor CEE Group also face increasing competition from other network operators and alternative telecommunications service providers – among them cable operators, MVNOs and over-the-top (“OTT”) service providers, which deliver telecommunication and other services across an IP network.

Moreover, in the retail segment of all the markets where the Telenor CEE Group operates, the Telenor CEE Group is exclusively focused on providing mobile services, while its key competitors typically offer both mobile and fixed telecommunication services. Since the market trend seems to revolve around the convergence of fixed and mobile services bundled with content provision, the Group may need to change its current strategy and expand Telenor CEE Group’s portfolio of, among other things, fixed telecommunication services. This would require significant investments and no assurance could be given that the Telenor CEE Group would be able to offer an attractive offering and effectively compete on this market, and this, in turn, would affect the Telenor CEE Group’s projected cash flows and timing of profitability.

Increased competition may affect the existing market structure and result in more aggressive pricing, which, in turn, may affect growth in the O2 CZ Group and the Telenor CEE Group’s customer base, and result in a higher rate of customer churn, increased customer acquisition costs, slower revenue growth or a decline in revenue due to competitive pricing policies. The O2 CZ Group and the Telenor CEE Group’s future competitive position in the mobile and fixed-line telecommunications services market in the CEE region will be affected by factors such as pricing, network speed and reliability, services offered, customer support and their ability to be technologically adept and innovative. Increasing competitive pressure due to factors beyond the O2 CZ Group and the Telenor CEE Group’s control, such as consolidation among market participants and consumer trends for the use of new technology, could lead to a loss of their market share. The O2 CZ Group and the Telenor CEE Group’s possible inability to compete with other network operators and alternative services could have a material adverse effect on the O2 CZ Group’s and the Telenor CEE Group’s business, financial condition, results of operations, cash flows and prospects.

***A substantial portion of CETIN’s revenue is derived from certain material agreements and a failure of either party to perform its obligations under these agreements, or the failure of CETIN to renew such material agreements on commercially favourable terms or at all, could have a material adverse effect on CETIN’s business, financial condition, results of operations cash flows and prospects.***

CETIN has entered into long-term agreements with a number of counterparties. More than a half of CETIN’s EBITDA is generated under long-term take-or-pay contracts (i.e. contracts that require the customer to pay the supplier a penalty for products or services that the customer does not take or utilise), and a substantial part of its revenue is derived from agreements with two main customers, the O2 CZ Group and T-Mobile Czech Republic. For the year ended 31 December 2019, these two customers accounted for approximately 57 per cent. of CETIN’s total revenue.

CETIN is a party to three substantial agreements with the O2 CZ Group (the “**O2 Agreements**”), which for the year ended 31 December 2019 accounted for approximately 44 per cent. of CETIN’s total revenue. CETIN is also a party to several agreements on the mutual sharing of 2G/3G and 4G LTE networks with T-Mobile Czech Republic (the “**Network Sharing Agreements**”) (see “*Description of the Group–Material Business Contracts–Network Sharing Agreements*”). The Network Sharing Agreements are vital for the provision of mobile network services by CETIN. Thus, a failure of T-Mobile Czech Republic to perform its obligations and provide the agreed services under the Network Sharing Agreements could significantly disrupt CETIN’s ability to provide services to its customers and thus materially adversely affect CETIN’s business, financial condition, results

of operations, cash flows and prospects. In addition to the Network Sharing Agreements, CETIN also provides certain other services to T-Mobile Czech Republic, such as fixed network based (“DSL”) services. The O2 Agreements and the Network Sharing Agreements impose certain stringent obligations on the parties thereto in the event of any material breach. Any material breach of these agreements by CETIN may result in substantial financial penalties or other sanctions, including the potential termination of the agreement, which may cause severe losses or have other material adverse effects on CETIN’s business, financial condition, results of operations, cash flows and prospects. In addition, as a result of the Telenor CEE Group transitioning away from the Telenor Group for the provision of a majority of services in favour of certain Group companies including CETIN, CETIN’s revenue derived from the Telenor CEE Group, and as a result CETIN’s dependency on the Telenor CEE Group, is likely to increase in the future.

There can be no assurance that CETIN will be able to renew or renegotiate its long-term agreements, including those with the O2 CZ Group and T-Mobile Czech Republic, on commercially favourable terms or at all, or that these will not be terminated under their early termination rights. Due to the long-term nature of the O2 Agreements and the Network Sharing Agreements, CETIN is exposed to the credit risk of the O2 CZ Group and T-Mobile Czech Republic, and is dependent on their ability and willingness to perform their obligations under the O2 Agreements and the Network Sharing Agreements, respectively. If the O2 Agreements and the Network Sharing Agreements are terminated or if, due to a prolonged economic downturn or otherwise, the O2 CZ Group or T-Mobile Czech Republic experience financial difficulties, become insolvent or file for bankruptcy or otherwise become unable or unwilling to fulfil their respective duties towards CETIN, this could have a material adverse effect on CETIN’s business, financial condition, results of operations, cash flows and prospects.

***The O2 CZ Group and the Telenor CEE Group’s operations are dependent on network sharing agreements with other (competing) operators and on the performance by the participating operators of their obligations under such agreements.***

In some of the markets where they operate, the O2 CZ Group and the Telenor CEE Group have entered, or may from time to time enter, into mobile network sharing agreements with other (competing) operators, whereby the whole or part of their mobile network is operated by another operator (and *vice versa*).

In the Czech Republic, for example, the ability of the O2 CZ Group to provide commercially viable and uninterrupted national and international mobile, fixed-line and data communication services depends on its arrangement with CETIN. The provision of mobile network services by CETIN, in turn, depends on the mutual sharing of 2G/3G and 4G LTE networks with T-Mobile Czech Republic. Thus, a failure of either CETIN or T-Mobile Czech Republic to perform their obligations could significantly disrupt the O2 CZ Group’s operations. In Hungary, the Telenor CEE Group has entered into a network sharing agreement with Magyar Telekom regarding the 800 Megahertz (“MHz”) / LTE spectrum, and the 900 MHz spectrum, as well as into a frequency sharing agreement to transmit 2x20 MHz spectrum on the 800 MHz band with the aim of increasing the speed and capacity available for its customers.

The continuing operation of the shared network is dependent on the performance by all the participating operators of their respective obligations under existing arrangements. As such, any failure on the part of any participating operator to perform its obligations under the relevant network sharing agreement or insufficient coverage of, or disruptions to, the network operated by any participating operator may negatively impact the operation of the O2 CZ Group or the Telenor CEE Group. In addition, any gradual divergence of business ambitions between the participating operators, termination of the network sharing agreements and the

resulting loss of shared network, may negatively affect the O2 CZ Group's or the Telenor CEE Group's business, financial condition, results of operations, cash flows and prospects.

***The Telenor CEE Group continues to be partially dependent on the Telenor Group for certain essential services. Early termination of the existing service agreement by the Telenor Group, or the Telenor CEE Group's failure to successfully restructure the provision of the remaining services once the existing services agreement with the Telenor Group expires, could adversely affect the Telenor CEE Group's business, financial condition, results of operations, cash flows and prospects.***

Following the completed acquisition of the Telenor CEE Group entities by the Group in July 2018 (the “**Telenor Acquisition**”), those entities are party to a transitional services agreement (the “**TSA**”), based on which the Telenor CEE Group entities receive certain support services from the Telenor Group and provide certain reverse services back to the Telenor Group. Each of the services provided to the Telenor CEE Group entities under the TSA has a term of around twenty-four months from 31 July 2018 (with an option to extend for an additional period if necessary), unless they are terminated earlier for convenience or for cause, which includes on a change of control of the Telenor CEE Group entities (subject generally to provision of the services for a run-off period after termination). For the duration of the TSA, the Telenor CEE Group is therefore dependent on the Telenor Group for the provision of certain essential services.

As of the date of these Base Listing Particulars, the Telenor CEE Group is in the process of transitioning away from the Telenor Group for the provision of a majority of the services in favour of certain Group companies and other third parties and has already restructured its wholesale services, migration assistance and majority of IT services. By the time the TSA expires, the Telenor CEE Group will have to finalise its transition plan to restructure the way in which it obtains the remaining services. However, any early termination of the TSA by the Telenor Group, or a failure on the part of the Telenor CEE Group to successfully finalise the transition plan in advance of the TSA's expiration, could result in disruption of certain essential services which could have a material adverse effect on the Telenor CEE Group's business, financial condition, results of operations, cash flows and prospects.

***The success of the O2 CZ Group's and the Telenor CEE Group's business operations depends on their ability to attract and retain customers, increase customer base or ARPU, and reduce churn rates.***

Due to increasing, and in some cases already high, penetration rates and increased competition in the markets in which the O2 CZ Group and the Telenor CEE Group operate, their ability to attract and retain customers will depend in large part on their ability to convince customers to switch from competing operators to their services, and to minimise customer churn. Churn may also arise if the actual or perceived quality of services provided by the O2 CZ Group or the Telenor CEE Group and, in particular, of their network is insufficient or if they are unable to provide their customers with attractive portfolios of products and services. In the public business-to-business sector, for instance, churn rate may also be affected by pressure from state-owned operators. In certain countries where the O2 CZ Group or the Telenor CEE Group operate, churn may be affected by the introduction of new, or changes to the existing, regulation. For instance in Bulgaria, and more recently also in Hungary, laws have been adopted that require mandatory registration of customers using prepaid SIM cards. A similar law is expected to be adopted in Serbia in 2021. Along with an increase in costs associated with the mandatory registration, the Telenor CEE Group anticipates that such new legislation may lead to higher customer churn. It is also uncertain how other operators' approach to mandatory registration will influence Telenor CEE Group's prepaid market share.

The O2 CZ Group and the Telenor CEE Group expect that further revenue growth from mobile communications services will partly depend on their ability to successfully develop and market new applications and services or have third parties providing services to the O2 CZ Group and the Telenor CEE Group's customers on their network. In particular, the O2 CZ Group and the Telenor CEE Group strive to stimulate demand for value-added services among its existing customers. If a new service launched by the O2 CZ Group or the Telenor CEE Group is not technically or commercially successful or launched according to expected schedules, or limitations in existing services affect customer experience, the anticipated revenue growth may not be achieved. Even if these services are introduced in accordance with expected time schedules, there is no assurance that such services will increase ARPU or maintain profit margins. Moreover, if the O2 CZ Group or the Telenor CEE Group are unable to successfully market and cross-sell services to their existing customers, their ability to achieve further revenue growth may be impaired.

To increase the O2 CZ Group and the Telenor CEE Group's customer base, it may be necessary to lower the rates that the O2 CZ Group and the Telenor CEE Group charge, which may result in a corresponding decrease in ARPU and revenue. In addition, the O2 CZ Group and the Telenor CEE Group may experience increased customer acquisition costs, including as a result of the provision of incentives such as free or highly subsidised handsets, which would increase operating costs but may not result in a corresponding increase in revenue. Further, regulations in the markets in which the O2 CZ Group and the Telenor CEE Group operate regarding pricing and promotions may restrict the methods the O2 CZ Group and the Telenor CEE Group use to attract new customers.

If the O2 CZ Group or the Telenor CEE Group fail to successfully develop and market new mobile communications services in the markets in which they operate, their ability to achieve further revenue growth from mobile communications services may be constrained. In addition, the O2 CZ Group or the Telenor CEE Group's inability to attract or retain customers, or increase ARPU due to any of these or other factors could have a material adverse effect on the O2 CZ Group or the Telenor CEE Group's business, financial condition, results of operations, cash flows and prospects.

***The telecommunications industry has been, and will continue to be, affected by rapid technological change, market trends and changes in customer demand, and the Group may not be able to effectively anticipate or react to these changes. Technological change could increase competition, render existing technologies obsolete or require the Group to make substantial additional investments.***

The telecommunications industry is subject to constant technological development and related changes in customer demand for new products and services. The success and competitiveness of the Group depends on its ability to keep up-to-date with these technological developments. Future development or application of new or alternative technologies, services or standards could require significant changes to the Group's business model, the development of new products, the provision of additional services and substantial capital expenditures. If the Group fails to develop, or obtain timely access to, new technologies or equipment, or if it fails to obtain the necessary licences or spectrum to provide services using these new technologies, the Group may lose customers and market share. In a rapidly developing technological landscape, the Group may not be able to accurately predict which technology will prove to be the most economical, efficient or capable of attracting customers or stimulating usage. There is also a risk that the Group will not identify market trends or changes in customer demand correctly, or that it will not be able to bring new services to market as quickly or price-competitively as the Group's competitors. The introduction of new business models or new technology platforms in the telecommunications sector may lead to disruption, structural changes and different competitive dynamics within the industry. Failure to anticipate and respond to industry dynamics, and to drive a change agenda to meet mature

and developing demands in the marketplace, has the potential to impact the Group's position in the value chain, service offerings and customer relationships.

The Group uses technologies from a number of vendors and makes significant capital expenditures in connection with the deployment of such technologies. The Group cannot guarantee that common standards and specifications will be developed in relation to the installation and operation of these technologies, that there will be any synchronisation across the Group's and other networks, that technologies will be developed according to anticipated schedules, that they will perform according to expectations, or that they will achieve commercial success. Should the vendors' technology fail to meet the Group's expectations, common standards and specifications, or fail to achieve commercial success, resulting in the product being discontinued by the relevant vendor, this could result in additional capital expenditures by the Group and, together with any of the above risks, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's operations require substantial capital expenditure, and the Group may fail to secure the funding needed to maintain, service and update its network to new technologies or to acquire additional or renew existing frequency usage rights.***

The Group's business is capital intensive and requires significant amounts of investments in order to operate, maintain, service and improve its infrastructure. On an ongoing basis, the Group needs to invest in new networks, equipment and technologies, requiring further capital expenditure, both in order to maintain existing service levels and to invest in future revenue growth. Future technological updates of the Group's infrastructure to new technologies, such as 5G, are very likely to require substantial investments. In case the network infrastructure technology develops faster than the Group currently anticipates, higher capital investments may be required in a shorter timeframe and the Group may not be able to obtain the necessary resources to make such investments in a timely manner. Furthermore, changes to telecommunications or other applicable regulation may require new or additional capital expenditures, which may be more costly or time consuming, and the Group may be subject to additional obligations imposed by the regulators, which may further increase the capital expenditures required at any given time. In addition, the acquisition of additional frequency usage rights or the extension of the use of the Group's existing frequency usage rights may also require significant funds. The Group cannot guarantee that it will generate sufficient cash flows in the future or that it will be able to raise funds at commercially reasonable rates to be able to meet its capital expenditure needs, sustain its operations, or meet its other capital requirements as and when they arise. The materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's infrastructure is subject to gradual deterioration over time and the Group may not be able to replace outdated parts in good time.***

The constant operation of the Group's physical infrastructure results in general wear and tear to certain components of its equipment, including its copper and fibre infrastructure, mobile access network and its aggregation and backbone network. Natural processes such as erosion and corrosion may compound this process, and result in a gradual deterioration of its infrastructure. This in turn could affect the Group's market competitiveness, as it may not be able to keep up with the continuous development and evolution of telecommunications technology. Any potential underdevelopment of the Group's network or infrastructure may hinder its ability to introduce new technologies and services quickly and efficiently and thus compete effectively. Further, the factors described above will likely have an increasingly greater impact as the Group's infrastructure, equipment and components grow older. It is the Group's policy to inspect and maintain its infrastructure, proactively repairing or replacing equipment and components before they fail. However, there can be no assurance that the

Group will be successful in its efforts and a failure to repair or replace its equipment in good time may have a material adverse effect on its business, financial condition, results of operations, cash flows and prospects.

***The Group is subject to counterparty risk.***

The Group's operating subsidiaries may be exposed to financial losses due to the inability of contractual partners to repay or service debts in accordance with their contractual obligations. This risk exists particularly with regards to the payment obligations of the Group's operating subsidiaries' customers and wholesale partners. To control credit risk, the Group's operating subsidiaries regularly conduct an analysis of the maturity structure of trade receivables and recognise adjustments on doubtful receivables with a credit risk provision. A significant increase in contractual partners defaulting on their contractual obligations towards the Group's operating subsidiaries could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's acquisition of the Telenor CEE Group or any acquisition the Group may undertake in the future may not be integrated or managed successfully, or the Group could fail to realise the expected level of synergies from such acquisitions.***

The Group may from time to time undertake certain acquisitions in order to strengthen its market position, expand its business or for other reasons. All acquisitions involve certain risks, such as unanticipated obligations and difficulties in integrating the acquired business into the existing business. There can be no guarantee that the acquired businesses will meet the Group's expectations in relation to profit, revenues or productivity, or will otherwise operate as anticipated. The Group might have difficulty successfully integrating any entity with which it combines its operations, for example due to unexpectedly high integration costs, which could jeopardise the achievement of qualitative or quantitative targets, including those relating to cost and revenue synergies, and could materially and adversely affect the Group's business, financial condition, results of operations, cash flows and prospects. In addition, acquisitions may require significant financial expenditures in order to integrate the acquired business and to hire and retain qualified and skilled employees. The current counterparties of the acquired business may discontinue their business relationships due to a change of control or may exercise their voluntary termination rights. Equally, the Group may become involved in legal proceedings initiated by bought-out minority shareholders challenging the validity of such acquisition.

For example, in July 2018, the Group completed the Telenor Acquisition with the aim of expanding the Group's presence in the CEE region, benefiting from larger scale, operational efficiencies and other synergies, thus maintaining and protecting profitability in light of the general market trend of pricing compression. There can be no assurance that the Group will be successful in achieving the anticipated synergies, for instance due to various legal and regulatory factors affecting cooperation among its local operating companies, and it cannot be excluded that the assumptions used as a basis for estimating the outstanding synergy effects turn out to be inappropriate or incorrect. The estimation of potential synergy effects is forward-looking and therefore subject to changes in a large number of factors, such as the general economical, industry, legal, regulatory and tax environment, in consumer behaviour, changes in technology, in the successful development or product portfolio, the retention of key personnel and changes in business strategy, development and investment plans. The inability to successfully integrate any acquired business and achieve desired benefits and synergies as well as the materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group may fail to successfully implement its key strategies.***

The financial performance and success of the Group depend in large part on its ability to successfully implement its key strategies (see “*Description of the Group–Strategy*”). As of the date of these Base Listing Particulars, the Group plans to primarily focus on continued optimisation and realisation of synergies within the Group, organic growth, continued investments into infrastructure, group alignment on procurement and technology, innovation and technology and improved efficiency to strengthen its business resilience, especially by leveraging its core competencies, and developing new business areas. One of the challenges the Group is facing, particularly in relation to the Telenor CEE Group entities, is the transition away from the current customer relationship management system towards a new business support system infrastructure. Similarly, the Group is yet to undergo a transition of its sales and servicing channels away from physical retail channels towards digital channels, particularly when it comes to the acquisition, retention and day-to-day interaction with customers. In addition, as of the date of these Base Listing Particulars, the Group and the relevant Group entities have recently been analysing the possibility, and assessing the potential process, of separating the infrastructure assets of certain Group entities into a separate legal entity in each country (see “*Description of the Group–Considered Infrastructure Separation*”). It intends to decide individually in the respective countries on or around the date of these Base Listing Particulars whether to proceed with the separation or not and can therefore provide no assurance if at all or when it will undertake the separation. Changes, such as the above, may be costly, time-consuming and, if implemented incorrectly, may jeopardise the achievement of qualitative or quantitative targets.

There is no guarantee that the Group will be able to successfully implement its key strategies, realise any benefit from the same or be able to improve its results of operations. Implementation of the Group’s key strategies could be affected by a number of factors beyond the Group’s control, such as increased competition, consumer behaviour, legal and regulatory developments, general economic conditions or an increase in operating costs. Any failure to successfully implement the Group’s key strategies could have a material adverse effect on the Group’s business, financial condition, results of operations, cash flows and prospects.

***The Group participates and may in the future participate in joint ventures in which the Group owns less than a majority of voting rights or which the Group does not entirely manage or otherwise control, which entails certain risks, and the Group may enter into further such arrangements in the future.***

The Group has entered into, and may in the future enter into further joint venture arrangements, including through demergers or divestitures of its operating subsidiaries, in which the Group owns less than a majority of voting rights or which the Group does not manage or otherwise control. For instance, the O2 CZ Group participates in a joint venture with Tesco Stores ČR a.s. (“**Tesco Stores**”) and has a 50 per cent. ownership interest and no managerial control in Tesco Mobile CR s.r.o., a MVNO for prepaid services. In addition, joint venture arrangements may provide for certain protective rights of minority holders even though the Group manages or otherwise controls the company and the majority of voting rights. For example, on 14 October 2019, PPF Bidco, as seller and Antenna Hungária Zrt., a company incorporated under the laws of Hungary, which is not a member of the Group (“**Antenna**”), as purchaser entered into a share sale and purchase agreement in respect of the sale and purchase of 25 per cent. of the issued share capital of TMT Hungary B.V., previously a wholly-owned subsidiary of the Group (the “**Hungarian Holdco**”) and the parent company of Telenor Magyarország Zrt. and Telenor Real Estate Hungary Zrt. The transaction closed on 31 October 2019. The Group controls the Hungarian Holdco, while Antenna is provided certain protective rights.



In the cases of joint ventures, the Group may depend on the joint venture partners to operate the relevant entities and may also depend on the approval of joint venture partners for certain matters. The joint venture partners may not have the level of experience, technical expertise, human resources, management or other attributes necessary to operate these entities optimally. The approval of such partners may also be required for the Group to receive distributions of funds from the projects or entities or to transfer the Group's interest in projects or entities. Further, demergers or divestitures may entail certain risks including regulatory restrictions leading to overall failure of the transaction, performance and employee satisfaction decreases amid divestiture negotiations or operational challenges of new business models of the demerged entities.

Any occurrence of these risks could have an adverse effect on the success of the joint venture arrangement or on the Group's interest therein and, in turn, on the Group's business, financial condition, results of operations, cash flows and prospects. Furthermore, the Group may enter into additional joint venture arrangements in the future and such joint ventures investments may also involve making significant cash investments, issuing guarantees or incurring substantial debt.

***The Group does not have operational control over the O2 CZ Group.***

O2 Czech Republic is a publicly traded company listed on the Prague Stock Exchange. As of the date of these Base Listing Particulars, the Group held 65.79 per cent. of the shares and 67.83 per cent. of the voting rights in O2 Czech Republic a.s. ("**O2 Czech Republic**"), while 15.93 per cent. of its shares were in free-float. The O2 CZ Group is not under managerial control of the PPF Group and is treated by the PPF Group as a financial investment only. It has its own management, business and financial strategies and policies, and the relationships between the O2 Group and the remaining part of the PPF Group are at an arm's length basis. Although O2 Czech Republic is subject to transparency rules for the disclosure of information, the Group may not always have full information regarding the O2 CZ Group's operation and control over the decisions of the O2 CZ Group's management. In addition, while O2 Czech Republic is considered a Restricted Subsidiary for certain purposes under the Conditions (including for certain restrictive covenants, for Events of Default and for calculations of Consolidated Net Leverage Ratio and Consolidated EBITDA), it will be considered an Unrestricted Subsidiary for all other purposes under the Conditions and will not be subject to many of the restrictive covenants thereunder, including with respect to dividends and other distributions, investments and asset sales. In particular, the Conditions will not restrict the transfer of assets of O2 Czech Republic out of the Group. This could have an adverse effect on the Group's interest in the O2 CZ Group and, in turn, on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's operating subsidiaries are subject to various legal proceedings, which may have a material adverse effect on the Group, and there can be no assurance that any provisions created by the Group's operating subsidiaries in respect of such proceedings would be adequate to cover the potential losses.***

The Group's operating subsidiaries are subject to various civil, administrative and arbitration proceedings with various parties, including customers, suppliers, business partners, employees, or regulatory or tax authorities (see for example "*Description of the Group–Legal Proceedings*").

Some of these may result in financial exposure of the Group's operating subsidiaries and materially affect the Group's reputation in the market or its relationships with customers or suppliers who may cease to trade with the Group. In addition, the proceedings or settlement in relation to litigation may involve internal and external costs, which may, even in the case of the successful completion of a relevant proceeding, not be fully reimbursable, divert senior

management's time or use other resources that would otherwise be utilised elsewhere in the Group's business.

The Group's Financial Statements contain provisions created in relation to certain specific proceedings and the Group also records provisions relating to various other risks and charges. However, based on adopted accounting principles, specified in IAS 37, the Group has not recorded provisions in respect of full claims on all legal, regulatory and administrative proceedings to which the Group's operating subsidiaries are a party, and it cannot preliminarily book provisions related to claims to which they may become a party. In particular, the Group has recorded provisions based on expert estimate in cases in which the outcome is unquantifiable, and based on probability assessment in cases where the Group's operating subsidiaries currently expect to be ruled in their favour. As a result, there can be no assurance that the Group's provisions will be adequate to cover all amounts payable in connection with any such proceedings.

Materialisation of any of the above could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The insurance coverage of the members of the Group may not be sufficient to cover all losses and liabilities and the members of the Group may sustain losses from risks not covered by, or exceeding the coverage limits of, its insurance policies.***

The Group's operating subsidiaries maintain insurance protection against, among other things, material damage to their business assets, loss of profits, cyber threats, product liability and other kinds of liability that are customary for the type of business the Group's operating subsidiaries conduct (see "*Description of the Group–Insurance*").

However, the Issuer cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Group's operating subsidiaries may be exposed. In addition, the insurance policies are subject to commercially negotiated deductibles, exclusions and limitations of liability, and the Group will only receive insurance proceeds in respect of a claim made to the extent that its insurers have the funds to make payment. Therefore, insurance may not cover all of the material losses the Group's operating subsidiaries may incur, such as the costs associated with the repair and reconstruction of the any Group's operating subsidiaries' infrastructure and other assets and property. In addition, there are certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination, ground heaving or settlement) which are or may be or become either uninsurable or not insurable at economically viable rates, or which are not covered by the insurance policies maintained by the Group's operating subsidiaries for other reasons. The Issuer's ability to make payments on the Notes might be adversely affected if such an uninsured loss were to occur or if the relevant insurer became insolvent or otherwise unable or unwilling to satisfy any claim and the Group's operating subsidiaries were not able to shift the cost burden to a third party. In addition, the business of the Group's operating subsidiaries may be affected by unexpected costs and events in relation to unknown risks, for which they may not have obtained the relevant insurance. The Group does not maintain separate funds or otherwise set aside reserves to cover losses or third-party claims from uninsured events. Moreover, some of the countries where the Group's subsidiaries operate, such as Serbia, are rated as high risk in terms of vulnerability and exposure to natural hazards and the Group may thus be subject to higher risk premiums.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to cyber risk and other unauthorised access of its internal and customer data. If the Group fails to maintain the privacy and security of its customers' confidential and sensitive information or to prevent significant data breaches or cyber***

***attacks, the Group may incur substantial additional costs, become subject to litigation, enforcement actions or regulatory investigation and suffer reputational damage.***

The scale of the Group's business and nature of its operations requires the Group to receive, process and store significant volumes of confidential information about its customers, employees and counterparties, all of which needs to be safeguarded against loss, mismanagement or unauthorised disclosure. Despite the Group's security measures and data protection mechanisms, its information technology and infrastructure may be vulnerable to cyber-attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Any such breach could compromise the Group's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could damage the Group's reputation and result in regulatory sanctions and other liability for breach of data protection laws. Such breach may, among other things, result in significant fines under applicable data protection laws. Cyber-attacks could also result in the loss of internal communication or communication with the Group's customers and business partners, which may result in reduced productivity and a loss of revenues. In addition, it could cause the Group's service to be perceived as not being safe, thereby harming the Group's reputation and deterring current and potential customers from using the Group's services. Cyber-attacks may also prevent the Group from discharging its contractual or regulatory obligations. The materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group may experience security breaches or other critical disruptions of its technology, network systems and infrastructure. Any system failures due to natural or human failure or cybercrime and technological dependency on third parties may have an impact on the Group's reputation and the rate of customer satisfaction.***

Information and communication technology plays an important role in the Group's business operations. The quality and reliability of the Group's telecommunications services depend on the proper and stable functioning of its network, infrastructure and technology systems and the networks of other service providers with which it interconnects. The Group operates highly complex and sophisticated information systems (such as servers, networks, applications and databases) which are essential for the everyday operations of its business and are a key success factor for the Group. However, the Group's systems and networks are vulnerable to damage or service interruptions from various factors, including, but not limited to, natural disasters, power outages, security breaches, electronic viruses, civil unrest, piracy or hacking, terrorist activities, human error, network failures, network software flaws, transmission cable disruptions, government actions or other events beyond the Group's control. Service interruptions may also occur due to operational incidents, including cut cables, failures in systems and misconfigurations. Repeated, prolonged or catastrophic network or systems disruptions could damage the Group's business, reputation and its ability to attract and retain customers, or could subject the Group to potential claims by other telecommunications service providers, network operators, customers or regulators. In certain cases, the inability to provide services to a pre-defined percentage of population may even result in regulatory sanctions, including, for instance, the revocation of authorisations to use relevant radio frequencies. Given that some services may be delivered in cooperation with third parties, cyber security and instability of such third-party operations may also adversely affect the Group's services.

In addition, the network quality regarding voice and data services might decrease should the Group not be able to expand its network and IT capacity, for instance, due to a lack of profitability of sufficient funding options to finance such expansion. Rapid growth in data traffic from smartphones, tablets, home routers and a growing number of different types of machine-to-machine or "Internet of Things" devices will generate new and possibly

unpredictable traffic patterns and signalling behaviour from embedded applications or popular applications that the Group's networks have not been designed to handle. This may degrade network performance and customers' experience and expose new bottlenecks in networks, both nationally and internationally.

The materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The O2 CZ Group licences the use of its primary brand O2 from the Telefónica Group, while the Telenor CEE Group licences the use of its primary brand from the Telenor Group and both could be limited in their usage of the brand by the terms of their licence agreements or may fail to renew such agreements at all or on commercially favourable terms.***

The O2 CZ Group and the Telenor CEE Group currently market the majority of their products and services under the O2 and Telenor brands, respectively.

Rights to use the "O2" brand are provided under a licence agreement with O2 Worldwide, the legal owner of the rights to the O2 brand and an entity of the Telefónica Group. The licence agreement with O2 Worldwide runs until 27 January 2022. The O2 CZ Group has an option to unilaterally extend the right to use the brand for additional five years. However, the licence agreement and the right of the O2 CZ Group to use the O2 brand may be terminated on customary terms and in certain exceptional circumstances, including in case of material breach.

The Telenor CEE Group entities have been granted rights to use trademarks and domain names in respect of the "Telenor" brand and related sub-brands under a licence agreement that they entered into with Telenor ASA (the owner of the relevant trademarks and domain names). The agreement remains in force until 30 April 2021, unless terminated earlier for cause, which includes when there is a change of control of the entire Telenor CEE Group business. In most cases, the business has a run-off period post-termination to transition to a replacement brand.

If the O2 CZ Group and the Telenor CEE Group were unable to continue to use the O2 and Telenor brands, respectively, due to an early termination of the licence with either the Telefónica Group or the Telenor Group or for any other reason, or if the O2 CZ Group and the Telenor CEE Group were not able to renew the licence on commercially favourable terms or at all, significant time, effort and resources would be required to establish a new brand identity. Since both the O2 and Telenor brands are considered premium and respected brands in the markets where the Group operates, the Group may face additional difficulties when replacing them. The materialisation of any of the above risks could have a material adverse effect on the O2 CZ Group or the Telenor CEE Group's business, financial condition, results of operations, cash flows and prospects.

***In case of rebranding, the O2 CZ Group and the Telenor CEE Group may lose brand equity associated with their primary brands, including brand name and visual identity.***

If and when the O2 CZ Group and the Telenor CEE Group have to establish a new brand identity, either voluntarily or due to expiration of their current licences or other reasons beyond their control, they may lose some or all brand equity associated with their current primary brands upon the launch of their new brand. Any rebranding strategy may turn out to be less successful than anticipated, due to possible rejection of, or slow identification with, the new brand by customers, or require more time or higher costs than originally anticipated. This risk may be particularly relevant in markets where the current primary brand receives high recognition and loyalty from customers. Materialisation of any of these risks could materially adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group relies on protection under intellectual property laws and may be unable to adequately protect its own intellectual property rights or other proprietary rights that it uses in the course of its operation.***

Certain of the Group's operating subsidiaries rely on a combination of patents, licences, copyrights, trademarks, trade secrets and contractual obligations to protect the intellectual property and know-how which they use to provide their products and services. The Group may from time to time apply for registration of its intellectual property rights in certain countries where it operates or may from time to time operate. There is no guarantee that such registrations will be granted or that the steps the Group takes to protect its intellectual property rights will be adequate to prevent others from copying or using its intellectual property without authorisation, or that the intellectual property rights on which the Group relies, or may from time to time rely, will not be challenged, invalidated or circumvented by third parties.

In the event that the steps that the Group has taken or the protection provided by law do not adequately safeguard the Group's intellectual property rights and knowhow, the Group could suffer losses in revenues and profits due to competitive products and services unlawfully offered based on the Group's intellectual property or know-how. Litigation or other proceedings may be necessary to enforce and protect the Group's intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resources, may result in counterclaims or other claims against the Group. An unfavourable court decision in any litigation or proceeding could result in the loss of the relevant intellectual property, which could subject the Group to significant liabilities or disrupt its business operations. Any damage to the Group's intellectual property rights or reputation may have a significant impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group may be unable to protect or retain rights to some parts of its infrastructure, including the land on which they are located.***

The majority of the Group's infrastructure is located on land owned by third parties, and the Group's property interests relating to this land consist primarily of long-term lease and sub-lease agreements. For its mobile network infrastructure, these agreements are typically concluded for an initial period of time, typically of ten years, and sometimes include a repeating option to renew under the terms agreed on a case-by-case basis. For its fixed network infrastructure, the majority of the lease and sub-lease agreements are for a medium to long-term period, typically ranging from five to 15 years, or for an indefinite period, usually with a termination right for the landlord in certain specified circumstances. Any breach of the terms and conditions of these lease or sub-lease agreements may have an impact on the Group's ability to access and operate its infrastructure. In addition, the Group may not always be able to renew its leases or sub-leases on commercially favourable terms or at all, as the negotiation process may be influenced by events beyond the Group's control. An inability to renew the lease or sub-lease agreements or otherwise protect the rights to its sites may result in additional costs for the Group in selecting appropriate or equally suitable alternative premises.

The Group also retains third party rights, such as rights of way and easements in relation to the land on which parts of its infrastructure are located. Historically, these rights were established on the basis of the then applicable legislation and some of them may have been established without proper registration in the applicable land registry or without proper remuneration. Owners of the affected property may from time to time seek to renegotiate such easements with fair remuneration. Occasionally, the relevant documentation evidencing third party rights may be missing or incomplete. Where such rights are missing, where they were not properly registered, or where documentation evidencing such rights is missing or is

incomplete, the owners of the land may seek compensation or even the removal of such infrastructure from their property.

The loss of any of the Group's property interests or rights or its inability to renew its leases or sub-leases, may interfere with the Group's ability to conduct its business, increase its costs of operation and have a material adverse effect on its business, financial condition, results of operations, cash flows and prospects.

***The Group is dependent on key managers, senior executives, highly skilled employees and other qualified personnel, may not be able to attract and retain them.***

The Group depends on its ability to attract and retain key managers and senior executives as well as other qualified professionals and highly skilled and qualified personnel with experience in the industry and the markets in which the Group operates. At the same time, loss of key employees may impede the development and implementation of the Group's business plans, strategies and operations and the Group may not be able to replace them easily or at all. Due to a limited availability of personnel with sufficient knowledge and expertise, the Group faces significant competition in the telecommunications and IT markets when recruiting its personnel. This problem is even more pronounced in some of the smaller markets where the Group operates. As such, the hiring of new key employees or replacing existing employees may require additional time and resources.

In addition, the recent change in the Telenor CEE Group's ownership structure has been accompanied by the introduction of new strategies, policies and culture changes. Together with growth in demand for IT and other specialists both locally and abroad and easing of immigration laws in certain EU countries, such as Germany, these factors may temporarily result in higher employee turnover rates within the Telenor CEE Group entities.

The Group's ambition to create a relatively lean human resources structure across its operating companies and to reduce costs may put additional pressure on its ability to attract and retain employees, in particular within the Telenor CEE Group entities. Materialisation of any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group depends on good relations with its workforce, and any significant disruption could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.***

In certain countries where the Group operates, such as the Czech Republic, Serbia and Montenegro, some of its employees are unionised or represented by works councils and possess certain bargaining or other rights. These employment rights may require the Group to expend substantial time and expense in altering or amending employees' terms of employment or making staff reductions. If the Group's relations with workforce, the works councils or the trade unions deteriorate for any reason, including as a result of changes in its compensation or any other changes in the Group's policies or procedures that are perceived negatively by employees, the works councils or the trade unions, or if the Group is unable to successfully conclude any future shop agreements with the works councils and collective bargaining agreements with the trade unions, the Group may experience a labour disturbance. Labour disruptions, strikes, disputes with trade unions and other similar actions may lead to delays, damages and increased costs, as well as to the loss of customers if any member of the Group becomes unable to meet its customers' service expectations in a timely manner and provide an appropriate level of customer care. Materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***If the Group fails to continue to maintain an effective system of internal controls over financial reporting, the Group may not be able to report financial results accurately or prevent fraud or other unfavourable transactions.***

The Group's operating subsidiaries have each taken reasonable steps to maintain and further develop adequate procedures, systems and controls to enable it to comply with its legal, regulatory and contractual obligations, including with regard to financial reporting, which it periodically evaluates. Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. The Group does not have integrated information systems and each subsidiary has its own accounting platform and accounting methodologies. The Group's operating subsidiaries prepare separate financial statements under the applicable local accounting standards for statutory purposes and part of the IFRS financial statements consolidation process is manual. It involves the transformation of the statutory financial statements of the Group's subsidiaries into IFRS financial statements through accounting adjustments and a consolidation of all entities' financial statements using the Group's accounting policies. This process is complicated and time consuming and involves significant manual intervention, all of which increases the possibility of error. The Group intends to implement a system for consolidation of reporting at the level of individual operating subsidiaries aimed at limiting the amount of manual intervention required. Any failure to maintain an adequate system of internal controls, to successfully implement any changes to such system or to be able to produce accurate financial information on a timely basis could increase the Group's operating costs and materially impair its ability to operate business, any of which could materially and adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's operating subsidiaries may not be successful in securing certain EU or national subsidies.***

The market in which the Group operates may from time to time receive subsidies provided under various policies at the EU or national level, such as subsidies to encourage the deployment of new technologies and infrastructure. Although the Group does not currently benefit from any material subsidies, such subsidies could, if awarded, benefit the Group's business, results of operations and financial condition. However, national authorities may be unable to implement the respective measures in order to provide the subsidies as intended by the respective EU policies, for example due to budgeting constraints. In order to apply for subsidies, national authorities may also impose conditions that are unfair, unpredictable or otherwise disadvantageous for the relevant Group's operating subsidiary. There is also no assurance that the Group will fulfil the relevant conditions to receive any subsidy. In any of the foregoing events, it is possible that the Group's competitors will be successful in such a programme and gain a competitive advantage, which may negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's controlling shareholder's interest may differ from the interests of Noteholders.***

The Group is indirectly controlled by Mr. Petr Kellner, who, as of the date of these Base Listing Particulars, controls, through his associated entities, 98.93 per cent. of the Issuer's shares and voting rights. Mr. Kellner's interests may in some cases differ from those of the Issuer, the Guarantors or of Noteholders.

***The Group's operations may be adversely affected by public perception of alleged health risks associated with electromagnetic radio emissions and wireless communications devices and antennas.***

There is certain public concern regarding alleged potential health risks associated with exposure to electromagnetic fields emitted by mobile telephones and base stations. While no health risk has been proven, future advances in medical knowledge and public sensitivity regarding such potential risks may increase. As a result, new laws may be introduced, imposing significant restrictions on the location and operation of antennas or cell sites, in particular, by limiting the permissible transmission power. Any such changes may result in potential claims for compensation against the Group's operating subsidiaries, increased costs connected with the implementation of new technological processes and measures with the aim of protecting public health, or even prevent the Group from further expanding or upgrading its network. Materialisation of any of these risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

#### **Risks related to the Group's financial profile**

***The Group's leverage and debt service obligations could adversely affect its business and prevent it from fulfilling its obligations with respect to its indebtedness, and the Group may not be able to successfully renew or refinance any such indebtedness as it matures, or may only be able to renew or refinance its indebtedness on less favourable terms.***

The Group has a substantial amount of indebtedness and debt service obligations. As of 31 December 2019, the Group's Net Financial Indebtedness was EUR 3,213 million. The level of the Group's indebtedness could have important consequences, including, but not limited to, making it difficult for the Group to satisfy its obligations with respect to its indebtedness, increasing the Group's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions, or requiring the dedication of a substantial portion of the Group's cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow for, and limiting the ability to obtain additional financing to fund, working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes. Any of these or other factors or events could have a material adverse effect on the Group's ability to satisfy its debt obligations, including the Notes. The Group's business is also subject to significant risks in relation to its ability to renew, extend or refinance loans and other obligations as they mature. The availability of funds in the credit market fluctuates and it is possible that at the relevant time there will be a shortage of credit to redeem the Notes or other indebtedness.

In addition, the Group may incur additional indebtedness in the future. Although the terms of certain of the Group's indebtedness (including, without limitation, indebtedness under the senior term and revolving facilities agreement dated 21 March 2018, as amended and restated, with, among others, BNP Paribas Fortis NV/SA, Crédit Agricole CIB, Česká spořitelna, a.s., HSBC Bank plc, Societe Generale and UniCredit Bank Czech Republic and Slovakia, a. s. as Global Co-ordinators, Societe Generale as Agent, Komerční banka, a.s. as Security Agent and certain financial institutions named therein as lenders (the **"PPF Facilities Agreement"**)), provide for, and the terms of the Notes will provide for, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions.



***The Group is subject to restrictive covenants that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities and the immediate or accelerated repayment of the Group's existing indebtedness upon breach of certain obligations may significantly impact its cash flow and financial stability.***

The terms of certain of the Group's financial indebtedness contain restrictive provisions that, among other things, require the Group to comply with certain financial ratios, such as net proportionate leverage and interest cover ratio. The PPF Facilities Agreement, for instance, includes undertakings that, among other things, make the following activities of the Issuer and its subsidiaries subject to certain conditions: issue shares, consolidate, merge or engage in certain other similar transactions; engage in certain investments; create security or quasi-security on assets; transfer, lease or sell assets; engage in certain business activities; pay any dividend, charge, fee or other distribution; be a creditor in respect of financial indebtedness; and incur financial indebtedness, guarantees or indemnities.

These restrictions are subject to exceptions and qualifications. In addition, the PPF Facilities Agreement contains customary events of default, including, among other things, non-payment, breach of financial covenants or other obligations, misrepresentation, cross default, insolvency, breach of the related intercreditor agreement, repudiation and rescission of agreements, litigation and material adverse change (see "*Description of the Group–Material Financing Arrangements–PPF Facilities Agreement.*").

The Conditions contain covenants restricting, among other things, the Group's ability to create security interests on assets to secure indebtedness; incur or guarantee additional indebtedness and issue certain preferred stock; make certain restricted payments and investments, including dividends or other distributions with respect to the shares of the Issuer or its restricted subsidiaries; enter into certain asset sale transactions; enter into certain transactions with affiliates; and merge or consolidate with other entities. These restrictions are subject to a number of significant qualifications and exceptions as described further in Condition 4 (*Covenants*).

Any of the above restrictive provisions could limit the Group's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest, which may in turn adversely affect the business, financial condition, results of operations, cash flows and prospects of the Group. Any failure by the Group to comply with the restrictions contained in the Conditions or in the PPF Facilities Agreement or perform any of the obligations under its existing indebtedness or any future indebtedness could lead to an event of default (howsoever described), which could result in the immediate or accelerated repayment of the Group's indebtedness. There can be no assurance that the Group's future operating results will be sufficient to ensure compliance with the covenants in the Conditions or other obligations under its existing indebtedness or to remedy any such default. In the event of acceleration, the Group may not have or be able to obtain sufficient funds to make any accelerated payments.

***The Group may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain financing on financially attractive terms as and when needed.***

The Group is reliant upon having financial strength and access to borrowing facilities to meet its financial requirements. If the Group's financial performance does not meet its existing contractual obligations or market expectations, it may not be able to refinance existing facilities on terms considered favourable. If the Group is no longer able to obtain the financing it needs as and when needed, or if it is able to do so only on onerous terms, its further development and competitiveness could be severely constrained. The Group's ability to raise additional capital could be further influenced by factors such as changing market interest rates, restrictive covenants in its debt instruments or negative changes in its credit

rating. At the same time, any additional debt incurred in connection with future acquisitions, construction or development could have a significant negative impact on the Group's performance indicators, and could result in higher interest expenses for the Group. If the Group does not generate sufficient cash flows or if it is unable to obtain sufficient funds from future financings or at acceptable interest rates, the Group may not be able to pay its debts when due or to fund other liquidity needs. The materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's ability to access credit and bond markets and its ability to raise additional financing is in part dependent on its credit ratings.***

The Group's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on the credit rating of the Issuer. As at the date of these Base Listing Particulars, the Issuer has been assigned a long-term issuer rating of BBB- with stable outlook by Fitch, Ba1 with stable outlook by Moody's and BB+ with stable outlook by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. The Issuer's ability to maintain its current rating is dependent on a number of factors, some of which may be beyond its control. These factors are more fully described in the various press releases and rating reports published by Fitch, Moody's and S&P from time to time, and available on their respective websites, as well as on the website of the Issuer. In the event that the Issuer's credit rating is lowered, the Group's ability to access credit and bond markets and other forms of financing (or refinancing) could be limited. This may have a material adverse effect on the Group's business, results of operations, financial condition and market position.

***The Notes and the Guarantee will be structurally subordinated to the claims of creditors, including depositors, trade creditors and preferred stockholders (if any), of the Issuer's non-Guarantor subsidiaries, which constitutes a material part of the Group's financial indebtedness.***

As of 31 December 2019, 35 per cent. of the Group's indebtedness is owed by certain subsidiaries of the Issuer who are not Guarantors and whose assets are not subject to the Transaction Security securing the Notes and, consequently, is structurally senior to the indebtedness of the Issuer under the Notes.

Generally, claims of creditors, including depositors, trade creditors and preferred stockholders (if any) of non-Guarantor subsidiaries of the Issuer, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to their respective parent entity or the creditors of the Issuer and the Guarantors, including claims by the Noteholders under the Notes and the Guarantee. Accordingly, in the event that any non-Guarantor subsidiary of the Issuer becomes insolvent, is liquidated, reorganised or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer and the Guarantors (including the Noteholders) will have no right to proceed against the assets of such non-Guarantor subsidiary; and
- creditors of such non-Guarantor subsidiary, including depositors, trade creditors and preferred stockholders (if any) will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder (as applicable), will be entitled to receive any distributions from such subsidiary.

As such, the Notes and the Guarantee will be structurally subordinated to the creditors, including depositors, trade creditors and any preferred stockholders (if any) of the non-

Guarantor subsidiaries of the Issuer. In addition, the Conditions of the Notes permit these non-Guarantor subsidiaries, subject to certain limitations, to incur substantial additional indebtedness without such incurrence constituting a default under the Conditions of the Notes, and such indebtedness may also be secured. The Conditions of the Notes do not contain any limitation on the amount of other liabilities, such as deposits and trade payables that may be incurred by these subsidiaries.

***The Group is exposed to liquidity risk.***

The Group faces the risk that it will experience difficulties in meeting its obligations associated with financial liabilities that are settled in cash or by delivering another financial asset. To mitigate this risk, the Group focuses on diversifying sources of funds and also holds a portion of its assets in highly liquid funds. Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the Group's liquidity risk management strategy. The Group typically seeks to have sufficient cash available on demand and assets with short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations, although this excludes the impact of extreme events that cannot be reliably predicted, such as natural disasters. However, if these policies and procedures are not effective, are not followed or do not work as planned, this could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to currency fluctuation risks that could adversely affect the Group's profitability.***

Although the Group currently reports its results in Euro, it conducts its business in Czech Koruna, Hungarian Forint, Bulgarian Lev, Serbian Dinar, and Euro and may in the future conduct its business in other local currencies if the Group were to expand its business. As of 31 December 2019, 76 per cent. of the Group's secured and unsecured loans from banks and unsecured bonds in the total amount of EUR 4.0 billion was denominated in Euro and 24 per cent. in Czech Korunas. As of the same date, the largest foreign currency exposure of the Group are financial assets (exposures in currencies different from the functional currencies of the Group members) in the amount of EUR 212 million in EUR, EUR 14 million in U.S.\$ and EUR 6 million in HUF.

As a result, the Group's financial results in any given period may be materially adversely affected by fluctuations in the value of the above local currencies relative to Euro and by the related transaction effects and the translation effects thereof. The Group is exposed to translation effects when one of its subsidiaries incurs costs or earns revenue in a currency different from its functional currency. The Group is exposed to the transaction effects of foreign currency exchange rate fluctuations when the Group converts currencies that it receives into currencies required to pay its debt, or into currencies in which the Group incurs operating costs. Although the Bulgarian Lev has been pegged to the Euro under a currency board established in 1997, in case the peg were to be discontinued, the Group would be exposed to the fluctuation risk of additional currency. The materialisation of any of these risks could result in a gain or loss depending on such fluctuations, and could negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

***A rise in interest rates could increase the Group's financing costs.***

As of the date of these Base Listing Particulars, the Group hedges its exposure to interest rate fluctuations. The Group may from time to time decide not to hedge its exposure to interest rate fluctuations in part or in full. In such a case, an increase in general market interest rates could lead to an increase in the Group's overall interest payment burden and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's hedging strategy may not prove successful or its hedge counterparties may not perform their obligations under the relevant hedging arrangements to which the Group is a party.***

The Group uses interest and currency rate swaps and other types of derivatives to reduce the amount of exposure to interest and currency rate fluctuations. However, the Group may incur losses if any of the variety of instruments and strategies used to hedge exposures are not effective or cannot be implemented. The Group's actual hedging decisions will be determined in light of the facts and circumstances existing at the time of the hedge and may differ from time to time. Also, the risk management procedures the Group has in place may not always be followed or may not work as planned. In addition, the Group is exposed to the risk that its hedging counterparties will not perform their obligations under the relevant hedging arrangements to which the Group is a party. Hedging counterparties may default on their obligations towards the Group due to lack of liquidity, operational failure, bankruptcy or other reasons. The materialisation of any of the above risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

### **Risks related to governmental regulations and laws**

***The Group's operations are subject to significant government regulation and laws and the Group's business, financial condition, results of operations, cash flows and prospects could be adversely affected by changes in the law or regulatory schemes.***

The Group's operations are subject to extensive regulatory requirements in every country in which it operates. Regulations affect many aspects of the Group's business in particular sector-specific regulation governing the telecommunications industry, competition, consumer protection, data privacy and information protection as well as a variety of other regulations (covering areas such as corporate governance, health and safety, environment, bribery and corruption, employment law and diversity, finance, accounting and tax). In particular, the Group's operations in the EU are soon to be subject to the relevant national laws implementing Directive (EU) 2018/1972 establishing the European Electronic Communications Code (the "EECC") adopted in December 2018 with a transposition period of two years.

Among other things, the EECC introduces stricter regulation in certain areas, such as consumer protection (e.g., in relation to readability of customer contracts and service bundles) and accessibility (e.g., authorisations for national authorities to impose access obligations on fixed network providers without significant market power) and requires the European Commission to set EU-wide mobile and fixed termination rates, and may thus result in higher administrative burden and an increase in costs for operators. In addition, variations in implementation are likely to occur among different EU member states due to national regulatory authorities assuming their new responsibilities in different ways. As such, there is a risk that the effect of the EECC and its implementing measures, will have a negative impact on the Group's operation. Although the EECC is not binding in Serbia and Montenegro, due to their candidacy for membership in the EU, their regulatory regimes are expected to gradually converge with those of the EU.

Changes in legislation, regulations, government policy or enforcement may adversely impact the Group's operations. If regulations are expanded or new restrictions or regulatory obligations are introduced in respect of the Group's or its competitors' operations, communications services and markets, including, for instance, with respect to (i) the renewal and granting of licences, including in connection with development of 4G LTE and 5G technologies or wireless broadband electronic communication services, (ii) pricing (such as mandated tariff reductions), (iii) number portability, (iv) sharing sites and towers, (v) consumer protection, (vi) environmental compliance, (vii) data protection, (viii) cyber security and (ix) public safety, the Group's business, financial condition, results of operations,

cash flows and prospects could be adversely affected. The costs, liability and requirements associated with these and other laws and regulations may be extensive. The Group is also exposed to the risk of amendments of these laws and regulations as well as changes in their interpretation. Failure to comply with these regulations may result in the assessment of administrative, civil and criminal penalties, or even the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting the Group's operations.

For example, the introduction of Regulation (EU) 2015/2120 known as "roam like at home" ("**RLAH**") across the EU in 2017 has had, and may in the future have, a negative effect on the Group's revenues due to elimination of surcharges of roaming services in the EU and related decrease in wholesale roaming charges. Moreover, the adoption of RLAH gives rise to specific risks, such as arbitrage risks (i.e. risks from the misuse of the international roaming mechanism to circumvent national terms and conditions). The impact of the RLAH may extend even outside the EU. For instance in April 2019, a regional roaming agreement was signed among Serbia, Montenegro, Bosnia and Herzegovina, Northern Macedonia, Albania and Kosovo (the "**WB6**"). With effect from 1 July 2019, it imposed RLAH+ implementation as a transitional phase towards full regional RLAH implementation, which is to take place by July 2021. RLAH+ decreased roaming prices and regulated maximum mobile termination rates for regulated roaming calls originated and terminated in the WB6 region. In addition, ongoing discussions among regional NRAs and the European Commission may result in a decrease of international mobile termination rates for international direct dialing calls within Serbia, Bosnia and Herzegovina, Northern Macedonia and Montenegro (the "**WB4**") from July 2020 and the introduction of new roaming regulation from mid-2021 for the roaming traffic between the WB6 region and the EU. The decrease of roaming prices in WB6 imposed from July 2019, potential reduction of international mobile termination rates for calls made within the WB4 region from July 2020, and the possible introduction of the roaming regulation between the WB6 and the EU in mid-2021 may have a further adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects

Further, discrepancy in mobile termination rates ("**MTR**") has been identified by the European Commission as a hindrance to competition among telecom providers in the EU. This has led the European Commission to launch a public consultation on the scope and application of the future harmonised rules on voice call termination services in the EU with the aim to overcome divergences between the maximum voice call termination rates by defining European-wide maximum termination rates for fixed and mobile calls. As a result, several countries where the Group operates have introduced, or may introduce in the future, regulation to cap MTR. For instance, as of the date of these Base Listing Particulars, MTR cuts are being implemented in Slovakia and Hungary. These, together with further MTR cuts that may from time to time be implemented in any of the countries where the Group operates, may have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Regulatory authorities could similarly require the Group to grant third parties access to the Group's networks at reduced prices. For instance, although no specific regulation on providing access to MVNOs is present in Bulgaria as of the date of these Base Listing Particulars, in case such is adopted it might have an adverse impact on the Group's operations there. In 2013, for instance, the Bulgarian Communications Regulation Commission ("**CRC**") adopted a binding position on the national roaming and imposed obligation on all operators to negotiate with potential access seekers in good faith.

If the Group fails to comply with applicable regulations as interpreted by the relevant authorities or obligations imposed by the relevant authorities, it may be subject to sanctions, which could result in the deterioration of relationship with the relevant authorities and may have an adverse effect on the Group's business. The Group could also be affected by

regulatory actions carried out by relevant competition authorities. These authorities may prohibit certain actions, such as acquisitions or specific services or practices. Any such regulatory measures or a change in the regulation in respect of the Group's business operations, communications services and markets, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The legal infrastructure and the law enforcement system in the CEE region are less developed compared to Western Europe and are subject to risks and uncertainties that may have an adverse effect on the Group's business.***

The legal infrastructure and the law enforcement system in countries across the CEE region are generally less developed when compared to some Western European countries. In some circumstances, it may not be possible to obtain legal remedies to enforce contractual or other rights in a timely manner or at all. Although institutions and legal and regulatory systems characteristic of parliamentary democracies have generally developed in the CEE countries, the lack of an institutional history remains a problem. As a result, shifts in government policies and regulations, fiscal measures, the judicial system, and decisions of administrative and regulatory bodies in countries across the CEE region tend to be less predictable than in countries with more developed democracies. As of the date of these Base Listing Particulars, Serbia and Montenegro are candidate states in negotiation of joining the EU and, as such, are at the state when their legal, regulatory and judicial systems are expected to gradually converge with those of the EU.

A lack of legal certainty, rigid or unpredictable interpretation of the laws by the relevant courts or regulators, or the inability to obtain effective legal remedies in a timely manner or at all may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

In addition, in such countries, there may be fewer judges specialised and experienced in complex matters involving investments in securities when compared to judges in western European countries. Investors should therefore be aware that matters that must be brought before the relevant courts (for example, insolvency matters) may be subject to delays and may not be conducted in a manner similar to more developed legal systems and may, as a result, lead to delays in proceedings or losses on the Notes.

***The activities of the Group require various administrative authorisations, permits and licences that may be difficult to maintain or obtain or that may be subject to increasingly stringent conditions.***

Each of the Group's operating subsidiaries requires administrative authorisations, permits and licences in each country in which it operates. The procedures for obtaining and renewing these authorisations, permits and licences can be time consuming, complex, expensive and can place a significant burden on the Group's operating subsidiaries. The Group's operating subsidiaries may be required to incur significant expenses to comply with the requirements for obtaining or renewing these authorisations, permits and licences. There can be no assurance that the Group's operating subsidiaries will be able to obtain or maintain the necessary authorisations, permits and licences in the future if the regulation changes and introduces new procedures or requirements in relation to obtaining or maintaining authorisations, permits and licences. The materialisation of any of the above risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

*The Group's licences and assigned frequency usage rights have finite terms, and any inability to renew or obtain new licences and frequency usage rights necessary for the Group's business could adversely affect its operations.*

To operate their mobile communication networks, the O2 CZ Group and the Telenor CEE Group use various radio frequencies in each market where they operate for which they must acquire spectrum allocations or licences to use such frequencies from local regulators or governments. Generally, such spectrum allocations or licences are awarded on the basis of auctions, public tenders or other procedures conducted by the local regulators and have finite terms. Due to, among other things, intense competition in some markets, fees for such spectrum allocations or licences may be substantial. In addition, once a spectrum allocation or licence to use radio frequencies has been granted, the relevant spectrum allocation or licence holders must apply for renewal at set intervals. If such renewals were to be auctioned off, the risk that the Group may fail to renew its spectrum allocations or licences would increase. Finally, in some markets, additional annual spectrum allocation or licence fees may apply. As these fees are often set arbitrarily, may depend on the outcome of auctions and could thus be significant, the O2 CZ Group and the Telenor CEE Group cannot predict the cost of maintaining or expanding its operations in this regard.

In cases when new spectrum allocations or licences would be required for maintaining or expanding the Group's operations, such spectrum allocations or licences may not be available, or be available only at substantial costs, or under unfavourable conditions. If for any reason the O2 CZ Group and the Telenor CEE Group are not successful in acquiring such necessary spectrum allocations or licences or are required to pay higher fees than expected, this could materially impact their business strategy or result in the O2 CZ Group and the Telenor CEE Group having to incur additional capital expenditure to maximise the utilisation of their existing frequency spectrum. In addition, if a competitor, but not the Group, obtains one of these new spectrum allocations or licences or access to additional frequency spectrum, particularly in densely populated areas, the competitive environment in which the Group operates will change and the Group's business and competitive position in that market could be adversely affected.

In 2018, the Czech Telecommunication Office (the “**Czech NRA**”) announced its plan to auction two abstract blocks of frequencies in the size of 2x5 MHz and two abstract blocks of frequencies in the size of 2x10 MHz in 703-733 MHz and 758-788 MHz (“**700 MHz**”) frequency band, which is considered to be key for developing a 5G mobile network. As of the date of these Base Listing Particulars, the timing of the auction and conditions under which the frequencies are to be auctioned are not yet known. However, the auction may take place as soon as 2020. In January 2020, the Czech government tasked the Czech NRA to take into account two objectives when designing the auction: 1) decreasing prices of mobile data to the EU average by setting attractive conditions for a larger number of operators and 2) fast, efficient and safe development of 5G mobile networks. Additionally, the Czech NRA plans to offer together with the auction of 700 MHz frequency band also part of the 3400 – 3600 MHz frequency band.

In Slovakia, an auction for 700 MHz, a small part of 900 MHz and the rest of the 1,800 MHz spectrum is, as of the date of these Base Listing Particulars, expected in the second quarter of 2020.

Similarly in Hungary, an auction of several frequencies, such as 2x25 MHz in 700 MHz frequency band, 310 MHz in 3.6GHz frequency band, and the remaining 2x15 MHz in the 2100 MHz frequency band, commenced on 18 July 2019. Four companies applied (Telekom Hungary, Telenor Hungary, Vodafone Hungary and DIGI Hungary) but the registration of DIGI Hungary was refused. DIGI Hungary has appealed against the decision and, as of the date of these Base Listing Particulars, the appeal is being reviewed.

In Bulgaria, only 2x10 MHz from the total 2x30 MHz are freed in the 800 MHz frequency band. The roadmap adopted in 2018 anticipates that 2x20 MHz from the total 2x30 MHz in 700 MHz frequency band should be freed by June 2020. If and when that happens, the general lack of free spectrum in Bulgaria could potentially result in excessive bidding by the competing operators and may result in a competitive disadvantage for the Telenor CEE Group in case it fails to secure the spectrum allocation.

In Serbia, the auction of the 700 MHz frequency band is expected to take place in 2021. There is a risk, however, that the Serbian government may decide to auction the 3.5GHz and potentially also 2600 MHz frequency band for the 5G mobile network as early as 2020. If this were the case, the Telenor CEE Group would have to consider acquiring the 3.5GHz and potentially also the 2600 MHz frequency band prematurely, before its network infrastructure is fully ready for a successful deployment of 5G.

In Montenegro, the Agency for Electronic Communications and Postal Service, the Montenegrin national regulatory authority (the “**Montenegrin NRA**”) announced that during the course of 2020 it will work on the strategy for 5G introduction in Montenegro with regards to deployment of 700MHz, 3.4-3.8GHz and 26 GHz, which are considered key for development of 5G, while, depending on the interest, it may also focus on the following bands: 1500MHz, 2 GHz, 2.3GHz, 2.6GHz (which are currently used for 4G) as well as 900MHz, 1800MHz, 2GHz (for which the current licenses of MTel are expiring). This may result in spectrum auctions at the end of 2021.

Any significant compliance costs which are incurred, including as a result of repeated postponements of planned spectrum auctions, or difficulties encountered in obtaining requisite authorisations, permits, spectrum allocations or licences or any failure by the Group to obtain the necessary authorisations, permits, spectrum allocations or licences, or obtaining them under commercially unfavourable terms, could materially adversely affect the Group’s business, financial condition, results of operations, cash flows and prospects.

***The Group’s operating subsidiaries’ licences or spectrum allocations may be suspended, amended or terminated prior to the end of their terms or may not be renewed.***

The Group’s operating subsidiaries’ business depends on the issuance, validity and renewal of its telecommunications and business licences and spectrum allocations. The terms of the Group’s operating subsidiaries’ licences or spectrum allocations require them to comply with complex and increasingly stringent conditions established by the legislation regulating the telecommunications industry, as well as to maintain minimum quality, service and coverage standards. Such compliance requirements may include, for instance, rules regulating the price setting, cooperation, access, transparency, use of spectrum, environmental compliance, health and safety, including the regulation of non-ionising radiation aspects related to the Group’s operations. In Serbia, for instance, the regulation of limits for non-ionising radiation is stricter compared to the standards applicable in the EU. As such, the Telenor CEE Group as well as other operators in Serbia have found it increasingly difficult to obtain the necessary environmental permits for their base stations, particularly when upgrading their network to 4G.

If any of the Group’s operating subsidiaries fails to comply with these or other conditions of its spectrum allocations or licences or with the requirements regulating the telecommunications industry generally, or if it does not obtain spectrum allocations or licences for the operation of its infrastructure, equipment, use of frequencies, or other circumstances occur, which may result in any of the relevant Group’s operating subsidiary’s spectrum allocations or licences being revoked or suspended under the applicable local law, the Group may lose the benefit of having the relevant spectrum allocations or licences or may be subject to fines or other administrative actions. The Group’s ability to renew its spectrum allocations or licences is subject to a number of factors beyond the Group’s control, such as



the prevailing regulatory, competitive and political environment at the time of renewal. In some cases, as a condition for a spectrum allocation or licence renewal, the Group may be required to accept new and stricter terms and service requirements, including increased licence fees. The occurrence of any of these events could materially adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***Certain of the Group's subsidiaries have been designated as entities with "significant market power", which restricts their operation in comparison to their competitors and may thus adversely affect their business, financial condition, results of operations, cash flows and prospects.***

The Group's activities are subject to extensive regulation and supervision by the relevant regulators in each country where the Group operates, e.g., by the Czech NRA in the Czech Republic, the CRC in Bulgaria, or the Montenegrin Agency for Electronic Communications and Postal Services (the "MAECPS"), and European authorities such as the European Commission. Depending on the result of the relevant market analysis, regulatory authorities may issue a decision defining an entity as having significant market power on a specific electronic communications market. Regulatory authorities may impose obligations on such an entity to promote competition, such as measures relating to transparency, non-discriminatory access, separate accounting for costs and revenues, provision of access to specific network elements and associated facilities, or the obligation to publish a reference offer for access to, or interconnection of, electronic communications networks or pricing obligations.

In the Czech Republic, the Czech NRA has determined that CETIN has significant market power in four relevant markets and O2 Czech Republic has significant market power at the relevant market for wholesale voice call termination on individual mobile networks. As a result, the Czech NRA has imposed certain regulatory obligations on the Group in certain markets, which affect how the Group is able to market its network and price its services. In Hungary, Bulgaria and Serbia, the Telenor CEE Group has been designated as an operator with a significant market power in relation to the wholesale markets for termination of calls. Similarly, in Montenegro, the MAECPS has determined that the Telenor Montenegro's operation has a significant market power in relation to both its fixed and mobile networks. As such, Telenor Montenegro is subject to statutory limitations as regards, for instance, its pricing policy.

On the relevant markets, where the Group's operating subsidiaries have been declared to have significant market power status, they will have to compete with providers not subject to such regulatory obligations. Therefore, these competitors may have more flexibility than the Group in terms of selection of services offered and customers served, pricing and the granting of network access.

Further, in 2017, the Czech NRA conducted a test to determine a new relevant market for mobile services in the Czech Republic. Following consultations with the European Commission in 2019, the Czech NRA has undertaken to conduct a full analysis of the relevant market to determine companies with significant market power. As of the date of these Base Listing Particulars, the analysis is still pending. Should the Czech NRA find that the market for mobile services in the Czech Republic is not sufficiently competitive, the Czech NRA may resort to remedial measures, such as imposing a mandatory wholesale offering of all mobile services on the incumbent operators, including the O2 CZ Group, which could negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

There is a risk that future changes in regulation may affect the criteria for determining whether an entity has a significant market power, alter the obligations imposed on the Group or introduce additional obligations. The regulatory authorities could also define new relevant markets and impose obligations on participants with significant market power on such newly

defined markets. If regulatory authorities were to conclude that any Group's operating subsidiary has significant market power in any additional market where it operates, this may further impact how the Group is permitted to market its network or price and provide its services. At the same time, if any of the Group's competitors in any market where the Group operates ceases to be considered as having a significant market power or is released from its regulatory obligations, the Group's operations in such market may be negatively affected due to improved competitive position of the Group's competitors. Any of the above could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's activities may be considered anti-competitive.***

Due in part to its position in the market, the Group is subject to continuing oversight and investigation by competition authorities in relation to its business operations and activity in the market generally. For instance, taking into account the manner and extent of the actual connection between CETIN and the O2 CZ Group, the relevant competition authorities have the power to consider two or more entities as one competitor (the so-called "single economic unit" concept). As such, there is a risk that despite the voluntary spin-off of CETIN from the O2 CZ Group completed in 2015 which was welcomed by the Czech Office for the Protection of Competition (the "**Czech Competition Commission**") and the Czech NRA as the relevant regulators, these regulators or the European Commission may ultimately find CETIN and the O2 CZ Group to be a single economic unit. This may have a material adverse effect on the CETIN's and the O2 CZ Group's regulatory environment, as well as their business, financial condition, results of operations, cash flows and prospects.

Further, in October 2016, the European Commission initiated formal antitrust proceedings against CETIN, O2 Czech Republic, and T-Mobile Czech Republic to investigate their network sharing cooperation. The focus of the investigation has been on whether the cooperation may have restricted competition in the Czech Republic by slowing down quality improvements in existing infrastructure, and delaying or hindering the deployment of new technologies, such as 4G LTE. On 7 August 2019, the European Commission sent to the parties a so-called "statement of objections", in which the European Commission expressed its preliminary conclusion that the sharing agreements restrict competition and therefore infringe EU competition rules. The parties submitted their respective responses to the European Commission's statement of objection, explaining in more detail the concerns the European Commission raised, by end of January 2020. In addition, in January 2020, the European Commission sent a similar document also to the parent companies of the parties, PPF Group N.V. and Deutsche Telekom, who are not expected to provide their respective responses until April 2020. As of the date of these Base Listing Particulars, the investigation is still pending and it is not certain whether or not the investigation will in the end determine that the network sharing arrangements are in breach of EU competition rules, nor whether or what sanctions or remedies will be imposed by the European Commission. Should the European Commission conclude that the network sharing cooperation is in breach of EU competition rules, however, it could impose a fine and other sanctions or remedies, such as ordering the decommissioning of selected shared towers and limiting future cooperation between the parties regarding the introduction of 5G. Such remedies, if imposed, may in addition negatively affect the Group's rollout of 5G technology and related sharing cooperation in the region.

CETIN, the O2 CZ Group and the Telenor CEE Group may also, from time to time, enter into additional network sharing schemes or other forms of infrastructure cooperation in any country where they operate. Such cooperation is expected to become more prevalent in relation to the sharing of infrastructure for future technologies, such as 5G. As the regulatory framework of, and the approach of the regulatory and competition authorities to, the sharing cooperation remains unclear, any future sharing schemes may be subject to increased scrutiny

by the relevant authorities, or may even result in sanctions or penalties if deemed anti-competitive.

In addition, the Hungarian Competition Authority is investigating Telenor Hungary for alleged anti-competitive behaviour during the tender auction for the 800 MHz frequency and in relation to its 800 MHz network sharing cooperation with Magyar Telekom. As of the date of these Base Listing Particulars, the investigation is in its early stage. Although Telenor Hungary foresees a low probability of a negative outcome of these cases, there is a risk that the Hungarian Competition may find Telenor Hungary's behaviour anti-competitive. A negative outcome of these investigations could also signal a restrictive approach of the Hungarian Competition Authority towards any future network sharing schemes and hence affect Telenor Hungary's future cooperation with other operators in the Hungarian market.

Should in the above or any other case any relevant competition authority decide that the Group violates applicable competition rules at a national or European level, it may decide to impose sanctions or penalties on the Group. These may include, among other things, fines, orders to decommission certain parts of infrastructure, further regulatory obligations or limits on the Group's future operation or on cooperation with third parties. Any of these could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***Non-compliance with the General Data Protection Regulation (GDPR) or any other data protection laws outside of the EU by any member of the Group, or stricter interpretation of the existing requirements or future modifications of the data protection laws, could have a negative impact on the Group's business, financial condition, results of operations, cash flows and prospects.***

With effect as of 25 May 2018 the Group's operations and services need to comply with Regulation (EU) 2016/679, General Data Protection Regulation ("GDPR"), which generally imposes uniform rules for all market participants operating within the EU and strict sector specific rules under the e-Privacy Directive (Directive 2002/58/EC). GDPR implements a stricter data protection compliance regime and substantially increases fines for a breach of data protection regulation. Similarly in Serbia, a new data protection law, which is largely harmonised with GDPR, was adopted in 2018. Under GDPR, data protection agencies have the right to audit the Group and impose orders and fines, up to EUR 20 million, or up to 4 per cent. of the worldwide annual revenue for the previous financial year, if they find that any member of the Group has not complied with applicable laws and adequately protected customer data. As of the date of these Base Listing Particulars, there are few official guidelines available that would indicate how data protection agencies will evaluate and investigate non-compliance issues and a degree of uncertainty therefore remains in this regard. To mitigate the risk of high sanctions in case of non-compliance, the Group initiated a GDPR implementation project across its operating subsidiaries. Due to the complexity and operational features of the project however, as at the date of these Base Listing Particulars not all of the requirements of the GDPR have been fully implemented in all of the Group's operating subsidiaries. As such, there can be no assurance that the Group is fully compliant with GDPR in all aspects of its operations and the open GDPR tasks that are still being implemented may be challenged by any data protection agency. Any difference in interpretation of the GDPR or any other applicable data protection rules by the data protection agencies resulting in the Group's non-compliance with GDPR or any other applicable data protection laws, or any limitations imposed by stricter interpretation of the existing requirements or by future modifications of the data protection laws, could have a significant impact on the Group's business operations and its ability to market products and services to existing or potential customers. As such, the materialisation of any of the above could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is subject to potential liability under environmental and occupational health and safety laws and regulations.***

The Group is subject to numerous national and international environmental, health and safety laws and regulations. As the owner and operator of numerous sites, the Group may be liable for substantial costs associated with remediating soil and groundwater contaminated by hazardous materials, regardless of whether it, as the owner or operator, knew of, or was responsible for the contamination. It cannot be guaranteed that the Group will always comply with these laws and regulations and any such violation could result in fines, sanctions or the commencement of legal proceedings against the Group, resulting in reputational harm to the Group. The regulation of health, safety and environmental protection is complex and subject to frequent changes, and regulation has become more stringent over time. The Group may be required to change its environmental policy and adopt stricter procedures and measures to comply with applicable regulation and, as a result, the Group may be required to increase its capital expenditure to ensure continued compliance. All of these liabilities and additional costs may affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to several tax jurisdictions.***

The Group is subject to the tax laws of several jurisdictions in which its operating subsidiaries operate. The Issuer and any of its subsidiaries may be treated as being resident for tax purposes or otherwise subject to tax in jurisdictions other than its place of incorporation. The effect of the application of the tax laws of multiple jurisdictions, including the application or disapplication of tax treaties concluded by the relevant countries, or variation in interpretation by the relevant tax authorities or courts could, under certain circumstances, produce contradictory results and related tax liabilities for the Group, impact the amounts of net dividends received from certain of the Group's subsidiaries, and may materially and adversely affect Group's business, financial condition, results of operations, cash flows and prospects.

***The tax systems in many of the countries in which the Group operates are uncertain and the Group could incur additional tax liabilities, which could adversely affect its business, financial condition, results of operations, cash flows and prospects.***

The members of the Group are subject to a number of taxes imposed by national and EU laws applicable in the countries where they operate and enforced by the relevant tax authorities. Some provisions of the tax laws in the countries in which the Group operates are ambiguous and there is often no unanimous or uniform interpretation or practice of the law by the applicable tax authorities and the courts. Differing opinions regarding the legal interpretation of tax laws often exist both among and within governmental ministries and organisations, including tax administrations, creating uncertainties and areas of conflict for taxpayers and investors. As such, there is a risk that higher subsequent tax payments may be imposed if the tax authorities have a divergent opinion on the interpretation and calculation principles that form the basis of the relevant Group members' tax declaration. Moreover, various factors may result in additional tax liabilities for the member of the Group, including the introduction of new taxes, such as sector-specific taxes, to which the Telenor CEE Group is subject in Hungary, changes in existing tax rates, time periods, terms for payment or overdue liabilities, changes in interpretation of tax law or its application by the tax authorities, or the harmonisation of national and EU tax laws and regulations. The materialisation of any of these risks could have a negative impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***EU rules relating to Centre of Main Interests.***

While Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the “**EU Insolvency Regulation**”) provides in general that insolvency proceedings encompassing all of a debtor's assets on a European-wide basis can

be commenced in the EU Member State in which the debtor has its “centre of main interests” (COMI) as described in the EU Insolvency Regulation (generally presumed to be the place of the registered office in the absence of proof to the contrary), territorial proceedings against a Group member may also be opened in another EU Member State in respect of the assets situated in the territory of that other EU Member State in the event that Group member were to possess an establishment within that territory. However, this may be further complicated due to the fact that certain of the Group’s subsidiaries operate in countries that are not part of the EU.

***The insolvency laws of the Netherlands may not be as favourable to Noteholders as insolvency laws of jurisdictions with which the investors may be familiar and may preclude holders of the Notes from recovering payments due on the Notes.***

The Issuer is incorporated and has its “COMI” for the purposes of the EU Insolvency Regulation in the Netherlands. Accordingly, insolvency proceedings with respect to the Issuer would proceed under, and be governed by, Dutch insolvency laws. The insolvency laws of the Netherlands may not be as favourable to investors’ interests as those of other jurisdictions with which investors may be familiar and may limit the ability of Noteholders to enforce the terms of the Notes. Insolvency proceedings may have a material adverse effect on the Issuer’s business and assets and its obligations under the Notes as Issuer.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Notes:

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the

new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”***

Interest rates and indices which are deemed to be “benchmarks”, (including the London interbank offered rate (“**LIBOR**”) and the euro interbank offered rate (“**EURIBOR**”)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and

return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR or EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or EURIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the LIBOR or EURIBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR or EURIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes referencing a benchmark.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

### **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.***

The Notes are only secured by the Transaction Security set out in “*Description of the Group – Material Financing Arrangements – Transaction Security*” and will not benefit from security over any fixed assets, real property or other property or assets. The Transaction Security also secures on a pari passu basis the Issuer’s and the Guarantors’ obligations under the PPF Facilities Agreement, certain hedging liabilities and certain other indebtedness that the Issuer may incur in the future that is permitted under the Conditions of the Notes and the PPF Facilities Agreement. Pursuant to the terms of the Intercreditor Agreement, any proceeds received from enforcement of the Transaction Security will be shared on an equal and rateable basis among the Notes, the PPF Facilities Agreement, the relevant hedging liabilities and certain other indebtedness the Issuer may incur in the future that is permitted under the Conditions of the Notes, the PPF Facilities Agreement and the Intercreditor Agreement to share the benefit of Transaction Security on an equal and rateable basis with the Notes. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under the Notes, and there is no requirement to provide funds to enhance the value of the Collateral if it is insufficient.

No appraisal of the value of the Collateral has been made in connection with the Programme, and the fair market value of the Collateral may be subject to fluctuations. The amount of proceeds realised upon the enforcement of the Transaction Security or in the event of

liquidation will depend upon many factors, including, among other things, general market and economic conditions, the condition of the market for the Collateral, the ability to sell the Collateral in an orderly sale, the fair market value of the Collateral, the timing and manner of the sale, whether or not the business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral, the availability of buyers and the condition of the Collateral and exchange rates. Each of these factors could reduce the likelihood of an enforcement action as well as reduce the amount of any proceeds in the event of an enforcement action.

Furthermore, the Transaction Security securing the obligations under the Notes, the PPF Facilities Agreement and the relevant hedging liabilities may be reduced or diluted under certain circumstances, including the issuance of other permitted pari passu secured indebtedness (including the issuance of further Series of Notes under the Programme) and the disposition of assets comprising the Collateral, subject to the terms of the Conditions of the Notes, the PPF Facilities Agreement and the Intercreditor Agreement.

If the proceeds of the Collateral are not sufficient to repay all amounts due on the Notes, the Noteholders (to the extent not repaid from the proceeds of the sale of the Collateral) would only have a senior unsecured claim against the Issuer.

***Noteholders may not control certain decisions regarding the Transaction Security.***

The Transaction Security that secures the Notes also secures on a pari passu basis the Issuer's obligations under the PPF Facilities Agreement, certain hedging liabilities and certain other indebtedness that the Issuer may incur in the future that is permitted under the Conditions of the Notes and the PPF Facilities Agreement. Pursuant to the terms of the Intercreditor Agreement, any proceeds received from enforcement of the Transaction Security will be shared on an equal and rateable basis among the Notes, the PPF Facilities Agreement, the relevant hedging liabilities and certain other indebtedness the Issuer may incur in the future that is permitted under the Conditions of the Notes, the PPF Facilities Agreement and the Intercreditor Agreement to share the Transaction Security on an equal and rateable basis with the Notes.

The Intercreditor Agreement provides that a security agent will serve as the Security Agent for the secured parties under the PPF Facilities Agreement and the Notes with respect to the Transaction Security. The Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by an Instructing Group. For the purposes of enforcement, "**Instructing Group**" means senior creditors whose participations in the Senior Credit Participations (as defined below) at the relevant time aggregate more than 50 per cent. of the Senior Credit Participations at that time. Noteholders will not have separate rights to enforce the Transaction Security, except as part of an Instructing Group. As a result, Noteholders will not be able to instruct the Security Agent, force a sale of the Collateral or otherwise independently pursue the remedies of a secured creditor under the Security Documents, except as part of an Instructing Group. See "*Description of the Group - Material Financing Arrangements - PPF Intercreditor Agreement*".

Any Instructing Group may have interests that are different from the interests of Noteholders and may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for Noteholders to do so. The Noteholders will be bound by any decision of an Instructing Group, which may result in an enforcement action in respect of the Transaction Security, whether or not such action is approved by the Noteholders or may be adverse to such holders.



***The claims of the holders of the Notes will be effectively subordinated to the rights of the Issuer's future secured creditors to the extent of the value of the assets securing such indebtedness which do not constitute Collateral.***

The Notes and the Guarantee will initially be secured by Security Interests on the Collateral. The Conditions of the Notes will provide for restrictions on the Group's ability to grant additional security interests, but will allow the Group, subject to specified limitations, to incur indebtedness that is secured on assets other than Collateral. This secured indebtedness will be effectively senior to the Notes and the Guarantee to the extent of the value of the assets that secure such indebtedness. In the event of any distribution or payment of the Group's assets in any foreclosure, dissolution, winding-up, liquidation, administration, reorganisation or other insolvency or bankruptcy proceedings, the proceeds from the sale of assets securing any indebtedness secured on assets other than Collateral will be available to pay obligations with respect to the Notes only after all such secured indebtedness (including claims preferred by operation of law) has been paid in full. As a result, holders of Notes may receive less, rateably, than holders of such other secured indebtedness.

***The Group will have control over the Collateral and the value of certain assets constituting the Collateral may decrease because of obsolescence, impairment or certain casualty events.***

The Security Documents allow the Group to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes and the Guarantee. So long as no default or event of default under the Conditions of the Notes would result therefrom, the Group may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as making ordinary course cash payments, including repayments of intercompany indebtedness, which would reduce the value of the receivables pledged as part of the Collateral.

***The Guarantee and the Transaction Security will be subject to certain limitations including on enforcement and may be limited by applicable law or subject to certain defences that may limit their validity and enforceability.***

The Guarantee will provide the Noteholders with a claim (via the Trustee) against each relevant Guarantor. However, each Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the Guarantee, as it relates to such Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of the Guarantee would be subject to certain generally available defences and laws (including those that relate to fraud, insolvency, voidable preference, transactions at undervalue, financial assistance, preservation of share capital, thin capitalisation, corporate purpose or benefit, capital maintenance and similar laws, regulations or defences affecting the rights of creditors generally).

The Notes and the Guarantee are secured by Transaction Security created under the Security Documents, which is limited in scope to the value of the relevant assets expressed to be subject to relevant Security Interest created thereunder. In addition, enforcement or disposal of the Collateral will be limited to the extent of the amount which can be secured by the Issuer and the other security providers without rendering the security voidable or otherwise ineffective under applicable law in the jurisdiction of the relevant Transaction Security. Enforcement of the Transaction Security against the Issuer and the other security providers will be subject to certain defences available to security providers generally. These laws and defences include those that relate to insolvency, voidable preference, financial assistance, preservation of share capital, thin capitalisation, corporate purpose or benefit, capital maintenance and similar laws, regulations or defences affecting the rights of creditors generally.

***There are circumstances other than repayment or discharge of the Notes under which some or all of the Collateral securing the Notes and the Guarantee will be released automatically, without the consent of Noteholders or the Trustee.***

The Security Interests on some or all of the Collateral securing the Notes shall be automatically released simultaneously with or upon the release, discharge or other termination (other than as a result of an enforcement action) of any and all Security Interests on the relevant Collateral securing other Indebtedness for borrowed money (not including Indebtedness under Hedging Agreements), and a Guarantor shall automatically and unconditionally be released from all obligations under the Guarantee simultaneously with or upon the release of such Guarantor's guarantee and other obligations in respect of any and all other Indebtedness for borrowed money outstanding at such time (other than Indebtedness under Hedging Agreements), in each case, without the consent of Noteholders. Such a release could occur, for example, in connection with a refinancing, amendment or restatement of the PPF Facilities Agreement on an unsecured and unguaranteed basis. In such a circumstance, the Notes would become unsecured and lose the benefit of the Security Interests on the Collateral and the Guarantee.

In addition, some or all of the Collateral securing the Notes will, without the consent of the Noteholders or the Trustee, and subject to the terms of the Intercreditor Agreement, be unconditionally released from the Security Interests created by the Security Documents under various other circumstances, including:

- upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;
- in connection with the sale, transfer or other disposition of any asset constituting Collateral to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate Condition 4.5 (*Covenants - Limitation on Asset Sales*) or Condition 4.12 (*Covenants - Consolidation, Merger or Sale of Assets*);
- in the case of property and assets and Capital Stock of a Guarantor, to the extent such Guarantor is released from its Guarantee pursuant to Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*);
- as provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, including in accordance with certain enforcement actions taken by the creditors under certain of the Issuer's or a Restricted Subsidiary's Indebtedness secured by Security Interests on the Collateral in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement;
- in connection with a Permitted Reorganisation (as defined in the Conditions of the Notes); or
- pursuant to Condition 4.1(b) (*Covenants - Negative Pledge*) or Condition 15 (*Meetings of Noteholders, Modification and Waiver*).

A Guarantor shall automatically and unconditionally be released from all obligations under the Guarantee under a variety of other circumstances, including:

- upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;

- upon the sale or other disposition (including through merger, consolidation, amalgamation or other combination) of all or substantially all of the assets, of such Guarantor to a person that is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary, if such sale or other disposition does not violate Condition 4.5 (*Covenants - Limitation on Asset Sales*) or Condition 4.12 (*Covenants - Consolidation, Merger or Sale of Assets*);
- upon the sale or other disposition of the Capital Stock of such Guarantor (whether by direct sale or through the sale of the Capital Stock of a Holding Company of such Guarantor) to a person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition, does not violate Condition 4.5 (*Covenants - Limitation on Asset Sales*) and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Issuer;
- upon the liquidation or dissolution of such Guarantor or otherwise in connection with a Permitted Reorganisation;
- as provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, including in accordance with certain enforcement actions taken by the creditors under certain of the Issuer's or a Restricted Subsidiary's Indebtedness in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- pursuant to Condition 15 (*Meetings of Noteholders, Modification and Waiver*).

In addition, if the Security Agent sells Collateral comprising the shares of any of the Issuer's subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, the claims under the Notes and the Guarantee may be released or transferred. Noteholders' ability to recover on the Notes could be materially impaired in such circumstances. See "*Description of the Group – Material Financing Arrangements – PPF Intercreditor Agreement*". The Conditions of the Notes and the Intercreditor Agreement will also provide that the Security Interests on the Collateral securing the Notes may be released and retaken in connection with the incurrence of additional secured indebtedness, if it is not possible to implement any such transaction by instead granting additional Collateral and amending the terms of the existing Collateral. Such a release and retaking of Collateral may give rise to the start of a new "hardening period" in respect of such Collateral. Under certain circumstances, other creditors, insolvency officeholders or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit Noteholders' recovery in respect of such Collateral and thus reduce recovery under the Notes. The Intercreditor Agreement will also provide that the Guarantee and Transaction Security will be subject to release in connection with a distressed disposal.

***The Transaction Security is granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Transaction Security may be restricted by local law.***

The Transaction Security that secures, among other obligations, the obligations of the Issuer under the Notes and the Guarantors under the Guarantee is not granted directly to Noteholders, but is granted only in favour of the Security Agent. The Trust Deed and the Intercreditor Agreement provide that only the Security Agent has the right to enforce the Security Documents. As a consequence, Noteholders will not have direct Security Interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except as part of an Instructing Group through the Trustee, who will (subject to the

provisions of the Trust Deed and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral as part of an Instructing Group (see “*Noteholders may not control certain decisions regarding the Collateral*”). The Intercreditor Agreement provides that the Security Agent will not be obliged to take any action in respect of the Collateral if it would be obliged to expend or risk its own funds or otherwise incur any liability or if it has grounds for believing that the repayment of such funds or adequate indemnity against or security for such risk or liability is not reasonably assured to it.

In addition, the ability of the Security Agent to enforce the Transaction Security is subject to mandatory provisions of the laws of the jurisdictions of the relevant Collateral. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured. In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of Security Interests and the enforceability of such Security Interests, the Intercreditor Agreement provides for the creation of “parallel debt” obligations in favour of the Security Agent (“**Parallel Debt**”) mirroring the obligations of the Issuer and the Guarantors owed to holders of the Notes under the Conditions of the Notes and the Guarantee (“**Principal Obligations**”). All or part of the pledges and other Security Interests in such jurisdictions will be granted to the Security Agent as Security Interests for the Parallel Debt and will not directly secure the Principal Obligations. Under the provisions of the Intercreditor Agreement, the Parallel Debt will be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the Security Interests granted to secure the Parallel Debt, the Noteholders will not have direct Security Interests and will not be entitled to take enforcement actions in respect of such Security Interests except through the Security Agent. Therefore, the Noteholders will bear the risk of insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt construct has not been tested under law in certain of these jurisdictions and to the extent that the Transaction Security created under the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such Transaction Security.

***The Noteholders will not be able to independently accelerate the Notes in the event that any Transaction Security ceases to be in full force and effect or becomes invalid or unenforceable.***

The Conditions of the Notes do not provide for an Event of Default in respect of any Transaction Security ceasing to be in full force and effect or becoming invalid or unenforceable and do not include a covenant prohibiting the Group from taking actions that would materially impair the Security Interests on the Collateral securing the Notes. In the event that any Transaction Security ceases to be in full force and effect, becomes invalid or unenforceable or is rescinded or repudiated by the relevant security provider, this would not constitute an Event of Default under the Conditions of the Notes and therefore Noteholders would not be able to accelerate the Notes and the other consequences of an Event of Default (for example, limitations on the Group’s usage of certain restricted payments capacity and the Group’s ability to take certain other actions under the covenants) would not be triggered. However, such an event in respect of any of the Transaction Security may give rise to an event of default or a “blocking event” (see below “*The PPF Facilities Agreement contains “blocking events” that could limit the scope for Noteholders to rely on cross-acceleration*”) under the PPF Facilities Agreement. Only if such event gives rise to an event of default (and not a “blocking event”) under the PPF Facilities Agreement (which event of default may not

occur if the invalidity does not affect the interests of the Finance Parties under the PPF Facilities Agreement) would this entitle the relevant proportion of Finance Parties under the PPF Facilities Agreement to accelerate the Indebtedness under the PPF Facilities Agreement, which acceleration would then enable the Noteholders to accelerate the Notes pursuant to the cross-acceleration provision in Condition 10.1(c). In the event that any Transaction Security ceases to be in full force and effect, becomes invalid or unenforceable or is rescinded or repudiated by the relevant security provider, and the Finance Parties do not or do not have the right to accelerate the PPF Facilities Agreement, the Noteholders will have no recourse against the Issuer or the Guarantors under the Conditions of the Notes with respect to the Transaction Security and the Noteholders' rights will be equal to the rights of general unsecured creditors in the event of a liquidation, foreclosure, bankruptcy, reorganisation or similar proceeding

***Noteholders' rights in the Collateral may be adversely affected by the failure to perfect Security Interests on the Collateral.***

The Group may be required under certain circumstances to provide additional Collateral. Under applicable law, a Security Interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the Security Interest. The Security Interests on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Issuer or the Security Agent fail or are unable to take the actions required to perfect any such security interest. Such failure may result in the invalidity of the relevant Security Interests on the Collateral or adversely affect the priority of such Security Interest in favour of the Notes against third parties, including an insolvency officeholder appointed in relation to the grantor of Collateral and other creditors who claim a Security Interest in the same Collateral. Neither the Trustee nor the Security Agent shall be under any obligation to monitor the acquisition of additional property or rights that constitute Collateral or take any action in relation to the perfection of any Security Interest therein. Additionally, the Trust Deed and the Security Documents will not require the Issuer to take actions that might improve the perfection or priority of the security interests of the Security Agent in the Collateral. To the extent that the Security Interests created by the Security Documents with respect to the Collateral are not registered or perfected, the Security Agent's rights will be equal to the rights of general unsecured creditors in the event of a liquidation, foreclosure, bankruptcy, reorganisation or similar proceeding.

***The PPF Facilities Agreement contains "blocking events" that could limit the scope for Noteholders to rely on cross-acceleration***

The PPF Facilities Agreement includes a number of "blocking events" which would customarily be events of default in standard facilities agreements (See "Description of the Group - Material Financing Arrangements - PPF Facilities Agreement"). These blocking events include if it is or becomes unlawful for an obligor or a security provider to perform its material obligations under the Finance Documents (as defined in the PPF Facilities Agreement and includes the Security Documents), any Finance Documents ceases to be legal, valid or enforceable or any Group member suspends or ceases to carry a material part of its business and such suspension has a material adverse effect on the Group and such event is not remedied within 20 business days. Upon the occurrence of a blocking event, each lender shall have the right to have its commitment cancelled and its participations prepaid within five business days after notification of the Issuer by the agent, provided that the Issuer shall have, under certain conditions, the right to require such retiring lender to transfer all of its rights and obligations to a replacement lender. However, the lenders do not have the right to accelerate the indebtedness under the PPF Facilities Agreement upon the occurrence of a blocking event. Consequently, if any such blocking event occurred, Noteholders would not be able to use the cross-acceleration provision in Condition 10.1(c).

***Many of the covenants in the Conditions of the Notes will be suspended if the Notes are rated investment grade.***

Many of the covenants contained in the Conditions of the Notes will be suspended if the Notes are rated investment grade by at least two of Fitch, Moody's or S&P Global Ratings Europe Limited, provided that no potential event of default or event of default has occurred and is continuing. These covenants will be suspended for the duration of the period during which the Notes maintain an investment grade rating and include covenants that restrict, among other things, the Issuer's ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such ratings. Suspension of these covenants, however, would allow the Issuer to engage in certain transactions that would not be permitted while these covenants were in force, and such transactions would not result in a breach of the Conditions of the Notes during a period in which the covenants are suspended. See Condition 4.9 (*Suspension of Covenants on Achievement of Investment Grade Status*).

***Risks relating to providing consolidated accounts only***

The Issuer has requested Euronext Dublin to grant a derogation under Rule 3.3(3)(c) of Euronext Dublin's Global Exchange Market Listing and Admission to Trading Rules from the requirement for the Guarantors to include their individual financial statements in these Base Listing Particulars. Euronext Dublin has granted such derogation. The Guarantee given by the Guarantors are full and unconditional and given on a joint and several basis. The accounts of the Guarantors have been included in the consolidated accounts of the Issuer (along with the accounts of the non-Guarantors), which are incorporated by reference herein, and have not been presented separately herein. However, as the non-Guarantor subsidiaries represent more than 25 per cent of the Issuer's consolidated Net Assets (see "*Presentation of Financial and other Information–Omission of Information*"), the audited consolidated financial statements of the Issuer may be of limited use in assessing the financial position of the Guarantors.

***The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed, the Intercreditor Agreement or any Security Document or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, in the circumstances described in Condition 15 (*Meetings of Noteholders, Modification and Waiver*). The Trustee may also, without the consent of the Noteholders, enter into any amendment or supplement to the Intercreditor Agreement or any Additional Intercreditor Agreement that is permitted by Condition 4.11 (*Covenants – Additional Intercreditor Agreements; Agreement to be Bound*).

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The Conditions of the Notes are based on English law in effect as at the date of these Base Listing Particulars. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of these Base Listing Particulars and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

#### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify

exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantors to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Programme or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European (including United Kingdom) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU or the United Kingdom and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU and non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or UK-registered credit rating agency or the relevant non-EU and non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Base Listing Particulars.



## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents shall be incorporated in, and form part of, these Base Listing Particulars:

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019;
- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018;
- (c) the assurance report of the independent auditor and unaudited pro forma consolidated condensed financial information of the Group for the year 31 December 2018 to the extent it relates to the financial year ended 31 December 2018, included in Schedule 1 of the Base Listing Particulars of the Issuer dated 14 March 2019; and
- (d) the Terms and Conditions of the Notes contained in the Base Listing Particulars of the Issuer dated 14 March 2019 (at pages 73-176 inclusive).

Any documents themselves incorporated by reference in the documents incorporated by reference in these Base Listing Particulars shall not form part of these Base Listing Particulars.

Copies of documents incorporated by reference in these Base Listing Particulars have been filed with Euronext Dublin and can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London and will be available for viewing on the website of the Issuer as specified above.

Any non-incorporated parts of a document referred to herein, including, without limitation, the unaudited pro forma consolidated condensed financial information of the Group referred to under letter (c) above to the extent it relates to the financial year ended 31 December 2017, are either deemed not relevant for an investor or are otherwise covered elsewhere in these Base Listing Particulars.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in these Base Listing Particulars which is capable of affecting the assessment of any Notes, prepare a supplement to these Base Listing Particulars or publish a new Base Listing Particulars for use in connection with any subsequent issue of Notes. Any such supplement or new Base Listing Particulars will be published in accordance with the rules of Euronext Dublin.

In the event that an Additional Guarantor is added pursuant to Condition 3.4 (*Status of the Notes, the Guarantee and Security – Additional Guarantors*), the Issuer will, prior to issue of any new Notes that are intended to be admitted to the Official List and to trading on the Global Exchange Market, prepare a supplement to these Base Listing Particulars or publish a new Base Listing Particulars for use in connection with any subsequent issue of Notes that will take into account the addition of such Guarantor.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”) and Registered Notes will be issued to non-U.S. persons outside the United States in reliance on the exemption from registration provided by Regulation S.

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a “**Temporary Bearer Global Note**”) or, if so specified in the applicable Pricing Supplement, a permanent global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, each a “**Bearer Global Note**”) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest,

principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

The option for an issue of Bearer Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes should not be expressed to be applicable in the applicable Pricing Supplement if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 10 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

## Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a “**Registered Global Note**”). Registered Global Notes will be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the “**NSS**”), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the common depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Pricing Supplement will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments – Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Original Guarantors, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments – Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*)) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in

(iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

### **Transfer of Interests**

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

### **General**

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

The Issuer and the Original Guarantors may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes.

## APPLICABLE PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.*

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MIFID II product governance / target market** – *[appropriate target market legend to be included]*]

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

*[Date]*

**PPF TELECOM GROUP B.V. (formerly known as PPF ARENA 1 B.V.)**

**Legal entity identifier (LEI): 31570074PLDZISJWNN43**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
[Guaranteed by certain subsidiaries of PPF Arena 1 B.V.]  
under the EUR3,000,000,000  
Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.]<sup>2</sup>

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Listing Particulars dated 9 March 2020 [as supplemented by the supplement[s] dated [date[s]]] (the “**Base Listing Particulars**”).

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<sup>1</sup> Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>2</sup> Do not include if the “Prohibition of Sales to EEA and UK Retail Investors” legend is included (because the Notes potentially constitute “packaged” products and no key information document will be prepared) and the related selling restriction is specified to be “Applicable”.

Full information on the Issuer, the Original Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. Copies of the Base Listing Particulars may be obtained from [address].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Listing Particulars with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Listing Particulars dated [original date] [and the supplement(s) to it dated [date(s)]] which are incorporated by reference in the Base Listing Particulars.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]*

1. (a) Issuer: PPF Telecom Group B.V. (formerly known as PPF Arena 1 B.V.)
- (b) Guarantor(s):
  - [PPF Infrastructure B.V.]
  - [PPF Telco B.V.]
  - [PPF TMT Bidco 1 B.V.]
  - [ ]
  - [Not Applicable]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [date]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
  - (a) Series: [ ]
  - (b) Tranche: [ ]

5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]  
*(N.B. Notes must have a minimum denomination of €100,000)*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [ ]  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Specify date or for Floating Rate Notes - Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[specify Reference Rate] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis][Not Applicable]
12. Put/Call Options: [Investor Put]  
 [Change of Control Put]  
 [Issuer Call]  
 [Issuer Maturity Par Call]  
 [(further particulars specified below)]
13. (a) Status of the Notes: Senior



- (b) Status of the Guarantee: Senior
- (c) [Date of [Board] approval [ ] [and [ ], respectively]]  
for issuance of Notes [and  
Guarantee] obtained: *(N.B. Only relevant where Board (or similar)  
authorisation is required for the particular  
tranche of Notes or related Guarantee)*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining  
subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear  
on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the  
Maturity Date  
*(Amend appropriately in the case of irregular  
coupons)*
- (c) Fixed Coupon Amount(s) for [ ] per Calculation Amount  
Notes in definitive form (and  
in relation to Notes in global  
form see Conditions):
- (d) Broken Amount(s) for Notes [[ ] per Calculation Amount, payable on  
in definitive form (and in the Interest Payment Date falling [in/on]  
relation to Notes in global [ ]][Not Applicable]  
form see Conditions):
- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
- (f) [Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is  
Actual/Actual (ICMA). In such a case, insert  
regular interest payment dates, ignoring  
issue date or maturity date in the case of a  
long or short first or last coupon)*
- (g) Other terms relating to the [None/Give details]  
method of calculating  
interest for Fixed Rate  
Notes:
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining  
subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified [ ][, subject to adjustment in accordance  
Interest Payment Dates: with the Business Day Convention set out in  
(b) below/, not subject to any adjustment, as  
the Business Day Convention in (b) below is  
specified to be Not Applicable]

- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]] [Not Applicable]
- (c) Additional Business Centre(s): [ ]/[Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]/[Not Applicable] (the “**Calculation Agent**”)
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ] month [LIBOR/EURIBOR/*specify other Reference Rate*] (*Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.*)
  - Interest Determination Date(s): [ ]  
(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
  - Relevant Screen Page: [ ]  
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)

*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*

- (h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
  - (i) Margin(s): [ +/- ] [ ] per cent. per annum
  - (j) Minimum Rate of Interest: [ ] per cent. per annum
  - (k) Maximum Rate of Interest: [ ] per cent. per annum
  - (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
30E/360 (ISDA)  
[Other]
  - (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [ ] per cent. per annum
  - (b) Reference Price: [ ]
  - (c) Any other formula/basis of determining amount payable for Zero Coupon Notes: [ ]
  - (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

## PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 7.2 Minimum period: [ ] days  
*(Redemption and Purchase – Maximum period: [ ] days  
 Redemption for taxation reasons):*
18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption [ ]  
 Date(s):
- (b) Optional Redemption [[ ] per Calculation Amount/Make  
 Amount and method, if any, Whole Redemption Amount/ *specify*  
 of calculation of such *other/see Appendix]*  
 amount(s):
- (i) Reference Bond: [ ]
- (ii) Redemption Margin: [ ]
- (iii) Quotation Time: [ ]
- (c) If redeemable in part:
- (i) Minimum Redemption [ ]  
 Amount:
- (ii) Maximum Redemption [ ]  
 Amount:
- (d) Notice periods: Minimum period: [ ] days  
 Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)*
19. Issuer Maturity Par Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Maturity Par Call Period: From (and including) [ ] to (but excluding) the Maturity Date.

- (b) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days
20. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)*
21. Change of Control Put: [Applicable/Not Applicable]
22. Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required): [[ ] per Calculation Amount/specify other/see Appendix]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:
- (a) Form: [Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

[Registered Notes:

[Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

(b) New Global Note: [Yes][No]

25. Additional Financial Centre(s): [Not Applicable/give details]  
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates)

26. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

27. Other terms or special conditions: [Not Applicable/give details]

## RESPONSIBILITY

The Issuer [and the Original Guarantors] accept[s] responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and each Original Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of PPF Telecom Group  
B.V. (formerly known as PPF Arena 1 B.V.):

By:.....

*Duly authorised*

[Signed on behalf of [*Guarantor*]:

By:.....

*Duly authorised]*

[Signed on behalf of [*Guarantor*]:

By: .....

*Duly authorised]*

[Signed on behalf of [*Guarantor*]:

By:.....

*Duly authorised]*

## PART B – OTHER INFORMATION

### 1. LISTING

[Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin with effect from [ ].]

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be a regulated market*] with effect from [ ].] [Not Applicable]

### 2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].  
(*The above disclosure is only required if the ratings of the Notes are different to those stated in the Base Listing Particulars*)

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Original Guarantors] and [its/their] affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

### 4. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI: [[ ], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]

(iv) FISN: [[ ], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible



National Numbering Agency that assigned the ISIN/Not Applicable] *(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [ ]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 5. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/*give details*]  
*(Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)*
- (vii) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (viii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]  
*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Pricing Supplement” for a description of the content of final terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by PPF Arena 1 B.V. (the “**Issuer**”) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 14 March 2019 made between the Issuer, the Original Guarantors (as defined below) and Citibank, N.A., London Branch (the “**Trustee**”, which expression shall include any successor as Trustee). References herein to the “**Guarantors**” are references to PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V. (the “**Original Guarantors**”) and each company (if any) which becomes an additional guarantor (each an “**Additional Guarantor**”) pursuant to Condition 3.4 (*Status of the Notes, the Guarantee and Security – Additional Guarantors*) and in accordance with the Trust Deed, but shall not include any entity which ceases to be a Guarantor of the relevant Series pursuant to Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 14 March 2019 and made between the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citigroup Global Markets Europe AG as registrar (the “**Registrar**”, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents). The Principal Paying

Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the Registrar, the Paying Agents and other Transfer Agents together referred to as the “**Agents**”.

The obligations of the Issuer and the Guarantors under the Notes and the Trust Deed will be secured in favour of the Security Agent (as defined below) acting as security agent for the Trustee, the Noteholders and the other Secured Parties (as defined in the Intercreditor Agreement), as further described in Condition 3.5 (*Status of the Notes, the Guarantee and Security – Security*). The security arrangements are governed by and subject to an amended and restated intercreditor agreement originally dated 21 March 2018 by and between, *inter alios*, the Issuer, the Original Guarantors, Société Générale as senior agent, Komerční Banka, A.S. as security agent (the “**Security Agent**”) and the Trustee (who will accede to the Intercreditor Agreement on or prior to the Initial Issue Date) (such intercreditor agreement as amended and/or supplemented and/or restated from time to time, the “**Intercreditor Agreement**”).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the “**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the “**Couponholders**”, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed, the Agency Agreement, the Intercreditor Agreement and the Security Documents (as defined below) are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) the applicable Pricing Supplement will be published on the website of Euronext Dublin. In the case of a Tranche of Notes which is not admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, copies of the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the Intercreditor

Agreement and the Security Documents and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed, the Agency Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, the Intercreditor Agreement or such Additional Intercreditor Agreement will prevail and, in the event of inconsistency between the Trust Deed, the Agency Agreement, the Intercreditor Agreement, the Security Documents and the applicable Pricing Supplement, the Intercreditor Agreement or such Additional Intercreditor Agreement will prevail.

In the Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantors, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the

case of manifest error) shall be treated by the Issuer, the Guarantors, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantors, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in Condition 2.3 (*Transfers of Registered Notes – Registration of transfer upon partial redemption*), upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable

regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **2.4 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **3. STATUS OF THE NOTES, THE GUARANTEE AND SECURITY**

### **3.1 Status of the Notes**

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the terms of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents) secured obligations of the Issuer and rank *pari passu* without any preference among themselves but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The Notes are secured in the manner set out in the Intercreditor Agreement and the Security Documents.

### **3.2 The Guarantee**

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally, unconditionally and (subject to the provisions of Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*)) irrevocably guaranteed by the Guarantors in the Trust Deed (the “**Guarantee**”). The obligations of the Guarantors under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the terms of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents) secured

obligations of each Guarantor and rank *pari passu* without any preference among themselves but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The Guarantee is secured in the manner set out in the Trust Deed, the Intercreditor Agreement and the Security Documents.

### **3.3 Release of a Guarantor**

- (a) Subject to paragraph (b) below, a Guarantor shall automatically and unconditionally be released from all obligations under the Guarantee and the Trust Deed, and such Guarantor shall cease to be a Guarantor of the Notes and its obligations under the Guarantee and Trust Deed shall terminate:
  - (i) upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;
  - (ii) upon the sale or other disposition (including through merger, consolidation, amalgamation or other combination) of all or substantially all of the assets of such Guarantor to a Person that is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary, if such sale or other disposition does not violate Condition 4.5 (*Covenants – Limitation on Asset Sales*) or Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*);
  - (iii) upon the sale or other disposition of the Capital Stock of such Guarantor (whether by direct sale or through the sale of the Capital Stock of a Holding Company of such Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate Condition 4.5 (*Covenants – Limitation on Asset Sales*) and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Issuer;
  - (iv) upon the liquidation or dissolution of such Guarantor or otherwise in connection with a Permitted Reorganisation;
  - (v) as provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, including in accordance with certain enforcement actions taken by the creditors under certain of the Issuer's or a Restricted Subsidiary's Indebtedness in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement;
  - (vi) pursuant to Condition 15 (*Meetings of Noteholders, Modification and Waiver*); or
  - (vii) simultaneously with or upon the release of such Guarantor's guarantee and other obligations in respect of any and all other Indebtedness for borrowed money outstanding at such time (which term does not include Indebtedness under Hedging Agreements).
- (b) Notwithstanding paragraph (a) above, no release and discharge of a Guarantor from the Guarantee shall be effective against the Trustee, the Agents, the Noteholders or the Couponholders until the Issuer has delivered



to the Trustee an Officer's Certificate containing certifications to the satisfaction of the Trustee (upon which the Trustee can rely without liability to any person and without further enquiry) that (i) no Event of Default or Potential Event of Default is continuing or will result from the release of the relevant Guarantor from its obligations under the Guarantee and its obligations as a Guarantor under the Trust Deed and (ii) such release complies with the requirements of these Conditions.

- (c) Upon receipt of such Officer's Certificate delivered pursuant to paragraph (b) above, the Trustee shall (without the consent of the Noteholders but at the expense of the Issuer) execute any documents reasonably required by the Issuer or a Guarantor in order to evidence or effect any release, discharge and termination of the Guarantee under this Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*). None of the Issuer, the Trustee or any Guarantor shall be required to make a notation on the Notes to reflect any such release, discharge or termination.
- (d) If any Original Guarantor that has been released from the Guarantee pursuant to Condition 3.3(a)(vii) subsequently guarantees or otherwise Incurs any other Indebtedness for borrowed money (which term does not include Indebtedness under Hedging Agreements) in an aggregate principal amount in excess of €10.0 million, the Issuer shall procure that such Original Guarantor promptly provides a Guarantee by executing and delivering a supplemental trust deed to the Trustee in the manner described in Condition 3.4 (*Status of the Notes, the Guarantee and Security – Additional Guarantors*) below.

### **3.4 Additional Guarantors**

If at any time after Initial Issue Date, any Subsidiary of the Issuer provides, or at the time it becomes a Subsidiary is providing, a guarantee in respect of any Indebtedness for borrowed money (which term does not include Indebtedness under Hedging Agreements) of the Issuer or a Guarantor in an aggregate principal amount in excess of €10.0 million, the Issuer covenants that it shall procure that such Subsidiary shall, on or prior to the date of the giving of such guarantee, or as soon as reasonably practicable but in any event no later than seven days after the date it so becomes a Subsidiary and is providing such a guarantee, become an Additional Guarantor by executing and delivering a supplemental trust deed to the Trustee, such supplemental trust deed to be in or substantially in the form set out in Schedule 6 to the Trust Deed, and complying with such other conditions as are set out in the Trust Deed (but without of the consent of the Noteholders), pursuant to which such Subsidiary shall guarantee the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed on the same terms *mutatis mutandis* as the Guarantee including, but not limited to, such guarantee being joint and several; *provided* that with respect to any guarantee of Subordinated Indebtedness by such Subsidiary, any such guarantee shall be subordinated to such Subsidiary's Guarantee at least to the same extent as such Subordinated Indebtedness is subordinated to the Notes. Each other Guarantor has in the Trust Deed confirmed that it has consented to any such entity becoming a Guarantor as aforesaid without any need for it to execute any supplemental trust deed. At the option of the Issuer, any supplemental trust deed with respect to such Guarantee may contain customary limitations on guarantor liability to the extent necessary (as determined in good faith by the Board of Directors or an Officer of the

Issuer) to take into account limitations under applicable law, including with respect to director liability.

### **3.5 Security**

Subject to the provisions of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents, the obligations of the Issuer and the Guarantors under the Notes and the Trust Deed (including the Guarantee) and certain other obligations of the Issuer and the Guarantors are secured by, *inter alia*, the Security Documents. The Noteholders and the other Secured Parties will share in the benefit of the Security Interests on the Collateral, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents.

*The Trustee's and the Noteholders' rights in relation to the Security are subject to the terms of the Intercreditor Agreement. See "Description of the Group – Material Financing Arrangements – PPF Intercreditor Agreement".*

### **3.6 Release of Security**

- (a) An item of Collateral shall be automatically released from the Security Interests created by the Security Documents in accordance with the provisions of the Intercreditor Agreement (including any Additional Intercreditor Agreement), the Notes, the Trust Deed and the Security Documents:
  - (i) upon the full and final payment and performance of all obligations of the Issuer under the Trust Deed and the Notes;
  - (ii) in connection with the sale, transfer or other disposition of any asset constituting Collateral to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate Condition 4.5 (*Covenants – Limitation on Asset Sales*) or Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*);
  - (iii) in the case of property and assets and Capital Stock of a Guarantor, to the extent such Guarantor is released from its Guarantee pursuant to Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*);
  - (iv) as provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, including in accordance with certain enforcement actions taken by the creditors under certain of the Issuer's or a Restricted Subsidiary's Indebtedness secured by Security Interests on the Collateral in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement;
  - (v) in connection with a Permitted Reorganisation;
  - (vi) pursuant to Condition 4.1(b);
  - (vii) pursuant to Condition 15 (*Meetings of Noteholders, Modification and Waiver*); or

- (viii) simultaneously with or upon the release, discharge or other termination (other than as a result of an enforcement action) of any and all Security Interests on the relevant Collateral securing other Indebtedness for borrowed money (which term does not include Indebtedness under Hedging Agreements).
- (b) Upon receipt of a written request delivered by the Issuer, the Security Agent shall take all necessary action required to effectuate any release of Collateral securing the Notes and the Guarantee subject to and in accordance with the provisions of the Intercreditor Agreement (including any Additional Intercreditor Agreement), the Notes, the Trust Deed and the Security Documents. Any such releases shall be effected by the Security Agent without the consent of the Noteholders or any action on the part of the Trustee.

### **3.7 Trustee not obliged to monitor**

The Trustee shall not be obliged to monitor compliance by the Issuer or any Subsidiary of the Issuer with Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*) or 3.4 (*Status of the Notes, the Guarantee and Security – Additional Guarantors*) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely absolutely, without liability to any person, on a notice of the Issuer provided under this Condition 3 (*Status of the Notes, the Guarantee and Security*), and, until it receives any such notice, it shall assume that no other Subsidiary of the Issuer has provided a guarantee of Indebtedness for borrowed money of the Issuer or any Guarantor.

## **4. COVENANTS**

### **4.1 Negative Pledge**

- (a) So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not, and no Restricted Subsidiary shall, directly or indirectly, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital and any Capital Stock of a Restricted Subsidiary) to secure any Indebtedness of the Issuer or any Restricted Subsidiary, and the Issuer Holdco shall not, directly or indirectly, create or permit to subsist any Security Interest upon any of the Collateral owned by it to secure any Indebtedness of the Issuer or any Restricted Subsidiary (such Security Interest, the “**Initial Security Interest**”), unless (a) in the case of any property or assets that does not constitute Collateral, (i) such Security Interest is a Permitted Security Interest or (ii) the Notes, the Guarantee and the Trust Deed are secured equally and rateably with such other Indebtedness (or, in the case of Subordinated Indebtedness of the Issuer or a Guarantor, on a senior basis to such other Indebtedness) and (b) in the case of any property or assets that constitute Collateral, such Security Interest is a Permitted Collateral Security Interest.
- (b) Any such Security Interest created as a result of this Condition 4.1 (*Covenants – Negative Pledge*) in favour of the Notes or any such Guarantee will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Security Interest to which it relates or

(ii) as set forth under Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*).

## 4.2 Statement as to Compliance

- (a) The Issuer shall deliver to the Trustee, no later than the date on which the Issuer is required to deliver annual reports pursuant to Condition 4.8 (*Covenants – Reports to Noteholders*), an Officer's Certificate stating that a review of the activities of the Issuer and the Restricted Subsidiaries during the preceding fiscal year has been made under the supervision or direction of the signing Officer(s) with a view to determining whether the Issuer has observed and performed its obligations in all material aspects under these Conditions and the Trust Deed, and further stating whether or not such Officer(s) know of any Potential Event of Default that occurred during such period and, if any, specifying such Potential Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.
- (b) The Issuer shall, so long as any of the Notes are outstanding, deliver to the Trustee, promptly and in any event no later than 30 days following any Officer of the Issuer becoming actually aware of any Potential Event of Default or Event of Default, an Officer's Certificate specifying such Potential Event of Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.
- (c) Any Potential Event of Default or Event of Default for the failure to comply with the time periods prescribed in this Condition 4.2 (*Covenants – Statement as to Compliance*) shall be deemed to be cured upon the delivery (prior to acceleration of any Notes by reason of the relevant breach) of any such notice or certificate even though such delivery is not within the prescribed period specified in this Condition 4.2 (*Covenants – Statement as to Compliance*).

## 4.3 Limitation on Indebtedness

- (a) The Issuer shall not, and no Restricted Subsidiary shall, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to “**Incur**” or, as appropriate, an “**Incurrence**”), any Indebtedness (including any Acquired Indebtedness); *provided* that the Issuer and any Restricted Subsidiary will be permitted to Incur Indebtedness (including Acquired Indebtedness) if as at the date on which such additional Indebtedness is Incurred the Consolidated Net Leverage Ratio, after giving effect to the Incurrence of such Indebtedness and the application of the proceeds thereof, on a *pro forma* basis, would not have been greater than 4.00 to 1.00.
- (b) This Condition 4.3 (*Covenants – Limitation on Indebtedness*) shall not prohibit the following (collectively, “**Permitted Indebtedness**”):
  - (i) the Incurrence by the Issuer or any Restricted Subsidiary of intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries (other than any such Indebtedness between a member of any OpCo Group and a member of another OpCo Group); *provided* that:

- (A) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the lender of such Indebtedness is not the Issuer or a Guarantor, it is unsecured and expressly subordinated in right of payment to the prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or its Guarantee, as the case may be; and
- (B) (x) any disposition, pledge or transfer of any such Indebtedness to any Person (other than a disposition, pledge or transfer to the Issuer or a Restricted Subsidiary) and (y) any transaction pursuant to which any Restricted Subsidiary that has Indebtedness owing from the Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, shall, in each case, be deemed to be an Incurrence of such Indebtedness not permitted by this Condition 4.3(b)(i);
- (ii) (A) without limiting Condition 4.3 (*Covenants – Limitation on Indebtedness*), guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, in each case so long as the Incurrence of such Indebtedness is not prohibited under the terms of these Conditions; *provided* that if the Indebtedness being guaranteed is subordinated to the Notes or is unsecured, then the guarantee shall be subordinated or unsecured to the same extent as the Indebtedness guaranteed; or
- (B) without limiting Condition 4.1 (*Covenants – Negative Pledge*), Indebtedness arising by reason of any Security Interest granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is not prohibited under these Conditions;
- (iii) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness arising from agreements providing for guarantees, indemnities or obligations in respect of earnouts or other purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by the Issuer or any Restricted Subsidiary of Indebtedness Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness permitted pursuant to this Condition 4.3(b)(iii) shall at no time exceed the gross proceeds, including non cash proceeds (the Fair Market Value of such non cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets;
- (iv) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness under Hedging Agreements entered into in the ordinary course of business or consistent with past practice, and, in either case,

for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer);

- (v) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness in respect of (A) self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT (including interest and penalties with respect thereto) or other tax or other guarantees or other similar bonds, instruments or obligations and completion, advance payment or customs guarantees and warranties (including under letters of credit or other similar instruments) provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental or regulatory requirement; (B) any customary treasury and/or cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer, the collection of cheques and direct debits, cash pooling, netting or netting off and other cash management arrangements, in each case, in the ordinary course of business; (C) the honouring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within 30 Business Days of Incurrence; and (D) bankers' acceptances, discounted bills of exchange or discounting or factoring of receivables for credit management of bad debt purposes;
- (vi) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and the Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and the Restricted Subsidiaries;
- (vii) the Incurrence by the Issuer or any Restricted Subsidiary of Permitted Refinancing Indebtedness in exchange for or the net proceeds of which are used to refund, replace, refinance, defease or discharge Indebtedness Incurred pursuant to, or described in, Condition 4.3(a), Condition 4.3(b)(vii) and Condition 4.3(b)(x), as the case may be;
- (viii) (i) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business, (ii) take or pay obligations contained in supply agreements or (iii) rental guarantees, in each case, in the ordinary course of business;
- (ix) Indebtedness under daylight borrowing facilities incurred in connection with any refinancing of Indebtedness (including by way of set-off or exchange) (provided that such Indebtedness is extinguished within three 3 Business Days of Incurrence);
- (x) (A) the Incurrence of Indebtedness of the Issuer or any Restricted Subsidiary to finance an acquisition or any merger or consolidation of any Person with or into the Issuer or any Restricted Subsidiary, or (B) Acquired Indebtedness; *provided* that, in each case, on the date of

the transaction that results in the Incurrence or issuance thereof, after giving effect thereto on a *pro forma* basis, either (i) the Issuer would have been able to Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a) or (ii) the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to such transaction;

- (xi) any guarantee required by law or a court to be granted in favour of creditors in relation to mergers of Restricted Subsidiaries, or of any Restricted Subsidiary into the Issuer, in order to permit or facilitate the merger occurring, where such merger would constitute a Permitted Reorganisation and/or for the purposes of any capital reduction of any Restricted Subsidiary permitted under these Conditions; and
  - (xii) the Incurrence of Indebtedness by the Issuer or any Restricted Subsidiary (other than and in addition to Indebtedness permitted under Conditions 4.3(b)(i) through (xi) above) in an aggregate principal amount at any one time outstanding not to exceed the greater of €600.0 million and 50 per cent. of Consolidated EBITDA.
- (c) Notwithstanding if Indebtedness would be permitted under Condition 4.3(a) or 4.3(b) above:
- (i) no member of the O2CR / CETIN Group shall Incur any Indebtedness (including any Acquired Indebtedness) pursuant to Condition 4.3(a), Condition 4.3(b)(vii), Condition 4.3(b)(x) or Condition 4.3(b)(xii) above unless, as at the date on which such additional Indebtedness is Incurred the O2CR / CETIN Net Leverage Ratio, after giving effect to the Incurrence of such Indebtedness and the application of the proceeds thereof, on a *pro forma* basis, would not have been greater than (A) the O2 / CETIN Threshold Ratio; or (B) solely with respect to an Incurrence of Indebtedness pursuant to Condition 4.3(b)(x) above, the O2 / CETIN Net Leverage Ratio immediately prior to the transaction resulting in the Incurrence of such Indebtedness; *provided* that, in the case of any Indebtedness Incurred by any member of the O2CR / CETIN Group to refinance Indebtedness initially Incurred or refinanced in compliance with this clause (c)(i) (including any Indebtedness of the O2CR / CETIN Group outstanding on the Initial Issue Date), the O2CR / CETIN Threshold Ratio shall not be deemed to be exceeded as a result of such refinancing so long as such refinancing Indebtedness is Permitted Refinancing Indebtedness; and
  - (ii) no member of the Telenor Group shall Incur any Indebtedness (including any Acquired Indebtedness) pursuant to Condition 4.3(a), Condition 4.3(b)(vii), Condition 4.3(b)(x) or Condition 4.3(b)(xii) above unless, as at the date on which such additional Indebtedness is Incurred the Telenor Net Leverage Ratio, after giving effect to the Incurrence of such Indebtedness and the application of the proceeds thereof, on a *pro forma* basis, would not have been greater than (A) 1.00 to 1.00; or (B) solely with respect to an Incurrence of Indebtedness pursuant to Condition 4.3(b)(x) above, the Telenor Net Leverage Ratio immediately prior to the transaction resulting in the

Incurrence of such Indebtedness; *provided* that, in the case of any Indebtedness Incurred by any member of the Telenor Group to refinance Indebtedness initially Incurred or refinanced in compliance with this clause (c)(ii) (including any Indebtedness of the Telenor Group outstanding on the Initial Issue Date), the Telenor Net Leverage Ratio restriction shall not be deemed to be exceeded as a result of such refinancing so long as such refinancing Indebtedness is Permitted Refinancing Indebtedness.

- (d) For the purpose of this Condition 4.3 (*Covenants – Limitation on Indebtedness*), (A) the Incurrence by the Issuer of Indebtedness represented by the Original Notes (other than, for the avoidance of doubt, any Additional Notes or any Notes of other Series issued under the Trust Deed) and by any Restricted Subsidiary of the Guarantee thereof (other than, for the avoidance of doubt, with respect to any Additional Notes or any Notes of other Series issued under the Trust Deed) and (B) any Indebtedness of the Issuer or any Restricted Subsidiary (other than the Original Notes and the Guarantee thereof) outstanding on the Initial Issue Date shall be deemed Incurred under Condition 4.3(a). For purposes of determining compliance with this Condition 4.3 (*Covenants – Limitation on Indebtedness*), in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in paragraphs (i) through (xii) of Condition 4.3(b), or is entitled to be Incurred pursuant to Condition 4.3(a), the Issuer shall be permitted to classify such item of Indebtedness on the date of its Incurrence in any manner that complies with this Condition 4.3 (*Covenants – Limitation on Indebtedness*). In addition, from time to time any item of Indebtedness initially classified as Incurred pursuant to one of the categories of Permitted Indebtedness described in paragraphs (i) through (xii) of Condition 4.3(b), or entitled to be Incurred pursuant to Condition 4.3(a), may later be reclassified by the Issuer such that it shall be deemed as having been Incurred pursuant to such other paragraph of Condition 4.3(b) or Condition 4.3(a) to the extent that such reclassified Indebtedness could be Incurred pursuant to such other paragraph of Condition 4.3(a) or Condition 4.3(b) at the time of such reclassification. Indebtedness permitted by this Condition 4.3 (*Covenants – Limitation on Indebtedness*) need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Condition 4.3 (*Covenants – Limitation on Indebtedness*) permitting such Indebtedness.
- (e) For purposes of determining compliance with any restriction on the Incurrence of Indebtedness in euro where Indebtedness is denominated in a different currency, the amount of such Indebtedness shall be the Euro Equivalent determined on the date of such determination; *provided* that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro shall be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Indebtedness Incurred in the same currency as the Indebtedness being refinanced shall be the Euro Equivalent of the Indebtedness being refinanced determined on the date such Indebtedness being refinanced was initially Incurred. Notwithstanding any other provision of this Condition 4.3 (*Covenants – Limitation on*



*Indebtedness*), for purposes of determining compliance with this Condition 4.3 (*Covenants – Limitation on Indebtedness*), increases in Indebtedness solely due to fluctuations in the exchange rates of currencies shall not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may Incur under this Condition 4.3 (*Covenants – Limitation on Indebtedness*). The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which the respective Indebtedness is denominated that is in effect on the date of the refinancing.

- (f) For purposes of determining any particular amount of Indebtedness under Condition 4.3 (*Covenants – Limitation on Indebtedness*):
  - (i) obligations in the form of letters of credit, guarantees, Security Interests, bankers' acceptance or other similar instrument or obligation, in each case supporting Indebtedness otherwise included in the determination of such particular amount shall not be included;
  - (ii) any Security Interests granted pursuant to the equal and rateable provisions referred to in Condition 4.1 (*Covenants – Negative Pledge*) shall not be treated as Indebtedness; and
  - (iii) accrual of interest, accrual of dividends, the accretion or amortisation of original issue discount or of accreted value, the obligation to pay commitment fees and the payment of interest or dividends in the form of additional Indebtedness, shall not, in any case, be treated as an Incurrence of Indebtedness for purposes of this Condition 4.3 (*Covenants – Limitation on Indebtedness*).
- (g) Notwithstanding anything in this Condition 4.3 (*Covenants – Limitation on Indebtedness*) to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a paragraph of Condition 4.3(b) measured by reference to a percentage of Consolidated EBITDA at the time of Incurrence, the percentage of Consolidated EBITDA restriction shall not be deemed to be exceeded as a result of such refinancing (and such refinancing shall be permitted) so long as the principal amount of such refinancing Indebtedness does not exceed (A) the aggregate principal amount then outstanding of the Indebtedness being refinanced plus (B) an amount necessary to pay any accrued and unpaid interest, fees and expenses, including "make-whole", redemption and other premiums and defeasance costs, and underwriting discounts related to such refinancing.

#### **4.4 Limitation on Restricted Payments**

- (a) The Issuer shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "**Restricted Payment**" and which are collectively referred to as "**Restricted Payments**"):
  - (i) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger,

consolidation, amalgamation or other combination involving the Issuer or any Restricted Subsidiary) (other than to the Issuer or any Restricted Subsidiary) except for dividends or distributions payable solely in shares of the Issuer's Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock or in Subordinated Shareholder Indebtedness;

- (ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger, consolidation, amalgamation or other combination), directly or indirectly, any shares of the Issuer's Capital Stock or any Capital Stock of a Holding Company of the Issuer held by persons other than the Issuer or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;
  - (iii) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or Stated Maturity, any Subordinated Indebtedness (other than (A) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (B) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or among Restricted Subsidiaries);
  - (iv) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Indebtedness (other than any payment of interest thereon in the form of additional Subordinated Shareholder Indebtedness); or
  - (v) make any Restricted Investment in any Person.
- (b) Notwithstanding Condition 4.4(a), the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:
- (i) no Potential Event of Default or Event of Default has occurred and is continuing (or would result therefrom); and
  - (ii) the Issuer could Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a).
- (c) Notwithstanding Condition 4.4(a) and Condition 4.4(b), the Issuer and any Restricted Subsidiary may take the following actions:
- (i) the payment of any dividend or the consummation of any redemption within 60 days after the date of its declaration or giving of notice of redemption, as applicable, if at such date of its declaration or giving of notice of redemption, as applicable, such payment would have been permitted by the provisions of this Condition 4.4 (*Covenants – Limitation on Restricted Payments*);

- (ii) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities;
- (iii) the repurchase, redemption or other acquisition or retirement for value of any shares of the Issuer's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Indebtedness;
- (iv) the prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of the substantially concurrent issuance and sale (other than to a Subsidiary) or Incurrence of, (A) shares of the Issuer's Qualified Capital Stock or Subordinated Shareholder Indebtedness or (B) Permitted Refinancing Indebtedness;
- (v) the declaration or payment of any dividend or distribution to holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a *pro rata* basis;
- (vi) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock issued in accordance with Condition 4.3 (*Covenants – Limitation on Indebtedness*);
- (vii) the purchase, repurchase, redemption, retirement or other acquisition for value of Capital Stock deemed to occur upon the exercise of stock options, warrants or other securities, if such Capital Stock represents a portion of the exercise price of such options, warrants or other securities;
- (viii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any of the Restricted Subsidiaries pursuant to the provisions similar to those described in Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) at a purchase price not greater than 101 per cent. of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; *provided* that all Notes validly tendered by Noteholders in connection with a Change of Control Put Event have been repurchased, redeemed or acquired for value, as applicable;
- (ix) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Indebtedness of the Issuer or any Restricted Subsidiary

with any Excess Proceeds remaining after consummation of an Excess Proceeds Offer pursuant to Condition 4.5 (*Covenants – Limitation on Asset Sales*) at a purchase price not greater than 100 per cent. of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

- (x) any Restricted Payment made in connection with any amendment and/or extension and/or offset and/or discharge (including by way of exchange, sale or substitution) or any other action in relation to, and in an amount not greater than the amount of, any Restricted Investment made after the Initial Issue Date that was permitted to be made under this Condition 4.4 (*Covenants – Limitation on Restricted Payments*), without any double-counting; *provided* that no cash payment or any other transfer of properties or assets may be made by the Issuer or any Restricted Subsidiary as part of such Restricted Payment; and *provided, further*, that such Restricted Investment shall be deemed to remain outstanding following any such Restricted Payment made pursuant to this paragraph (x);
  - (xi) payments pursuant to any Tax Sharing Agreement or arrangement among the Issuer and its Subsidiaries and other Persons with which the Issuer or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided*, however, that such payments will not exceed the amount of tax that the Issuer and its Subsidiaries would owe on a standalone basis and the related tax liabilities of the Issuer and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority; and
  - (xii) so long as no Potential Event of Default or Event of Default has occurred and is continuing (or would result therefrom), any other Restricted Payment in an aggregate amount not to exceed the greater of €200.0 million and 17.5 per cent. of Consolidated EBITDA in each calendar year (with unused amounts from any one calendar year being carried over to the next calendar year (but with no subsequent carry over)).
- (d) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and the Fair Market Value of any non-cash Restricted Payment or any other property, assets or securities required to be valued by this covenant shall be determined conclusively by an Officer or the Board of Directors of the Issuer acting in good faith.

#### **4.5 Limitation on Asset Sales**

- (a) The Issuer shall not, and shall not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

- (i) the consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (as determined in good faith by the Board of Directors or an Officer of the Issuer);
- (ii) at least 75 per cent. of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of:
  - (A) cash (including any Net Cash Proceeds received from the conversion to cash within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);
  - (B) Cash Equivalents (including any Net Cash Proceeds received from the conversion to cash or Cash Equivalents within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);
  - (C) the assumption by the purchaser of (x) the Issuer's Indebtedness or Indebtedness of any Restricted Subsidiary (other than Subordinated Indebtedness) as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obliged in respect of such Indebtedness or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Sale;
  - (D) Replacement Assets;
  - (E) Capital Stock or assets of the kind referred to in Condition 4.5(b)(iii);
  - (F) Indebtedness of the Issuer or any Restricted Subsidiary received from Persons other than the Issuer or any Restricted Subsidiary; *provided* that such Indebtedness falls within one of the categories specified in Condition 4.5(b)(i); and *provided, further*, that such Indebtedness has been extinguished by the Issuer or the applicable Restricted Subsidiary;
  - (G) any Designated Non cash Consideration received by the Issuer or any of the Restricted Subsidiaries in such Asset Sale; *provided* that the aggregate Fair Market Value of such Designated Non cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non cash Consideration received pursuant to this paragraph (G), does not exceed (with the Fair Market Value of each item of Designated Non cash Consideration being measured at the time received and without giving effect to subsequent changes in value) €100.0 million; or

- (H) a combination of the consideration specified in paragraphs (A) through (G) of this Condition 4.5(a)(ii).
- (b) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 365 days of the receipt of the Net Cash Proceeds of such Asset Sale (or the Issuer or any such Restricted Subsidiary may enter into a binding commitment to so use such Net Cash Proceeds pursuant to paragraphs (ii) or (iii) below; *provided* that such Net Cash Proceeds are so used within 180 days after the expiration of the aforementioned 365 day period), may be used by the Issuer or any Restricted Subsidiary to:
- (i) (A) prepay, repay, purchase or redeem any Indebtedness Incurred under the Senior Facilities Agreement; (B) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by Security Interests on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness or Indebtedness that is owed to the Issuer or any Restricted Subsidiary) (including any “make-whole”, redemption or other premium and accrued and unpaid interest with respect to such Indebtedness); (C) unless included in the preceding clause (A), prepay, repay, purchase or redeem Pari Passu Indebtedness at a price of no more than 100 per cent. of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; *provided* that the Issuer shall prepay, repay, purchase or redeem any such Pari Passu Indebtedness that is Public Debt pursuant to this Condition 4.5(b)(i)(C) only if the Issuer reduces the aggregate principal amount of the Notes on a rateable basis with any such Pari Passu Indebtedness that is Public Debt prepaid, repaid, purchased or redeemed pursuant to this Condition 4.5(b)(i)(C) by making an offer to the Noteholders to purchase their Notes in accordance with the provisions set forth below for an Excess Proceeds Offer on a rateable basis with any such Pari Passu Indebtedness that is Public Debt prepaid, repaid, purchased or redeemed pursuant to this Condition 4.5(b)(i)(C) (which offer shall be deemed to be an Excess Proceeds Offer for purposes hereof) or by redeeming the Notes pursuant to Condition 7 (*Redemption and Purchase*); (D) make (at such time or subsequently in compliance with this covenant) an offer to the Noteholders to purchase their Notes in accordance with the provisions set forth below for an Excess Proceeds Offer (which offer shall be deemed to be an Excess Proceeds Offer for purposes hereof); or (E) redeem, in whole or in part, any Notes pursuant to Condition 7 (*Redemption and Purchase*) or any Notes of other Series issued under the Trust Deed; *provided* that if any Indebtedness prepaid, repaid, purchased or redeemed pursuant to this Condition 4.5(b)(i) is revolving credit Indebtedness, the related commitment shall be permanently reduced by an amount equal to the principal amount of such revolving credit Indebtedness so prepaid, repaid, purchased or redeemed;
- (ii) make capital expenditures or to invest in any Replacement Assets (including by means of capital expenditure by, or an investment in

Replacement Assets by, the Issuer or a Restricted Subsidiary with an amount equal to some or all of the Net Cash Proceeds received by the Issuer or another Restricted Subsidiary);

- (iii) acquire all or substantially all of the assets of, or any Capital Stock of, a Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary; or
  - (iv) do any combination of the foregoing.
- (c) The amount of such Net Cash Proceeds actually received by the Issuer or any Restricted Subsidiary but not so used as set forth in Condition 4.5(b) constitutes “**Excess Proceeds**”. Pending the final application of any such Net Cash Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise use such Net Cash Proceeds in any manner that is not prohibited by these Conditions.
- (d) Within 30 Business Days of the date on which the aggregate amount of Excess Proceeds exceeds €100.0 million, the Issuer shall make an offer to purchase (an “**Excess Proceeds Offer**”) from all Noteholders and, at the Issuer’s election, to purchase or repay from the holders of any Pari Passu Indebtedness, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in these Conditions or the agreements governing any such Pari Passu Indebtedness, the maximum principal amount of the Notes and any such Pari Passu Indebtedness that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such Pari Passu Indebtedness shall be payable in cash in an amount equal to (solely in the case of the Notes) 100 per cent. of the principal amount of such Note being repurchased and (solely in the case of Pari Passu Indebtedness) no greater than 100 per cent. of the principal amount (or accreted value, as applicable) of such Pari Passu Indebtedness being redeemed or repurchased, *plus*, in each case, accrued and unpaid interest, if any, to the date of purchase. The date of purchase shall be a date that is not earlier than 10 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such Noteholders, or such later date as may be required under the applicable tender offer rules.
- (e) To the extent that the aggregate principal amount of Notes and any such Pari Passu Indebtedness tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Indebtedness, if any, for general corporate purposes that are not otherwise prohibited by these Conditions. If the aggregate principal amount of Notes and any such Pari Passu Indebtedness validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such Pari Passu Indebtedness to be purchased shall be allocated on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Indebtedness tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds shall be reset to zero.
- (f) If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules and any other applicable

securities laws and regulations, including the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Condition 4.5 (*Covenants – Limitation on Asset Sales*), the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations described in Condition 4.5 (*Covenants – Limitation on Asset Sales*) by virtue thereof.

#### **4.6 Limitation on Transactions with Affiliates**

- (a) The Issuer shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of the Issuer or any Restricted Subsidiary having a value greater than €20.0 million, unless such transaction or series of transactions is entered into in good faith and:
  - (i) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favourable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's length transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings (as determined in good faith by the Issuer) with a Person that is not an Affiliate; and
  - (ii) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than €40.0 million, the terms of such transaction comply with Condition 4.6(a)(i) above and have been approved by a resolution of the majority of the Disinterested Members, if any, of the Issuer's Board of Directors; *provided* that if there are no Disinterested Members, any transaction with an Affiliate shall be deemed to have satisfied the requirements set forth in this Condition 4.6 (*Covenants – Limitation on Transactions with Affiliates*) if the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a written opinion of an Independent Financial Advisor stating its view that the transaction or series of transactions is fair to the Issuer or such Restricted Subsidiary from a financial point of view or that the terms are not materially less favourable to the Issuer or its relevant Restricted Subsidiary than those that might have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary on an arm's length basis from a Person that is not an Affiliate.
- (b) Notwithstanding the foregoing, the restrictions set forth in paragraph 4.6(a) shall not apply to:
  - (i) (x) reasonable fees of Officers, directors, employees and consultants of the Issuer or any Restricted Subsidiary, indemnities and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting and advisory fees, employee compensation, employee and director bonuses, (y) directorship, employment or consulting agreements and arrangements, collective



bargaining agreements, employee benefit arrangements, including stock options, stock appreciation rights, stock incentive and similar plans, vacation, health, insurance, deferred compensation, severance, retirement, savings or other similar plans, programs or arrangements, in each case, entered into with any employee, consultant, Officer or director of the Issuer or any Restricted Subsidiary in the ordinary course of business, and (z) legal fees payable to any current or former Officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary, in the case of each of (x), (y) and (z), as long as the Issuer's Board of Directors has approved the terms thereof and deemed the services performed or thereafter to be performed for amounts to be fair consideration therefor;

- (ii) Permitted Investments (other than pursuant to paragraph (c)(iii) or (k) of the definition thereof) and any Restricted Payment not prohibited by Condition 4.4 (*Covenants – Limitation on Restricted Payments*);
- (iii) agreements, instruments and arrangements existing on the Initial Issue Date and any amendment, extension, renewal, refinancing, modification or supplement thereto and any payments or transaction in relation thereto; *provided* that any such amendment, extension, renewal, refinancing, modification or supplement to the terms thereof is not more disadvantageous (as determined in good faith by the Issuer), taken as a whole, to the Noteholders and to the Issuer and the Restricted Subsidiaries, as applicable, in any material respect than the original agreement or arrangement as in effect on the Initial Issue Date;
- (iv) the issuance of securities or other payments, awards or grants in cash, securities or similar transfers pursuant to, or for the purpose of the funding of, directorship, employment or consulting arrangements, stock options, stock ownership plans and other similar arrangements, as long as the terms thereof are or have been previously approved by the Issuer's Board of Directors;
- (v) the granting and performance of registration rights for the Issuer's securities;
- (vi) transactions between or among the Issuer and the Restricted Subsidiaries or between or among Restricted Subsidiaries (in each case, including where an entity becomes a Restricted Subsidiary as a result of such transaction);
- (vii) any issuance of Capital Stock (other than Redeemable Capital Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock (other than Redeemable Capital Stock);
- (viii) the existence of, or the performance by the Issuer or any of the Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement relating thereto) to which it is a party as at the Initial Issue Date and any similar agreements which it may enter into thereafter; *provided*, however, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of,

obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Initial Issue Date shall only be permitted by this paragraph (viii) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous (as determined in good faith by the Issuer) to the Noteholders when taken as a whole;

- (ix) transactions in the ordinary course of business with a Person that is an Affiliate (other than an Unrestricted Subsidiary) of the Issuer or any Restricted Subsidiary that would constitute a transaction described by Condition 4.6(a) solely because the Issuer or a Restricted Subsidiary owns Capital Stock in, or otherwise controls, such Person;
- (x) transactions with financial institutions, customers, clients, landlords, tenants, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Issuer or the relevant Restricted Subsidiary or are on terms materially no less favourable than those that could reasonably have been obtained at such time from an unaffiliated party (as determined in good faith by the Issuer);
- (xi) the entry into Hedging Agreements and the provision of services (including coordination services) in relation to such agreements, in each case, which are on commercially reasonable terms as determined in good faith by the Board of Directors or an Officer of the Issuer or the relevant Restricted Subsidiary;
- (xii) the execution of, delivery of and performance under any Tax Sharing Agreement and/or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; and
- (xiii) pledges of Capital Stock of Unrestricted Subsidiaries.

#### **4.7 Designation of Unrestricted and Restricted Subsidiaries**

- (a) The Issuer's Board of Directors may designate any Subsidiary of the Issuer (including newly acquired or newly established Subsidiaries) to cease to be a Restricted Subsidiary and instead to be an Unrestricted Subsidiary, only if:
  - (i) no Potential Event of Default or Event of Default has occurred and is continuing at the time of or after giving effect to such designation;
  - (ii) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Security Interest on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;
  - (iii) the Issuer would be permitted to make an Investment at the time of designation (assuming the effectiveness of such designation)

pursuant to Condition 4.4 (*Covenants – Limitation on Restricted Payments*) (and may classify such amount within its capacity to make Restricted Payments and ability to make payments that would otherwise be Restricted Payments under Condition 4.4 (*Covenants – Limitation on Restricted Payments*) in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith)); and

- (iv) the Issuer would be permitted under these Conditions to Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a) at the time of such designation (assuming the effectiveness of such designation).
- (b) In the event of any such designation under Condition 4.7(a), the Issuer shall be deemed to have made an Investment constituting a Restricted Payment pursuant to Condition 4.4 (*Covenants – Limitation on Restricted Payments*) for all purposes of these Conditions in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith), and may classify such amount within its capacity to make Restricted Payments and permissions to make payments that would otherwise be Restricted Payments under Condition 4.4 (*Covenants – Limitation on Restricted Payments*) as it sees fit.
- (c) The Issuer's Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary:
  - (i) if no Potential Event of Default or Event of Default has occurred and is continuing at the time of, or shall occur and be continuing after giving effect to, such designation; and
  - (ii) immediately before and after giving effect to such proposed designation, and after giving *pro forma* effect to the Incurrence of any Indebtedness of such Unrestricted Subsidiary as if such Indebtedness was Incurred on the date of its designation as a Restricted Subsidiary, (x) the Issuer could Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a) or (y) the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to giving effect to such designation.
- (d) Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by the Issuer's Board of Directors shall be evidenced to the Trustee by appending the resolution of the Issuer's Board of Directors giving effect to such designation to an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation.

#### **4.8 Reports to Noteholders**

- (a) So long as any Notes are outstanding, the Issuer shall furnish to the Trustee:

- (i) within 180 days following the end of each fiscal year, audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete notes to such financial statements and the report of the independent auditors on the financial statements;
  - (ii) within 90 days following the end of the first semi-annual period of each fiscal year, financial information of the Issuer on a consolidated basis as of and for the period from the beginning of each year to the close of the first half year period, together with comparable information for the corresponding period of the preceding year; and
  - (iii) promptly after the occurrence of a material acquisition, disposition or restructuring, any change of the Chief Executive Officer or the Chief Financial Officer of the Issuer or a change in auditors of the Issuer or any other material event that the Issuer announces publicly, a report containing a description of such event.
- (b) All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports required by Conditions 4.8(a)(i), (a)(ii) and (a)(iii) or alternatively, in Condition 4.8(f), may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods. All reports required pursuant to this Condition 4.8 (*Covenants – Reports to Noteholders*) shall be furnished in English.
- (c) At any time that any of the Issuer’s subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Principal Subsidiary of the Issuer, then the semi-annual and annual financial information required by Condition 4.8(a) shall include a reasonably detailed presentation, either on the face of the financial statements or in the notes thereto (including, at the option of the Issuer, via segment reporting), of the financial condition and results of operations of the Issuer and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.
- (d) Notwithstanding the foregoing, the Issuer will be deemed to have provided such information to the Trustee, the Noteholders and prospective purchasers of the Notes if such information referenced above in paragraphs (a)(i), (a)(ii) and (a)(iii) of this Condition 4.8 (*Covenants – Reports to Noteholders*) or alternatively, in Condition 4.8(f), has been posted on the Issuer’s website; *provided* that the Issuer has notified the Trustee of the posting of such information and the weblink at which such information is available.
- (e) The subsequent making available of any report required by this Condition 4.8 (*Covenants – Reports to Noteholders*) shall be deemed automatically to cure any Potential Event of Default or Event of Default resulting from the failure to make available such report within the time frame required under this Condition 4.8 (*Covenants – Reports to Noteholders*); *provided* that no notice of acceleration has previously been given in accordance with Condition 10.1

(*Events of Default and Enforcement – Events of Default*) in respect of such Event of Default.

- (f) The Issuer will be deemed to have satisfied its obligations under this Condition 4.8 (*Covenants – Reports to Noteholders*) to the extent such obligations are fulfilled by any Parent, provided that in the event there are material differences between the consolidated financial statements of such Parent and the consolidated financial statements of the Issuer, such Parent shall include in its reports pursuant to Condition 4.8(a) a reasonably detailed description of such material differences for the financial periods covered by such reports.
- (g) The Trustee's receipt of any report or financial information or other document required to be provided to it under this Condition 4.8 (*Covenants – Reports to Noteholders*) shall be without any liability to the Trustee. Receipt of such report or financial information or other documents shall not be deemed to give the Trustee notice of any breach of these Conditions or any Event of Default or Potential Event of Default in respect of the Issuer or any Restricted Subsidiary. The Trustee shall not be required to review any such report, financial information or other document nor shall the Trustee be bound to enquire as to whether any breach of these Conditions or any Event of Default or Potential Event of Default has occurred or may occur on the basis of the receipt of such report, financial information or other document.

#### **4.9 Suspension of Covenants on Achievement of Investment Grade Status**

- (a) If on, or on any date following, the Series Issue Date, the Notes have achieved Investment Grade Status and no Potential Event of Default or Event of Default has occurred and is continuing (a “**Suspension Event**”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the “**Reversion Date**”), Condition 4.3 (*Covenants – Limitation on Indebtedness*), Condition 4.4 (*Covenants – Limitation on Restricted Payments*), Condition 4.5 (*Covenants – Limitation on Asset Sales*), Condition 4.6 (*Covenants – Limitation on Transactions with Affiliates*) and Condition 4.12(a)(iii) below will not apply to the Notes, and, in each case, any related default provision of these Conditions will cease to be effective and will not be applicable to the Issuer and the Restricted Subsidiaries.

During any period that the foregoing Conditions have been suspended, neither the Issuer nor any Restricted Subsidiary may designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to Condition 4.7 (*Covenants – Designation of Unrestricted and Restricted Subsidiaries*) unless such designation would have complied with Condition 4.4 (*Covenants – Limitation on Restricted Payments*) as if Condition 4.4 (*Covenants – Limitation on Restricted Payments*) would have been in effect during such period.

- (b) Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or the Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Potential Event of Default or Event of

Default. Condition 4.4 (*Covenants – Limitation on Restricted Payments*) will be interpreted as if it has been in effect since the date of the Trust Deed but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been permitted to be Incurred under Condition 4.3(a). In addition, the Issuer or any of the Restricted Subsidiaries may, without causing a Potential Event of Default or Event of Default, honour any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. Upon the occurrence of a Suspension Event, the amount of Excess Proceeds shall be reset at zero. The Issuer shall notify the Trustee in an Officer's Certificate that the conditions set forth in Condition 4.9(a) have been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants listed under this Condition 4.9 (*Covenants – Suspension of Covenants on Achievement of Investment Grade Status*) to be effective.

#### **4.10 Financial Calculations for Limited Condition Transactions**

When calculating the availability under any basket or ratio under these Conditions, in each case for the purposes of determining the ability to consummate any Limited Condition Acquisition or Irrevocable Repayment (each, a “**Limited Condition Transaction**”), the date of determination of such basket or ratio and of any Potential Event of Default or Event of Default shall, at the option of the Issuer, be (i) the date the definitive agreements are entered into, in the case of a Limited Condition Acquisition or (ii) the date of the irrevocable notice, in the case of an Irrevocable Repayment (as applicable, the “**LCT Test Date**”) and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Consolidated Net Leverage Ratio after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period, and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded or otherwise not satisfied as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Issuer or the target company, as applicable) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction, such baskets or ratios will not be deemed to have been exceeded or otherwise not satisfied as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions; *provided* that if the Issuer elects to have such determinations occur at the LCT Test Date, any such transactions (including any Incurrence of Indebtedness and the use of proceeds therefrom) shall be deemed to have occurred on the LCT Test Date, and to be outstanding thereafter for purposes of calculating any baskets or ratios under the Trust Deed after the LCT Test Date, and before the consummation of such Limited Condition Transaction.

#### **4.11 Additional Intercreditor Agreements; Agreement to be Bound**

- (a) Subject to paragraph (d) below, at the request and cost of the Issuer and without the consent of the Noteholders, and subject to the terms of the

Intercreditor Agreement, in connection with the Incurrence by the Issuer or any Restricted Subsidiary of any Indebtedness not prohibited by Condition 4.3 (*Covenants – Limitation on Indebtedness*), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorised representatives) an amended and/or restated Intercreditor Agreement or an additional intercreditor agreement (an “**Additional Intercreditor Agreement**”) containing substantially the same terms as the Intercreditor Agreement (or terms more favourable to the Noteholders) including with respect to the subordination, payment blockage, limitation on enforcement and release of guarantees (or such other terms or with such changes as are necessary to facilitate compliance with Condition 4.3 (*Covenants – Limitation on Indebtedness*)) and priority and release of the Security Documents (or such other terms or with such changes as the Issuer may in good faith determine to be necessary or appropriate relating to the Security Documents, in connection with the Incurrence of such Indebtedness; *provided* that such other terms are not materially more adverse to the Noteholders taken as a whole than the terms contained in the Intercreditor Agreement); *provided*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent under these Conditions or the Intercreditor Agreement without the consent of the Trustee and the Security Agent. If more than one such intercreditor agreement is outstanding at any one time, the collective terms of such intercreditor agreements must not conflict in any material respect.

- (b) Subject to paragraph (d) below, at the request and cost of the Issuer and without the consent of Noteholders, the Trustee and the Security Agent shall, subject to the terms of the Intercreditor Agreement, from time to time enter into one or more amendments or supplements to any Intercreditor Agreement or any Additional Intercreditor Agreement to:
  - (i) cure any ambiguity, manifest error, mistake, omission, defect or inconsistency of any Intercreditor Agreement or any Additional Intercreditor Agreement,
  - (ii) increase the amount of Indebtedness of the types covered by any Intercreditor Agreement or any Additional Intercreditor Agreement that may be Incurred by the Issuer or any of its Restricted Subsidiaries that is subject to any Intercreditor Agreement or any Additional Intercreditor Agreement (including the addition of provisions relating to new Indebtedness that is contractually subordinated in right of payment to the Notes or its Guarantee, as applicable),
  - (iii) add Guarantors or other Restricted Subsidiaries to any Intercreditor Agreement or an Additional Intercreditor Agreement,
  - (iv) add security to or for the benefit of the Notes (including any Additional Notes and any Notes of other Series issued under the Trust Deed), or confirm and evidence the release, termination or discharge of any Notes, its Guarantee, or any Security Interest (including Security Interests on the Collateral and the Security Documents) when such release, termination or discharge is provided

for or not prohibited under these Conditions, any Intercreditor Agreement or any Additional Intercreditor Agreement,

- (v) make provision for charges of the Collateral securing Additional Notes or any Notes of other Series issued under the Trust Deed to rank *pari passu* with the Security Interests under the Security Documents or to implement any Permitted Collateral Security Interests,
  - (vi) provide for the assumption by a successor of the obligations of the Issuer under any Intercreditor Agreement or any Additional Intercreditor Agreement,
  - (vii) conform the text of any Intercreditor Agreement or Additional Intercreditor Agreement to these Conditions, or
  - (viii) make any other change to any Intercreditor Agreement or Additional Intercreditor Agreement that does not materially adversely affect the Noteholders.
- (c) The Issuer shall not otherwise request the Trustee and the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement except with the consent of the Noteholders pursuant to Condition 15 (*Meetings of Noteholders, Modification and Waiver*), and the provisions set out in the Trust Deed, and the Issuer may only request the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee and the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee and the Security Agent under these Conditions, the Trust Deed or any Intercreditor Agreement or an Additional Intercreditor Agreement.
- (d) Prior to any Additional Intercreditor Agreement being entered into and/or any amendment and/or restatement of the Intercreditor Agreement or the entry into any amendment or supplement to any Intercreditor Agreement or any Additional Intercreditor Agreement, the Issuer shall deliver to the Trustee an Officer's Certificate stating that such action complies with the provisions described in paragraphs (a) and/or (b), as the case may be, of this Condition 4.11 (*Covenants – Additional Intercreditor Agreements; Agreement to be Bound*).
- (e) In relation to any Intercreditor Agreement or an Additional Intercreditor Agreement, no consent on behalf of the Noteholders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby will be required; *provided*, however, that such transaction would comply with Condition 4.4 (*Covenants – Limitation on Restricted Payments*) hereof.
- (f) Each Noteholder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of each Intercreditor Agreement or an Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have irrevocably appointed and authorised the Trustee to give effect to the provisions in the Intercreditor Agreement or Additional Intercreditor Agreement and to act on its behalf to enter into and comply with the



provisions of such Intercreditor Agreement or Additional Intercreditor Agreement.

- (g) A copy of each Intercreditor Agreement or an Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer or at the specified office of the Principal Paying Agent.

#### **4.12 Consolidation, Merger or Sale of Assets**

- (a) The Issuer shall not, directly or indirectly, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by the Issuer's Board of Directors or shareholders with respect to a demerger or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer's and the Restricted Subsidiaries' properties and assets, taken as a whole, to any other Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:
  - (i) either: (i) the Issuer shall be the continuing corporation; or (ii) the Person (if other than the Issuer) formed by or surviving any such merger, consolidation, amalgamation or other combination or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "**Surviving Entity**"):
    - (A) shall be a corporation duly incorporated and validly existing under the laws of the United Kingdom, any member state of the European Union as at the Initial Issue Date, the United States of America, any state thereof, or the District of Columbia, Canada or any province of Canada, Norway or Switzerland; and
    - (B) will expressly assume, by an accession agreement or one or more other documents or instruments, each in a form reasonably satisfactory to the Trustee, the Issuer's obligations under the Notes, the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;
  - (ii) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any Indebtedness that becomes an obligation of the Surviving Entity or any Subsidiary of the Surviving Entity Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by the Surviving Entity or such Subsidiary at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing;
  - (iii) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (on the assumption that the

transaction or series of transactions occurred on the first day of the fiscal semi-annual period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), (i) the Issuer (or the Surviving Entity if the Issuer is not the continuing obligor under these Conditions) could Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a) or (ii) the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to giving effect to such transaction; and

- (iv) the Issuer or the Surviving Entity has delivered to the Trustee, an Officer's Certificate and an Opinion of Counsel (upon which the Trustee can rely without liability to any person and without further enquiry), each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, and if an accession agreement is required in connection with such transaction, such accession agreement, comply with the requirements of these Conditions and that all conditions precedent in these Conditions relating to such transaction have been satisfied and that the Notes constitute legal, valid and binding obligations of the Issuer or the Surviving Entity, enforceable in accordance with their terms (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability).
- (b) Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any of the transactions described in Condition 4.12(a)(i) that complies with this Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*), and any Permitted Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Condition 4.3 (*Covenants – Limitation on Indebtedness*).
- (c) The Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions, the Notes, the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; *provided, however*, that in the case of a lease of all or substantially all of the Issuer's property and assets, the Issuer shall not be released from the obligation to pay the principal of, premium, if any, and interest on the Notes.
- (d) If and for so as long as the Notes are admitted to trading on the Global Exchange Market and listed on the Official List of Euronext Dublin and to the extent that the rules of Euronext Dublin so require, the Issuer shall notify Euronext Dublin of any such merger, consolidation, amalgamation or other combination or sale.
- (e) For the avoidance of doubt, the Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of any, all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto and the Trustee shall

have no duty for the consequences thereof for any Noteholder or Couponholder.

- (f) Nothing in these Conditions will prevent (A) any Restricted Subsidiary from consolidating with, liquidating into, merging into or transferring all or substantially all of its properties and assets to the Issuer or a Guarantor or (B) the Issuer from consolidating or otherwise combining with or merging into an Affiliate incorporated or organised for the purpose of changing the legal domicile of the Issuer, reincorporating the Issuer in another jurisdiction or changing the legal form of the Issuer, *provided* the requirements of Condition 4.12(a)(i)(A) and Condition 4.12(a)(iv) above are satisfied, *mutatis mutandis*.

#### 4.13 Definitions

For the purposes of these Conditions:

**“Acquired Indebtedness”** means Indebtedness of a Person:

- (a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or any Restricted Subsidiary; or
- (b) assumed in connection with the acquisition of assets from any such Person,

*provided that*, in each case, such Indebtedness was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be. Acquired Indebtedness shall be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary (or is merged into or consolidated with the Issuer or any Restricted Subsidiary, as the case may be) or the date of the related acquisition of assets from any Person;

**“Additional Notes”** means further notes of the relevant Series issued under the Trust Deed from time to time after the Series Issue Date pursuant to Condition 17 (*Further Issues*);

**“Affiliate”** means, with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;

For the purposes of this definition, **“control”**, when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **“controlling”** and **“controlled”** have meanings correlative to the foregoing;

**“Asset Sale”** means any sale, issuance, conveyance, transfer, lease (other than operating leases) or other disposition (including, without limitation, by way of merger, consolidation, amalgamation or other combination or sale and leaseback transaction) (collectively, a **“disposition”**), directly or indirectly, in one or a series of related transactions, of:

- (a) any Capital Stock of any Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Subsidiary); or

- (b) any of the Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following will be deemed to be an Asset Sale:

- (i) (a) any single transaction or series of related transactions that involves assets, properties or Capital Stock having a Fair Market Value of less than €50.0 million and (b) solely for purposes of Conditions 4.5(b) and 4.5(c), any disposition of assets or properties; *provided*, in the case of this clause (b), that immediately prior to and after giving *pro forma* effect to such disposition (including any substantially concurrent application of the proceeds thereof), the Issuer could Incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4.3(a);
- (ii) any disposition of assets (including Capital Stock of any Subsidiary) or properties by the Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Issuer or any Restricted Subsidiary;
- (iii) any disposition of obsolete, damaged, surplus, worn out or retired equipment or facilities or other assets (including patents, trademarks or other intellectual property) that are no longer useful in the conduct of the Issuer's and any Restricted Subsidiary's business, in each case, whether now or hereafter owned or leased or acquired in connection with an acquisition (including by ceasing to enforce, disposing of, allowing the lapse, abandonment or invalidation of or discontinuing the use or maintenance of or putting into the public domain any intellectual property that is, in the reasonable judgment of the Issuer or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Issuer or any Restricted Subsidiary determines in its reasonable judgment that such action or inaction is desirable) and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;
- (iv) sales, discounts or other dispositions of receivables on commercially reasonable terms in the ordinary course of business or in connection with any Qualified Receivables Financing;
- (v) any disposition of assets that is governed by Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*) or Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*);
- (vi) the sale, lease, sublease, assignment or other disposition of any personal property or any equipment, inventory, receivables, trading stock or other assets in the ordinary course of business;
- (vii) (a) any disposition of Capital Stock by a Restricted Subsidiary as part of, or pursuant to, an equity incentive or compensation plan approved by the Board of Directors of the Issuer or (b) the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

- (viii) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (ix) any Restricted Payment that does not violate Condition 4.4 (*Covenants – Limitation on Restricted Payments*) and any Permitted Investment, or, solely for purposes of Conditions 4.5(b) and 4.5(c), asset sales in respect of which (but only to the extent that) the proceeds are used to make Restricted Payments;
- (x) any sales of assets or properties received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Security Interest granted in favour of the Issuer or any Restricted Subsidiary or any other transfer of title with respect to any secured investment in default;
- (xi) any disposition in connection with a Permitted Security Interest;
- (xii) any licensing, sub-licensing, lease, sublease, conveyance or assignment of intellectual property or other general intangibles and licences, sub-licences, leases, subleases, conveyances or assignments of other property, in each case, in the ordinary course of business or consistent with past practice, and the termination of any of the foregoing;
- (xiii) any disposition arising from foreclosure, condemnation or any similar action with respect to any property or other assets;
- (xiv) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (xv) any disposition of cash or Cash Equivalents;
- (xvi) any disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; provided that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with Condition 4.5 (*Covenants – Limitation on Asset Sales*);
- (xvii) any disposition made pursuant to, or as a result of, a final judgment or court order related to a liquidation or unpaid claim;
- (xviii) any disposition in connection with a Tax Sharing Agreement;
- (xix) any discount or disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (xx) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom a Restricted Subsidiary was acquired, or from whom a Restricted Subsidiary

acquired its business and assets, made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

- (xxi) any issuance or sale by a Restricted Subsidiary of Redeemable Capital Stock that is permitted by Condition 4.3 (*Covenants – Limitation on Indebtedness*);
- (xxii) (i) any disposition of assets compulsorily acquired, seized or expropriated by (or by the order of) any central or local governmental authority or agency or any other regulatory body, (ii) any disposition of the assets that were the subject of a permitted acquisition where that permitted acquisition is required to be unwound by law or regulation (including any competition authority), (iii) any disposition of assets to any governmental authority or agency pursuant to state asset acquisition laws, regulations or rules or (iv) any disposition of assets to comply with applicable mandatory laws in relation to a minimum shareholding or mandatory holding of shares by board members of other officers; and
- (xxiii) any disposition of a lease, sub-lease or licence of real property in (or incidental to) the ordinary course of its trading;

**“Authorised Country”** means the United State of America, the United Kingdom, any member state of the European Economic Area or the European Union as of the Initial Issue Date, Switzerland, Japan or Canada;

**“Board of Directors”** means:

- (a) with respect to any corporation, the board of directors or managers of the corporation (which, in the case of any corporation having both a supervisory board and an executive or management board, shall be the executive or management board) or any duly authorised committee thereof duly authorised to act on behalf of any such board;
- (b) with respect to any partnership, the board of directors of the general partner of the partnership or any duly authorised committee thereof;
- (c) with respect to a limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and
- (d) with respect to any other Person, the board or any duly authorised committee thereof or committee of such Person serving a similar function;

Whenever any provision of these Conditions requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by the Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval);

**“Business Day”** has the meaning given to such term in Condition 5.2(a);

**“Capital Stock”** means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person’s equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for, or convertible into, such Capital Stock, whether now outstanding or issued after the Initial Issue Date;

**“Capitalised Lease Obligation”** means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under IFRS (as in effect on 31 December 2018 and excluding, for the avoidance of doubt, obligations that are accounted for as operating lease arrangements under IFRS as in effect on 31 December 2018); *provided* that, if the Issuer elects to apply IFRS as in effect from time to time as provided for in the definition of “IFRS”, “Capital Lease Obligation” shall thereafter mean any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a lease liability on the balance sheet in accordance with IFRS 16 (or any equivalent or successor standard under IFRS). For purposes of these Conditions, the amount of such obligation at any date will be the capitalised amount thereof at such date, determined in accordance with IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty;

**“Cash Equivalents”** means any of the following:

- (a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of an Authorised Country (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of such Authorised Country;
- (b) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits (and similar instruments) with maturities of twelve months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, the laws of an Authorised Country; *provided* that such bank or trust company is (i) an arranger or a lender party to the Senior Facilities Agreement (as may be amended from time to time), (ii) a bank or trust company whose long-term debt is rated “Baa3” or higher by Moody’s or “BBB–” or higher by S&P or the equivalent rating category of another Rating Agency or (iii) PPF Banka a.s.;
- (c) commercial paper which has a credit rating of either A-1 or higher by Standard & Poor’s Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody’s Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating, in each case, maturing within one year after the date of acquisition;

- (d) repurchase obligations with a term of not more than thirty days for underlying securities of the type described in paragraph (a) or (b) above, entered into with any financial institution meeting the qualifications described in paragraph (b) above;
- (e) any marketable debt obligations issued or guaranteed by the government of an Authorised Country or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within two years after the relevant date of calculation and not convertible or exchangeable to any other security;
- (f) Indebtedness or preferred stock issued by Persons with a rating of “BBB–” or higher from S&P or “Baa3” or higher from Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Rating Agency) with maturities of 12 months or less from the date of acquisition;
- (g) bills of exchange issued in by an Authorised Country eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialised equivalent); and
- (h) interests in any investment company or money market fund at least 95 per cent. of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (a) through (g) above;

“**CETIN Group**” means Česká telekomunikační infrastruktura a.s. (or any successor company thereto) and its Subsidiaries that are Restricted Subsidiaries.

“**Collateral**” means the rights, property and assets securing or otherwise benefitting the Notes and/or the Guarantee and any rights, property or assets over which a Security Interest has been granted to secure the obligations of the Issuer or any Guarantors under the Notes, the Guarantee or the Trust Deed pursuant to the terms of the Intercreditor Agreement and the Security Documents;

“**Commodities Agreement**” means any agreement or arrangement designed to protect the relevant Person against fluctuations in commodities prices;

“**Consolidated EBITDA**” means, for any period, Consolidated Net Income for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

- (a) provision for Taxes based on income, gains or profits of the Issuer and the Restricted Subsidiaries for such period and any charge for such Taxes incurred and any charge for or in respect of any surrender of group relief by the Issuer or a Restricted Subsidiary pursuant to a Tax Sharing Agreement;  
*plus*
- (b) the Consolidated Fixed Charges of the Issuer and the Restricted Subsidiaries for such period and Receivables Fees; *plus*
- (c) depreciation, amortisation (including, without limitation, amortisation of intangibles and deferred financing fees), goodwill and other non cash charges and expenses (including, without limitation, write downs and impairment of property, plant, equipment and intangibles and other long lived assets and the impact of purchase accounting on the Issuer and the Restricted Subsidiaries



for such period) of the Issuer and the Restricted Subsidiaries (excluding any such non cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortisation of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

- (d) any expenses, charges or other costs related to any actual, proposed or contemplated issuance, offer or sale of any Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments to such management team), disposition, recapitalisation or listing or the Incurrence of Indebtedness (including any refinancing thereof), Restricted Payment, in each case, whether or not successful, and in each case as determined in good faith by the Board of Directors or an Officer of the Issuer; *plus*
- (e) any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Capital Stock held by such parties; *plus*
- (f) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds, or such amount becoming payable, were included in computing Consolidated Net Income and are not excluded from the calculation of EBITDA under this definition; *plus*
- (g) any payments received or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by the Issuer or any Restricted Subsidiary to the extent such expenses were included in computing Consolidated Net Income; *plus*
- (h) any income, charge or other expense attributable to post employment benefit, pension, fund or similar obligation other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *plus*
- (i) cost savings or cost synergies projected to be fully realised within 18 months after the consummation of any transaction referred to in paragraphs (a) through (d) of the definition of “Consolidated Net Leverage Ratio” or the implementation of any restructuring, reorganisation or cost saving initiative (calculated on a *pro forma* basis as though such cost savings or cost synergies had been fully realised on the first day of the relevant period), net of the amount of any actual benefits realised during the relevant period from such actions, as determined in good faith by the Chief Financial Officer of the Issuer or another authorised responsible Officer of the Issuer; *provided* that such cost savings or cost synergies shall not exceed 15 per cent. of Consolidated EBITDA for the relevant period (calculated after fully taking into account such cost savings or cost synergies), and without double-counting with any other adjustment (including with any adjustment under the definition of “Consolidated Net Leverage Ratio”),

*less* non cash items increasing such Consolidated Net Income for such period, other than the reversal of a reserve for cash charges in a future period in the ordinary course of business;

**“Consolidated Fixed Charges”** means, for any period, without duplication and in each case determined in accordance with IFRS, the sum of:

- (a) consolidated interest expense of the Issuer and the Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income for such period, plus, to the extent not otherwise included in consolidated interest expense:
  - (i) amortisation of original issue discount (but not including deferred financing fees, debt issuance costs and premium, commissions, fees and expenses owed or paid with respect to financings);
  - (ii) the net payments made or received pursuant to Hedging Agreements (including amortisation of fees and discounts);
  - (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and similar transactions; and
  - (iv) the interest portion of any deferred payment obligation and amortisation of debt issuance costs; *plus*
- (b) the interest component of the Issuer’s and the Restricted Subsidiaries’ Capitalised Lease Obligations accrued and/or scheduled to be paid or accrued during such period other than the interest component of Capitalised Lease Obligations between or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *plus*
- (c) the Issuer’s and the Restricted Subsidiaries non-cash interest expenses and interest that was capitalised during such period; *plus*
- (d) the interest expense on Indebtedness of another Person to the extent such Indebtedness is guaranteed by the Issuer or any Restricted Subsidiary or secured by a Security Interest on the Issuer’s or any Restricted Subsidiary’s assets; *plus*
- (e) cash and non-cash dividends due (whether or not declared) on the Issuer’s Redeemable Capital Stock and any Restricted Subsidiary’s Preferred Stock (to any Person other than the Issuer or any Restricted Subsidiary), in each case for such period,

*excluding* (i) accretion or accrual of discounted liabilities other than Indebtedness; (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition; (iii) interest with respect to Indebtedness of any Holding Company of any Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; (iv) any additional amounts with respect to the Notes or other similar tax gross-up on any Indebtedness, which is included in interest expenses under IFRS; (v) any capitalised, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Indebtedness; (vi) any interest income of the Issuer and the Restricted Subsidiaries; (vii) any costs, charges or other liabilities

(including contributions) in respect of pension or post-retirement schemes; (viii) amortisation or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses; (ix) any penalties and interest in respect of taxes and (x) Receivables Fees;

**“Consolidated Net Income”** means, for any period, the Issuer’s and the Restricted Subsidiaries’ consolidated profit or loss (after tax) for such period as determined in accordance with IFRS, adjusted by excluding (to the extent included in such consolidated profit or loss (after tax)), without duplication:

- (a) the portion of profit (after tax) (and the loss (after tax) unless and to the extent funded in cash by the Issuer or a Restricted Subsidiary) of any Person (other than the Issuer or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Issuer or any Restricted Subsidiary has an equity ownership interest, except that the Issuer’s or a Restricted Subsidiary’s equity in the profit (after tax) of such Person for such period shall be included in such Consolidated Net Income to the extent of the aggregate amount of dividends or other distributions actually paid to the Issuer or any Restricted Subsidiary in cash dividends or other distributions during such period;
- (b) net after Tax gains attributable to the termination of any employee pension benefit plan;
- (c) any restoration to profit (after tax) of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the Initial Issue Date;
- (d) any net gain or loss arising from the acquisition of any securities or extinguishment, under IFRS, of any Indebtedness of the Issuer and the Restricted Subsidiaries;
- (e) the cumulative effect of a change in accounting principles;
- (f) the net gain (or loss) realised upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiary (including pursuant to a sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);
- (g) any special, extraordinary, one-off, exceptional, unusual or non-recurring gain, loss, expense or charge or any charges in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, business optimisation costs, rebranding costs, project start-up costs, recruiting costs, acquisition integration costs, signing, retention or completion bonuses, transaction costs (including costs related to the refinancing or any investments), acquisition costs, business optimisation, system establishment, software or information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

- (h) any non cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non cash deemed finance charges in respect of any pension liabilities or other provisions;
- (i) any unrealised gains or losses in respect of Hedging Agreements or other derivative instruments or forward contracts or any ineffectiveness recognised in earnings related to a qualifying hedge transaction or the fair value or changes therein recognised in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Agreements;
- (j) any unrealised foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealised foreign exchange gains or losses resulting from re-measuring assets and liabilities denominated in foreign currencies;
- (k) any unrealised foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;
- (l) any goodwill or other intangible asset impairment charge or write-off or write-down; and
- (m) the impact of capitalised, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Indebtedness;

**“Consolidated Net Indebtedness”** means, as of any date of determination, the aggregate outstanding principal amount of Indebtedness (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer)) of the Issuer and the Restricted Subsidiaries, less cash and Cash Equivalents, in each case that would be stated on the balance sheet of the Issuer and the Restricted Subsidiaries on a consolidated basis on such date. For the avoidance of doubt, in determining Consolidated Net Indebtedness, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of the Incurrence of which the calculation of the Consolidated Net Indebtedness is to be made;

**“Consolidated Net Leverage Ratio”** means, as at any date of determination, the ratio of: (1) the *pro forma* Consolidated Net Indebtedness on such date, to (2) the *pro forma* Consolidated EBITDA for the period of the Issuer’s most recent two consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination; *provided* that for the purposes of calculating Consolidated Net Leverage Ratio for such period:

- (a) if the Issuer or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an Incurrence of Indebtedness or both, Consolidated EBITDA and Consolidated Net Indebtedness for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;
- (b) if the Issuer or any Restricted Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any Indebtedness (each,

a “**Discharge**”) any Indebtedness since the beginning of such period that is no longer outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is a Discharge of Indebtedness or both, Consolidated EBITDA and Consolidated Net Indebtedness for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Discharge as if such Discharge had occurred on the first day of such period;

- (c) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have disposed of any company, any business or any group of assets constituting an operating unit of a business (any such disposition, a “**Sale**”) or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto, for such period and the Consolidated Net Indebtedness for such period shall be reduced by an amount equal to the Consolidated Net Indebtedness directly attributable to any Indebtedness of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Net Indebtedness for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale); *provided* that if any such Sale constitutes “discontinued operations” in accordance with then applicable IFRS, Consolidated Net Income (for purposes of calculating Consolidated EBITDA) shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;
- (d) if, since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation or other combination or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or otherwise has acquired any company, any business or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “**Purchase**”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA and Consolidated Net Indebtedness for such period shall be calculated after giving *pro forma* effect thereto as if such Purchase occurred on the first day of such period;
- (e) any Person that is a Restricted Subsidiary on the relevant calculation date will be deemed to have been a Restricted Subsidiary at all times during such reference period;
- (f) any Person that is not a Restricted Subsidiary on the relevant calculation date will not be deemed to have been a Restricted Subsidiary at any time during such reference period; and
- (g) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged or otherwise combined with the Issuer

or any Restricted Subsidiary since the beginning of such period) shall have made any Sale or any Purchase that would have required an adjustment pursuant to paragraph (c) or (d) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Net Indebtedness for such period shall be calculated after giving *pro forma* effect thereto as if such Sale or Purchase had occurred on the first day of such period,

*provided*, however, that for purposes of any calculation for the purposes of Condition 4.3 (*Covenants – Limitation on Indebtedness*) only, the *pro forma* calculation of the Consolidated Net Leverage Ratio shall not give effect to (i) any Indebtedness Incurred on the date of determination pursuant to Condition 4.3(b) (other than with respect to Condition 4.3(b)(x)) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to Condition 4.3(b). For the avoidance of doubt, in determining the Consolidated Net Leverage Ratio, no cash or Cash Equivalents shall be included that are the proceeds of Indebtedness in respect of the Incurrence of which the calculation of the Consolidated Net Leverage Ratio is to be made.

If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, without double counting (including with respect to paragraph (i) of the definition of “Consolidated EBITDA”), *pro forma* effect may be given to any transaction referred to in paragraphs (a) through (d) above and the implementation of any restructuring, reorganisation or cost saving initiative, and the amount of income or earnings relating thereto (including, without limitation, in respect of anticipated cost savings or cost synergies relating to any such transaction or initiative and projected to be fully realised within 18 months after the consummation of such transaction (calculated on a *pro forma* basis as though such cost savings or cost synergies had been fully realised on the first day of the relevant period) net of the amounts of any actual benefits realised during the relevant period from such actions; *provided* that such cost savings or cost synergies shall not exceed 15 per cent. of Consolidated EBITDA for the relevant period (calculated after fully taking into account such cost savings or cost synergies)), and the *pro forma* calculations in respect thereof shall be as determined in good faith by the Chief Financial Officer of the Issuer or another authorised responsible Officer of the Issuer;

“**Contingent Obligations**” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness (primary obligations) of any other Person (the primary obligor), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
  - (a) for the purchase or payment of any such primary obligation; or

- (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof;

**“continuing”** means, with respect to any Potential Event of Default or Event of Default, that such Potential Event of Default or Event of Default has not been remedied or waived;

**“Currency Agreements”** means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in foreign currency exchange rates;

**“Designated Non cash Consideration”** means the Fair Market Value of non cash consideration received by the Issuer or one of the Restricted Subsidiaries in connection with an Asset Sale that is so designated as “Designated Non cash Consideration” pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non cash Consideration. A particular item of Designated Non cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Condition 4.5 (*Covenants – Limitation on Asset Sales*);

**“Disinterested Member”** means, with respect to any transaction or series of related transactions, a member of the Issuer’s Board of Directors having no material direct or indirect financial interest in or with respect to such transaction or series of related transactions; *provided* that the ownership of Capital Stock (or any warrants, options or other such rights in respect of such Capital Stock) in a Person that has a direct or indirect financial interest in or with respect to such transactions or series of related transactions will not in itself disqualify a member of the Issuer’s Board of Directors from being a Disinterested Member with respect to any transaction or series of related transactions;

**“Euro Equivalent”** means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published under “Currency Rates” in the section of The Financial Times entitled “Currencies, Bonds & Interest Rates” on the date two Business Days prior to such determination;

**“Event of Default”** has the meaning given to such term in Condition 10.1 (*Events of Default and Enforcement – Events of Default*);

**“Fair Market Value”** means, with respect to any asset or property, the sale value that would be obtained in an arm’s length market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by an Officer of the Issuer or the Issuer’s Board of Directors, in each case whose good faith determination will be

conclusive, which, in the case of an Asset Sale, Restricted Payment or Investment shall be determined, at the option of the Issuer, either at the time of the Asset Sale, Restricted Payment or Investment or as of the date of the definitive agreement with respect to such Asset Sale, Restricted Payment or Investment, and without giving effect to any subsequent change in value;

**“guarantee”** means, as applied to any obligation:

- (a) a guarantee, direct or indirect, in any manner, of any part or all of such obligation; and
- (b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit,

provided, however, that the term guarantee shall not include endorsements for collection or deposit in the ordinary course of business. When used as a verb, **guarantee** shall have a corresponding meaning;

**“Hedging Agreements”** means Currency Agreements, Interest Rate Agreements and Commodities Agreements entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Issuer);

**“Hedging Obligations”** of any Person means the obligations of such Person pursuant to any Hedging Agreements;

**“Holding Company”** of a Person means any other Person (other than a natural person) of which the first Person is a Subsidiary;

**“IFRS”** means International Financial Reporting Standards as endorsed by the European Union (as constituted, or, at the election of the Issuer, by the United Kingdom if the United Kingdom is no longer a member of the European Union) (a) for purposes of Condition 4.8 (*Covenants – Reports to Noteholders*), as in effect from time to time and (b) for other purposes of these Conditions (including all ratios and other calculations based on IFRS contained in these Conditions), as in effect on 31 December 2018; *provided* that the impact of IFRS 16 (*Leases*) and any successor standard thereto shall be disregarded with respect to all ratios, calculations and determinations (or any component thereof) based upon IFRS to be calculated or made, as the case may be, pursuant to the Trust Deed and (without limitation) any lease, concession or licence of property that would be considered an operating lease under IFRS as in effect on 31 December 2018, and any guarantee given by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any of its Restricted Subsidiaries under any such operating lease, shall be accounted for in accordance with IFRS as in effect on 31 December 2018; *provided* that at any date after the Initial Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean, except as otherwise specified herein, IFRS as in effect from time to time;

**“Incur”** has the meaning given to such term in Condition 4.3(a); *provided* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise)



shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness, and the payment of dividends on Capital Stock constituting Indebtedness in the form of additional shares of the same class of Capital Stock, will not be deemed to be an Incurrence of Indebtedness. Any Indebtedness issued at a discount (including Indebtedness on which interest is payable through the issuance of additional Indebtedness) shall be deemed Incurred at the time of original issuance of the Indebtedness at the initial accreted amount thereof;

**“Indebtedness”** means, with respect to any Person on any date of determination, without duplication:

- (a) the principal of indebtedness of such Person for borrowed money (including overdrafts);
- (b) the principal of obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;
- (c) all reimbursement obligations of such Person in connection with any letters of credit, bankers’ acceptances, or other similar facilities (the amount of such obligation being equal at any time to the aggregate amount of drawings thereunder that have not then been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;
- (d) all indebtedness of such Person created or arising under any conditional sale or other title retention or deferred purchase price agreement with respect to property acquired by or services rendered to such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), which is due more than one year after its Incurrence but excluding trade payables arising in the ordinary course of business;
- (e) all Capitalised Lease Obligations of such Person;
- (f) net obligations of such Person under or in respect of Hedging Agreements (the amount of any such obligation to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement);
- (g) all Indebtedness referred to in (but not excluded from) the preceding paragraphs (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Security Interest upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured);

- (h) all guarantees by such Person of Indebtedness referred to in this definition of any other Person;
- (i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price (but excluding any accrued dividends); and
- (j) Preferred Stock of any Restricted Subsidiary (but excluding any accrued dividends),

in each case to the extent it appears as a liability on the balance sheet in accordance with IFRS; *provided* that the term Indebtedness shall not include: (i) deferred or prepaid revenues or marketing fees, (ii) obligations to make payments in respect of client moneys held by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business, (iii) any obligations of the Issuer or any Restricted Subsidiary associated with workers' compensation claims, post-employment benefits and pension plans, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes; (iv) obligations under a Tax Sharing Agreement, up to an amount not to exceed, with respect to such obligations, the amount of such Taxes that the Issuer and the Restricted Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis if the Issuer and the Restricted Subsidiaries had paid Tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and the Restricted Subsidiaries; (v) reimbursement obligation in respect of any guarantee, indemnity, bond, standby letter of credit, documentary or like credit or similar instrument in respect of commercial obligations of the Issuer or any Restricted Subsidiary to the extent such guarantees, indemnities, bonds or letters of credit are not drawn upon or, if and to the extent drawn upon are honoured in accordance with their terms and if to be reimbursed, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following payment on the guarantee, indemnity, bond or letter of credit, (vi) Subordinated Shareholder Indebtedness; (vii) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, other than guarantees or other assumptions of Indebtedness, or obligations Incurred by a Receivables Subsidiary under or in respect of a Qualified Receivables Financing; (viii) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; (ix) any lease of property which would be considered an operating lease under IFRS and any guarantee given by the Issuer or a Restricted Subsidiary in respect of, the obligations of the Issuer or a Restricted Subsidiary under any operating lease; (x) financing of premiums payable to, and advance commissions or claims payments from, insurance companies; and (xi) any liability pursuant to a declaration of joint and several liability as referred to in Section 2:403 of the Dutch Civil Code (and any residual liability under such declaration, as referred to in Section 2:404 (2) of the Dutch Civil Code).

For purposes of this definition, the “**maximum fixed repurchase price**” of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable

Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to these Conditions, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the Board of Directors of the issuer of such Redeemable Capital Stock; *provided*, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person;

**“Independent Financial Advisor”** means an investment banking firm, bank, accounting firm or third party appraiser, in any such case, of international standing; *provided* that such firm is not an Affiliate of the Issuer;

**“Initial Issue Date”** means the issue date of the Original Notes;

**“Interest Rate Agreements”** means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates;

**“Investment Grade Securities”** means:

- (a) securities issued or directly and fully guaranteed or insured by the government of a member of the European Union as of the Initial Issue Date, the United Kingdom, the United States of America, Switzerland, Norway, Japan or Canada (including, in each case, any agency or instrumentality thereof) (other than Cash Equivalents);
- (b) debt securities or debt instruments with a rating of “BBB–” or higher from Fitch, “BBB–” or higher from S&P, “Baa3” or higher by Moody’s or the equivalent of such rating by such Rating Agency or, if no rating of Fitch, Moody’s or S&P then exists, the equivalent of such rating by any other Rating Agency, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;
- (c) investments in any fund that invests exclusively in investments of the type described in paragraphs (a) and (b) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and
- (d) any investment in repurchase obligations with respect to any securities of the type described in paragraphs (a) to (c) above which are collateralised at par or over;

**“Investment Grade Status”** shall occur when all of the Notes carry an Investment Grade Rating from at least two Rating Agencies;

**“Investments”** means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other similar obligations), advances or capital contributions (excluding advances or extension of credit to officers, customers, licencees, lessees, suppliers, directors or employees made in the ordinary course of business), or purchases or other acquisitions in consideration of Indebtedness, Capital Stock or other securities,

together with all items that are or would be classified as investments on a balance sheet (excluding the notes thereto) prepared in accordance with IFRS; *provided*, however, that endorsements of negotiable instruments and documents in the ordinary course of business are not an investment. If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the definition of "**Fair Market Value**". The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Condition 4.4(d). The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment. For the avoidance of doubt, a guarantee by the Issuer or a Restricted Subsidiary of the obligations of another Person (the "**primary obligor**") shall not be deemed to be an Investment by the Issuer or such Restricted Subsidiary in the primary obligor to the extent that such obligations of the primary obligor are in favour of the Issuer or any Restricted Subsidiary, and in no event shall a guarantee of an operating lease or other business contract of the Issuer or any Restricted Subsidiary be deemed an Investment;

**"Irrevocable Repayment"** means any repayment, repurchase or refinancing of Indebtedness with respect to which an irrevocable notice of repayment (or similar irrevocable notice) has been delivered;

**"Issuer Holdco"** means PPF TMT Holdco 2 B.V. (or any successor company thereto);

**"Limited Condition Acquisition"** means any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of the Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition and the related transactions, shall not include any Consolidated Net Income of or attributable to the target company or assets involved in any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred;

**"maturity"** means, with respect to any Indebtedness, the date on which any principal of such Indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise;

**"Net Cash Proceeds"** means:

- (a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents actually received (except to the extent that such obligations

are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

- (i) brokerage and sales commissions and other fees and expenses which have been incurred (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;
  - (ii) reasonably anticipated (acting in good faith) costs of redundancy, closure, relocation, reorganisation and restructuring incurred directly preparing the asset for, or incurred as a consequence of, such Asset Sale;
  - (iii) provisions for all Taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale (but only after taking into account any available tax credits or deductions and any Tax Sharing Agreements);
  - (iv) any amounts required to be applied (other than pursuant to Condition 4.5(b)) to the repayment of principal, premium and interest on any Indebtedness (a) which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Security Interest upon such assets or (b) which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds of such Asset Sale;
  - (v) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale;
  - (vi) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary (in its capacity as “seller”), as the case may be, as a reserve in accordance with IFRS against any liabilities associated with the assets disposed of in such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or expected purchase price adjustments associated with such Asset Sale; and
  - (vii) all distributions and other payments required to be made to holders of minority interests (other than the Issuer or a Restricted Subsidiary) in joint ventures or Subsidiaries as a result of such Asset Sale;
- (b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under Condition 4.4 (*Covenants – Limitation on Restricted Payments*), the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of

attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result thereof (but only after taking into account any available tax credits or deductions and any Tax Sharing Agreements);

**"O2CR / CETIN Asset Transfer"** means the acquisition (including by way of merger, consolidation, amalgamation or other combination, Reorganisation or sale and leaseback transaction) by any member of the O2CR / CETIN Group, directly or indirectly, of all or any shares or other ownership interests in any member of the Restricted Group (other than any member of the O2CR / CETIN Group) or any revenue-generating or operating assets, any business or undertakings of any member of the Restricted Group (other than any member of the O2CR / CETIN Group);

**"O2CR / CETIN Net Leverage Ratio"** means, as at any date of determination, the ratio of: (1) the *pro forma* Consolidated Net Indebtedness of the O2CR / CETIN Group on such date, to (2) the *pro forma* Consolidated EBITDA of the O2CR / CETIN Group for the period of the Issuer's most recent two consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of **"Consolidated Net Leverage Ratio"**. For avoidance of doubt, for purposes of such calculation, references in the definitions of **"Consolidated Net Indebtedness"** and **"Consolidated EBITDA"**, and all other definitions related thereto, to the Issuer and/or any Restricted Subsidiary shall be interpreted to refer only to members of the O2CR / CETIN Group;

**"O2CR / CETIN Threshold Ratio"** means, initially, 2.50 to 1.00; *provided* that if, at any time, an O2CR / CETIN Asset Transfer is consummated, such ratio shall be revised and calculated as the weighted average of

- (a) the then current O2CR / CETIN Threshold Ratio, applied to an amount equal to the Consolidated EBITDA of the O2CR / CETIN Group for the period of the Issuer's most recent two consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination (without giving effect to such O2CR / CETIN Asset Transfer); and
- (b) a ratio of 1.00 to 1.00, applied to an amount equal to:
  - (i) (if the O2CR / CETIN Asset Transfer comprises a transfer of shares or other ownership interests in a member of the Restricted Group) the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of such member of the Restricted Group calculated in euro for the period of 12 months ending on the date of the most recently available internal consolidated financial statements (calculated on an annualised basis for the period since acquisition or incorporation if such member of the Restricted Group was acquired or incorporated during that period of 12 months), and in the case of the transfer of less than 100 per cent. of the shares or other interests in such member of the Restricted Group, a proportionate amount equal to the percentage of shares transferred in the case; and/or

- (ii) (if the O2CR / CETIN Asset Transfer comprises a transfer of any other assets, businesses or undertakings of a member of the Restricted Group) the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) attributable to such assets, business or undertakings calculated in euro for the period of 12 months ending on the date of the most recently available internal consolidated financial statements (calculated on an annualised basis for the period since acquisition if such assets, businesses or undertakings were acquired during that period of 12 months);

**“O2CR / CETIN Group”** means the O2CR Group and the CETIN Group, collectively;

**“O2CR Group”** means O2 Czech Republic a.s. (or any successor company thereto) and its Subsidiaries;

**“Officer”** means (a) with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Executive Chairman, any director, the treasurer or the Secretary (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (b) any other individual designated as an “Officer” for the purposes of these Conditions by the Board of Directors;

**“Officer’s Certificate”** means a certificate signed by an Officer of (or such number of managing directors authorised to represent) the Issuer, a Guarantor or a Surviving Entity, as the case may be, and delivered to the Trustee and/or the Security Agent;

**“OpCo Group”** means each of the O2CR Group, the CETIN Group and the Telenor Group.

**“Opinion of Counsel”** means a written opinion from legal counsel (in form and substance reasonably acceptable to the Trustee and/or the Security Agent, where such opinion is addressed to, or for the benefit of, the Trustee or the Security Agent). The counsel may, but need not, be an employee of or counsel to the Issuer or its Restricted Subsidiaries;

**“Original Notes”** means the first Tranche of the first Series of Notes issued under the Trust Deed on the Initial Issue Date;

**“Parent”** means any Person of which the Issuer at any time is or becomes a Subsidiary after the Initial Issue Date and any holding companies established for purposes of holding an investment in any Parent;

**“Pari Passu Indebtedness”** means (a) any Indebtedness of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Guarantee, any Indebtedness that ranks equally in right of payment to such Guarantee and, in each case, that is secured by a Security Interest on the Collateral on a basis *pari passu* to the Notes or such Guarantee;

**“Permitted Business”** means any businesses, services or activities in which the Issuer and or any of its Subsidiaries is engaged on the Initial Issue Date or businesses, services or activities related or relating to any other technology, media or telecommunications business, enterprise or assets, and in each case, businesses,

services or activities that are similar, related, complementary, incidental or ancillary thereto or an extension, development or expansion thereof;

**“Permitted Collateral Security Interests”** means:

- (a) Security Interests on the Collateral arising by operation of law that are described in clauses (e), (f), (g), (i), (j), (k), (l), (m), (n), (o), (q), (r), (s), (z), (cc) or (ff) of the definition of “Permitted Security Interests”;
- (b) Security Interests on the Collateral to secure:
  - (i) Indebtedness under the Senior Facilities Agreement pursuant to commitments existing on the Initial Issue Date;
  - (ii) Indebtedness of the Issuer or any Guarantor that is Incurred pursuant to Condition 4.3(a);
  - (iii) Indebtedness of the Issuer or any Guarantor Incurred pursuant to Condition 4.3(b)(iv) (other than with respect to Commodities Agreements);
  - (iv) Indebtedness of the Issuer or any Guarantor Incurred pursuant to Condition 4.3(b)(x); and
  - (v) Indebtedness of the Issuer or any Guarantor that is Incurred pursuant to Condition 4.3(b)(xii); and
- (c) Security Interests on the Collateral to secure any Permitted Refinancing Indebtedness in exchange for or the net proceeds of which are used to refund, replace, refinance, defease or discharge Indebtedness which is secured by a Permitted Collateral Security Interest on the Collateral pursuant to the preceding paragraph (b) or this paragraph (c); *provided* that the Security Interests securing such Permitted Refinancing Indebtedness rank substantially similar, or junior, to the Security Interests securing the Indebtedness which is being exchanged, renewed, refunded, refinanced, replaced or discharged;

*provided*, however, that, with respect to paragraphs (b) and (c) above, any such Security Interest ranks equal or junior to all other Security Interests on such Collateral securing the Notes or the Guarantee and each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

A Security Interest shall be deemed to rank equally with another Security Interest notwithstanding (i) any different preference or hardening period applicable thereto, (ii) any other difference in priority so long as an “assignment of ranking” or other sharing arrangement has been entered into by or for the benefit of beneficiaries of each such Security Interest or (iii) any difference in validity or enforceability.

For purposes of determining compliance with this definition, the last two paragraphs of the definition of “Permitted Security Interests” shall apply *mutatis mutandis* to this definition;



**“Permitted Indebtedness”** has the meaning given to such term in Condition 4.3 (*Covenants – Limitation on Indebtedness*);

**“Permitted Investments”** means any of the following (in each case made by the Issuer or any of its Restricted Subsidiaries):

- (a) Investments in cash, Cash Equivalents or Investment Grade Securities;
- (b) intercompany Indebtedness to the extent permitted under Condition 4.3(b)(i);
- (c) Investments in: (i) the Issuer; (ii) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary); or (iii) another Person (including the Capital Stock of such Person) if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to or is liquidated into, the Issuer or a Restricted Subsidiary;
- (d) Investments as a result of or retained in connection with an Asset Sale permitted under or received in compliance with Condition 4.5 (*Covenants – Limitation on Asset Sales*) to the extent such Investments are non cash consideration permitted thereunder;
- (e) (i) Investments in payroll, travel, entertainment, moving, other relocation and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS, (ii) customary guarantees and indemnities in favour of directors, officers and employees in the ordinary course of business and (iii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers;
- (f) Investments in the Notes, any Additional Notes, any loans under the Senior Facilities Agreement and other Indebtedness of the Issuer or any Restricted Subsidiary;
- (g) Investments existing, or made pursuant to legally binding commitments in existence, at the Initial Issue Date, and any Investment that amends, extends, renews, replaces or refinances an Investment existing on the Initial Issue Date (or in respect of which a legally binding commitment was in existence on the Initial Issue Date); *provided* that the amount of any such Investment may be increased (i) as required by the terms of such Investment as in existence on the Initial Issue Date or (ii) as otherwise not prohibited under these Conditions;
- (h) Investments in Hedging Agreements permitted under Condition 4.3(b)(iv);
- (i) Investments in a Person to the extent that the consideration therefor consists of the Issuer’s Qualified Capital Stock or the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of the Issuer’s Qualified Capital Stock or Subordinated Shareholder Indebtedness;
- (j) any Investments received (i) in satisfaction of judgments, foreclosure, perfection or enforcement of any liens or settlement of debts, (ii) in compromise of obligations of such persons that were Incurred in the ordinary

course of business, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer, (iii) in compromise or resolution of obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of the Restricted Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (iv) as a result of litigation, arbitration or other disputes;

- (k) any transaction to the extent constituting an Investment that is permitted and made in accordance with paragraphs (vi) and (vii) of Condition 4.6(b);
- (l) lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business;
- (m) Investments consisting of purchases and acquisitions of inventory, supplies, trading stock, materials and equipment or licences or leases of intellectual property, in any case, in the ordinary course of business and as not prohibited by these Conditions;
- (n) guarantees of Indebtedness of the Issuer or a Restricted Subsidiary permitted to be Incurred under Condition 4.3 (*Covenants – Limitation on Indebtedness*) and (other than with respect to, or given in connection with the Incurrence of, Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (o) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or liens otherwise described in the definition of “**Permitted Security Interests**” or made in connection with Security Interests permitted under Condition 4.1 (*Covenants – Negative Pledge*);
- (p) Investments acquired after the Initial Issue Date as a result of the acquisition by the Issuer or any of the Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of the Restricted Subsidiaries in a transaction that is not prohibited by Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*) to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (q) (i) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and (ii) advance payments made in relation to capital expenditures in the ordinary course of business;
- (r) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

- (s) Investments in licences, concessions, authorisations, franchises, permits or similar arrangements that are related to the Issuer or any Restricted Subsidiaries' business;
- (t) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing or development arrangements with other Persons, in each case, made in the ordinary course of business;
- (u) Investments made in connection with pension fund obligations; and
- (v) any Investment required to be made by mandatory provision of law or regulation, including any Investments in Subsidiaries of the Issuer required to cause such Subsidiaries to be in compliance with applicable law or regulation;

**“Permitted Security Interests”** means the following types of Security Interests:

- (a) Security Interests existing as of, or required to be granted under written arrangements existing on, the Initial Issue Date;
- (b) Security Interests on any property or assets of a Restricted Subsidiary granted in favour of the Issuer or any Restricted Subsidiary;
- (c) (i) Security Interests securing the Notes or the Guarantee, as the case may be, and (ii) Security Interests pursuant to the Intercreditor Agreement and the Security Documents entered into pursuant to these Conditions, the Trust Deed or the Intercreditor Agreement;
- (d) any interest or title of a lessor under any lease or any Capitalised Lease Obligation;
- (e) Security Interests arising out of conditional sale, title retention, consignment, deferred payment, supply agreements or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;
- (f) statutory Security Interests of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Security Interests arising in the ordinary course of the Issuer's or any Restricted Subsidiary's business and with respect to amounts not yet delinquent for more than 60 days or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;
- (g) Security Interests arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;
- (h) Security Interests arising over any bank accounts or custody accounts or other clearing banking facilities held by the Issuer or any Restricted Subsidiary in the ordinary course of its banking arrangements with any bank or financial

institution under the standard terms and conditions of such bank or financial institution;

- (i) Security Interests for Taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;
- (j) Security Interests Incurred or deposits made in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, insurance, trade contracts, leases (including, without limitation, statutory and common law landlord's liens), licences, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations) (including any Security Interests to secure letters of credit issued to assure payments of such obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (k) zoning restrictions, ground leases, survey exceptions, (including reciprocal easements) easements, licences, reservations, title defects, rights of others for rights of way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Issuer and the Restricted Subsidiaries on the properties subject thereto, taken as a whole;
- (l) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (m) Security Interests on property or assets under construction (and related rights) in favour of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (n) Security Interests arising by reason of any judgment, decree or order of any court so long as such Security Interest is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
- (o) Security Interests on property of, assets of or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person is acquired by, merged with or into or consolidated with, the Issuer or any Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, Capital Stock or Indebtedness); *provided* that such Security Interests: (i) do not extend to or cover any property or assets of the Issuer or

any Restricted Subsidiary other than the property or assets acquired or than those of the Person merged into or consolidated with the Issuer or Restricted Subsidiary; and (ii) were created prior to, and not in connection with or in contemplation of, such acquisition, merger, consolidation, amalgamation or other combination;

- (p) Security Interests securing the Issuer's or any Restricted Subsidiary's obligations under Hedging Agreements permitted under Condition 4.3(b)(iv) or any collateral for the Indebtedness to which such Hedging Agreements relate;
- (q) Security Interests Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance;
- (r) Security Interests Incurred in connection with any cash management programme established in the ordinary course of business for the Issuer's or any Restricted Subsidiary's benefit (including, but not limited to, liens on cash accounts and receivables securing cash pooling or cash management arrangements) and, liens arising by reason of netting or set-off entered into in the ordinary course of banking and trading activities;
- (s) Security Interests made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Issuer or any Restricted Subsidiary, including rights of offset and set off;
- (t) Security Interests on assets of a Restricted Subsidiary that is not a Guarantor to secure Indebtedness of such Restricted Subsidiary (or any other Restricted Subsidiary that is not a Guarantor) and that is otherwise not prohibited under these Conditions;
- (u) any extension, renewal or replacement, in whole or in part, of any Security Interest (excluding any Security Interests pursuant to paragraph (w) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Security Interest so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets;
- (v) Security Interests securing Indebtedness Incurred to refinance Indebtedness that has been secured by a Security Interest (excluding any Security Interests pursuant to paragraph (w) of this definition) permitted by these Conditions; *provided* that (i) any such Security Interest shall not extend to or cover any assets not securing the Indebtedness so refinanced and (ii) the Indebtedness so refinanced shall have been permitted to be Incurred;
- (w) Security Interests Incurred by the Issuer or any Restricted Subsidiary with respect to obligations that do not exceed the greater of €100.0 million or 10.0 per cent. of Consolidated EBITDA, at any one time outstanding;
- (x) Security Interests resulting from escrow arrangements, including in respect of software or other intangible assets, entered into in connection with any type of disposition, including by way of licence, of assets or intellectual property;

- (y) any right of refusal, right of first offer, option or other arrangement to sell or otherwise dispose of an asset of the Issuer or any Restricted Subsidiary;
- (z) leases (including operating leases), subleases, licences, sublicences and other conveyances of assets (including real property and intellectual property rights) entered into in the ordinary course of business;
- (aa) any encumbrance or restriction (including, but not limited to, pursuant to put and call agreements or buy/ sell arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (bb) Security Interests (including put and call arrangements) on Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary or a joint venture that is not a Subsidiary of the Issuer that secure Indebtedness or other obligations of such Unrestricted Subsidiary or joint venture, respectively;
- (cc) Security Interests on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (dd) Security Interests on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (ee) Security Interests on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case, to the extent such cash or government securities pre-fund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (ff) Security Interests created or subsisting in order to secure any pension liabilities or partial retirement liabilities, including in respect of any amounts held in an escrow or similar arrangement; or
- (gg) Security Interests on cash paid into an escrow account (i) pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 15 per cent. of the net cash proceeds of such disposal; (ii) to fund an acquisition or pay related fees and expenses pending the closing of such acquisition by the Issuer or any Restricted Subsidiary; and (iii) pursuant to any purchase price retention arrangement or deferred consideration in connection with any acquisition by the Issuer or any Restricted Subsidiary;

With respect to any Security Interest securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Security Interest shall also be permitted to secure any Increased Amount of such Indebtedness. The “**Increased Amount**” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortisation of original issue discount, the payment of interest in the form of additional Indebtedness with the same term, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness resulting solely from fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

For the purposes of determining compliance with this definition, (i) a Security Interest need not be incurred solely by reference to one category of Permitted Security Interests described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (ii) in the event that a Security Interest (or any portion thereof) meets the criteria of one or more of such categories of Permitted Security Interests, the Issuer shall, in its sole discretion, classify or reclassify such Security Interest (or any portion thereof) in any manner that complies with this definition;

**“Permitted Refinancing Indebtedness”** means any renewals, extensions, substitutions, defeasances, discharges, refinancings, exchanges or replacements (each, for purposes of this definition and Condition 4.3(b), a **refinancing**) of any Indebtedness of the Issuer or a Restricted Subsidiary or pursuant to this definition, including any successive refinancings, as long as:

- (a) such Indebtedness is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced; *plus* (ii) an amount necessary to pay any accrued and unpaid interest, fees and expenses, including “make-whole”, redemption and other premiums and defeasance costs, and underwriting discounts related to such refinancing;
- (b) (i) the Stated Maturity of such Indebtedness is no earlier than the Stated Maturity of the Indebtedness being refinanced or, if shorter, the Stated Maturity of the Notes and (ii) the Weighted Average Life to Maturity of such Indebtedness is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;
- (c) if the Indebtedness being refinanced is subordinated in right of payment to the Notes or the Guarantee (as applicable), such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes or the Guarantee (as applicable) on terms at least as favourable to the Noteholders as those contained in the documentation governing the Indebtedness being renewed, extended, substituted, defeased, discharged, refinanced or replaced; and
- (d) if the Issuer or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is incurred either by the Issuer or by a Guarantor;

**“Permitted Reorganisation”** means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganisation, winding up or corporate reconstruction (a **“Reorganisation”**) on a solvent basis of the Issuer or any Restricted Subsidiary whether in relation to the business or assets or shares of (or other interests in) the Issuer or such Restricted Subsidiary (including, without limitation, any assignment, transfer or assumption of intra-group receivables and payables among the members of the Restricted Group in connection therewith) so long as any payments or assets (including shares or other interests) distributed in connection with such Reorganisation remain within the Restricted Group, and *provided that*:

- (a) if such Reorganisation involves the Issuer or a Guarantor and/or assets (including shares) which form part of the Collateral then such Reorganisation shall only be a Permitted Reorganisation if the Noteholders will have immediately after the Reorganisation substantially the same or equivalent Collateral (with substantially similar value (as determined in good faith by the Board of Directors or an Officer of the Issuer)) over those assets and shares or remaining shares (where any new or restarted hardening periods shall be disregarded for the purpose of determining whether any new Collateral is equivalent, and save, in each case, where the shares of (or other interests in) any member of the Restricted Group that has been merged into another member of the Restricted Group or that has otherwise ceased to exist (including, for example, by way of the collapse of a solvent partnership or solvent winding up of a corporate entity) as a result of such Reorganisation);
- (b) if any Guarantor is to be released from the Guarantee, promptly after completion of the Reorganisation, a Guarantee is provided by such Restricted Subsidiaries as necessary to procure that such Guarantee will (taken as a whole together with any pre-existing Guarantee that was not released in connection with the Reorganisation) have substantially similar value (as determined in good faith by the Board of Directors or an Officer of the Issuer) to the Guarantee existing prior to the Reorganisation (provided that for the avoidance of doubt, this paragraph (b) shall be deemed to be satisfied if after the Reorganisation each Restricted Subsidiary is a Guarantor); and
- (c) there is at the time of the Reorganisation no Potential Event of Default or Event of Default which is continuing,

*provided that* the Reorganisation is or would be permitted (or not prohibited) under Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*);

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or other juridical entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

**“Potential Event of Default”** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default;

**“Preferred Stock”** means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person, whether outstanding as at the Initial Issue Date or issued after the Initial Issue Date and including, without limitation, all classes and series of preferred or preference stock of such Person;

**“pro forma”** means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation made in good faith by the Issuer’s Chief Financial Officer or an authorised responsible officer of the Issuer;

**“Public Debt”** means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in a public offering or underwritten private



placement to institutional investors, and which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**“Qualified Capital Stock”** of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock;

**“Qualified Receivables Financing”** means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors or an Officer of the Issuer shall have determined in good faith that such Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Issuer) and may include Standard Securitisation Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under any credit facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing;

**“Receivables Fees”** means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing;

**“Receivables Financing”** means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitisation transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable;

**“Receivables Repurchase Obligation”** means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defence, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller;

**“Receivables Subsidiary”** means a Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and

related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer of the Issuer (as provided below) as a Receivables Subsidiary and:

- (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitisation Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitised or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitisation Undertakings, or (iv) subjects any property or asset of the Issuer or any of its Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitisation Undertakings;
- (b) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favourable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and
- (c) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions;

**“Redeemable Capital Stock”** means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Issuer in circumstances in which the Noteholders would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favourable to the holders of such Capital Stock than the provisions contained in Condition 4.5 (*Covenants – Limitation on Asset Sales*) and Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) and such requirement only becomes operative after compliance with Condition 4.5 (*Covenants – Limitation*

on Asset Sales) or Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*), as the case may be, including the purchase of any Notes tendered pursuant thereto and such repurchase or redemption obligation is subject to compliance by the relevant Person with Condition 4.4 (*Covenants – Limitation on Restricted Payments*); and *provided* further that that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or any of its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Redeemable Capital Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations;

**“Replacement Assets”** means (i) non current properties and assets (including Capital Stock of a Person that is or becomes a Restricted Subsidiary and such Restricted Subsidiary’s property, business or assets are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related) that replace the properties and assets that were the subject of an Asset Sale, or (ii) non current properties and assets that are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related;

**“Restricted Group”** means the Issuer and its Restricted Subsidiaries;

**“Restricted Investment”** means an Investment other than a Permitted Investment;

**“Restricted Subsidiary”** means any Subsidiary of the Issuer other than an Unrestricted Subsidiary; *provided* that O2 Czech Republic a.s. shall only be considered a Restricted Subsidiary for purposes of Conditions 4.1 (*Covenants – Negative Pledge*), 4.3 (*Covenants – Limitation on Indebtedness*), 4.8 (*Covenants – Reports to Noteholders*), 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) and 10.1 (*Events of Default and Enforcement – Events of Default*) (including, in each case, all relevant defined terms and calculations thereunder) and for purposes of calculating the Consolidated Net Leverage Ratio or Consolidated EBITDA (including all relevant defined terms and calculations thereunder) for any Condition, and shall be considered an Unrestricted Subsidiary for all other purposes;

**“Security Documents”** means the Transaction Security Documents (as defined in the Intercreditor Agreement) and any other security arrangements, charge agreements, collateral assignments, debentures and any other instrument and document executed and delivered from time to time pursuant to the Conditions, the Intercreditor Agreement, any Additional Intercreditor Agreement or any of the foregoing, and in each case pursuant to which the Collateral is charged, assigned or granted to or on behalf of the Security Agent for the benefit of the Noteholders and the Trustee or notice of such charge, assignment or grant is given, in each case as the same may be amended, supplemented or otherwise modified from time to time;

**“Security Interest”** means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof);

**“Senior Facilities Agreement”** means the facilities agreement originally dated 21 March 2018, as amended and restated on 28 June 2018 and by the supplemental agreement dated 15 February 2019, between, among others, the Issuer as borrower, Société Générale as agent and Komerční banka, a.s. as security agent, as may be

further amended, restated, modified, renewed, refunded, replaced, refinanced or extended in whole or in part from time to time;

**“Series Issue Date”** means the issue date of the first Tranche of the relevant Series of Notes;

**“Standard Securitisation Undertakings”** means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Board of Directors or an Officer of the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitisation Undertaking;

**“Stated Maturity”** means, when used with respect to any Note or any payment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such payment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any instalment of interest thereon, is due and payable;

**“Subordinated Indebtedness”** means Indebtedness of the Issuer or any of the Guarantors that is (i) expressly subordinated in right of payment to the Notes or the Guarantee of such Guarantors, as the case may be or (ii) secured by a Security Interest on the Collateral on a junior basis to the Security Interests on the Collateral securing the Notes;

**“Subordinated Shareholder Indebtedness”** means, collectively, any funds provided to the Issuer by any direct or indirect Parent of the Issuer, or Affiliate of such Parent, pursuant to any security, instrument or agreement, other than Capital Stock, that pursuant to its terms:

- (a) does not (including upon the happening of any event) mature or require any amortisation or other payment of principal prior the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Qualified Capital Stock or for any other security or instrument meeting the requirements of the definition);
- (b) does not (including upon the happening of any event) require the payment in cash or otherwise, of interest or any other amounts prior to the first anniversary of the maturity of the Notes (*provided that* interest may accrete while such Subordinated Shareholder Indebtedness is outstanding and accretion interest may become due upon maturity as permitted by (a) above or acceleration of maturity as permitted by (c) below and any interest may be satisfied at any time by the issue to the holders thereof of additional Subordinated Shareholder Indebtedness);
- (c) does not (including upon the happening of any event) provide for the acceleration of its maturity and its holders have no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, prior to the first anniversary of the maturity of the Notes;
- (d) is not secured by a Security Interest over any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

- (e) is contractually subordinated and junior in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and additional amounts (if any)) of the Issuer under the Notes and the Guarantors under the Guarantee; and
- (f) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer;

*provided* that in any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Indebtedness, such Indebtedness shall constitute an Incurrence of such Indebtedness by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the Incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Indebtedness shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Indebtedness;

**“Subsidiary”** means, with respect to any Person:

- (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50 per cent. of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (b) any partnership, joint venture, limited liability company or similar entity of which: (a) more than 50 per cent. of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity;

**“Tax Sharing Agreement”** means any fiscal unity arising under relevant tax laws of which the Issuer or any Restricted Subsidiary is a member, and any tax sharing or profit and loss pooling, tax loss transfer or other similar or equivalent agreement with customary or arm’s-length terms entered into by the Issuer or any Restricted Subsidiary with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and these Conditions;

**“Taxes”** means any taxes, duties or governmental charges of whatever nature;

**“Telenor Group”** means the Restricted Group, excluding the Issuer, PPF Infrastructure B.V., PPF Telco B.V., the O2CR Group and the CETIN Group;

**“Telenor Net Leverage Ratio”** means, as at any date of determination, the ratio of: (1) the *pro forma* Consolidated Net Indebtedness of the Telenor Group on such date, to (2) the *pro forma* Consolidated EBITDA of the Telenor Group for the period of the

Issuer's most recent two consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination, in each case calculated with such *pro forma* and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of "Consolidated Net Leverage Ratio". For avoidance of doubt, for purposes of such calculation, references in the definitions of "Consolidated Net Indebtedness" and "Consolidated EBITDA", and all other definitions related thereto, to the Issuer and/or any Restricted Subsidiary shall be interpreted to refer only to members of the Telenor Group;

**"Unrestricted Subsidiary"** means any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer's Board of Directors pursuant to Condition 4.7 (*Covenants – Designation of Unrestricted and Restricted Subsidiaries*)); and

**"Weighted Average Life to Maturity"** means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (a) the sum of the products obtained by multiplying (x) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments or principal, including payment at final maturity, in respect of the Indebtedness, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (b) the then outstanding principal amounts of such Indebtedness.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on the aggregate outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **"Fixed Interest Period"** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or

- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1 (*Interest – Interest on Fixed Rate Notes*):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant

payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a) (*Interest – Interest on Floating Rate Notes – Interest Payment Dates – (ii)*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month



which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

- (i) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the

terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Series Issue Date (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), “**Floating Rate, Floating Rate Option, Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered

quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

Where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2 (*Interest – Interest on Floating Rate Notes*):

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

- (iii) if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360 \times (Y_2 - Y_1) \rfloor + \lfloor 30 \times (M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the

relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, in relation to ISDA Determination, as so specified in the applicable Pricing Supplement.

(f) **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent or Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 (*Interest – Interest on Floating Rate Notes*) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Guarantors, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 5.3 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the third day after notice is given to the relevant Noteholder(s) (whether individually or in accordance with Condition 14 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment.

## **6. PAYMENTS**

### **6.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

### **6.2 Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above (*Payments – Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.



Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

### **6.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### **6.4 Payments in respect of Registered Notes**

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “**Record Date**”). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Guarantors, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## **6.5 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the relevant Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due; and
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantor.

## 6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## 6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Change of Control Redemption Amount (if any) of the Notes; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to

interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

### **7.2 Redemption for tax reasons**

Subject to Condition 7.7 (*Redemption and Purchase – Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or any Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes, or the Guarantee, as the case may be, then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) an Officer's Certificate stating that the Issuer or the relevant Guarantor, as applicable, is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the relevant Guarantor have or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 (*Redemption and Purchase – Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.7 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Trustee, the Principal Paying Agent (and, in the case of Registered Notes, the Registrar) and the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Pricing Supplement or, if Make Whole Redemption Amount is specified in the applicable Pricing Supplement, will be the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition:

**“DA Selected Bond”** means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

**“Determination Agent”** means an investment bank or financial institution of recognised international standing selected by the Issuer after consultation with the Trustee;

**“Quotation Time”** shall be as set out in the applicable Pricing Supplement;

**“Redemption Margin”** shall be as set out in the applicable Pricing Supplement;

**“Reference Bond”** shall be as set out in the applicable Pricing Supplement or the DA Selected Bond;

**“Reference Bond Price”** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**“Reference Bond Rate”** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**“Reference Date”** will be set out in the relevant notice of redemption;

**“Reference Government Bond Dealer”** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**“Reference Government Bond Dealer Quotations”** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

**“Remaining Term Interest”** means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 7.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*).

In the case of a partial redemption of Notes, the Notes to be redeemed (**“Redeemed Notes”**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

#### **7.4 Redemption at par at the option of the Issuer (Issuer Maturity Par Call)**

If Issuer Maturity Par Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Trustee, the Principal Paying Agent (and, in the case of Registered Notes, the Registrar) and the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the Maturity Par Call Period specified in the applicable Pricing Supplement, at the Final

Redemption Amount specified in the applicable Pricing Supplement, together with interest accrued but unpaid to, (but excluding) the date fixed for redemption.

## **7.5 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account to which payment is to be made under this Condition 7 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes – Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.5 (*Redemption and Purchase – Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.5 (*Redemption and Purchase – Redemption at the option of the Noteholders (Investor Put)*) and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

## 7.6 Redemption at the option of the Noteholders upon a change of control (Change of Control Put)

If Change of Control Put is specified as being applicable in the applicable Pricing Supplement, then this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) shall apply.

A “**Change of Control Put Event**” will be deemed to occur:

- (a) if:
  - (i) all or substantially all the assets and property of the Issuer and its Restricted Subsidiaries, taken as a whole, is sold, transferred, conveyed or otherwise disposed, other than by way of merger, consolidation or other business combination transaction, in one or a series of related transactions to another Person other than a Restricted Subsidiary or Mr Petr Kellner (or his inheritors, legal successors or executors and whether through any trust, legal entity or other entity directly and/or indirectly controlled by him or them (acting jointly or severally (including such persons acting in concert))); or
  - (ii) Mr Petr Kellner (or his inheritors, legal successors or executors and whether through any trust, legal entity or other entity controlled by him or them (acting jointly or severally (including such persons acting in concert))) cease, directly and/or indirectly to:
    - (1) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
      - (A) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer; or
      - (B) appoint or remove the majority of the directors or other equivalent officers of the Issuer; or
    - (2) hold beneficially more than 50 per cent. of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),(each such event being a “**Change of Control**”); and
- (b) on the date (the “**Relevant Announcement Date**”) that is the earlier of (x) the date of the earliest Potential Change of Control Announcement (if any) and (y) the date of the first public announcement of the relevant Change of Control, the Notes carry:
  - (1) an investment grade credit rating (*Baa3/BBB-/BBB- or their respective equivalents or better*) (an “**Investment Grade Rating**”) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the



Change of Control Period either downgraded to a non-investment grade credit rating (*Ba1/BB+/BB+ or equivalent or worse*) (a “**Non-Investment Grade Rating**”) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Rating Agency; or

- (2) a Non-Investment Grade Rating (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (*for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (3) no credit rating from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period;

*provided* that no such event described in paragraphs (b)(1) and (2) above shall be deemed to have occurred if the Notes carry an Investment Grade Rating or a Non-Investment Grade Rating (as the case may be) from three Rating Agencies and only one such Rating Agency so downgrades or withdraws the applicable Investment Grade Rating or Non-Investment Grade Rating, as the case may be; and

- (c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such downgrading and/or withdrawal resulted, in whole or in part, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn). Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14 (*Notices*).

If the rating designations employed by Moody’s, Fitch or S&P are changed from those which are described in paragraph (b) of the definition of “Change of Control Put Event” above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody’s, Fitch, S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, Fitch or S&P and this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) shall be construed accordingly.

If a Change of Control Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) such Note on the Change of Control Put Date (as defined below) at 101 per cent. of the principal amount of the Notes together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred and, in any event, within 5 days of the occurrence of the relevant Change of Control Put Event, the Issuer shall and, at any time upon the Trustee becoming similarly so aware, the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*)).

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the option to require redemption or purchase of this Note under this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*), the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or the Registrar or such Transfer Agent falling within the Change of Control Put Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) (a “**Change of Control Put Option Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) accompanied by this Note and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with Condition 2.2 (*Transfers of Registered Notes – Transfers of Registered Notes in definitive form*)).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg from time to time.

Any Change of Control Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) shall be irrevocable except where, prior to the due date of redemption or purchase, an

Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) and instead treat its Notes as being forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control, or any event which could lead to the occurrence of, or could constitute, a Change of Control Put Event or Change of Control has occurred, and until it shall have received written notice thereof pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In these Conditions:

**“Change of Control Period”** means the period commencing on the Relevant Announcement Date and ending 90 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that the Notes are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 90 days after the Change of Control), the later of (i) such 90th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

**“Change of Control Put Date”** is the seventh day following the last day of the Change of Control Put Period;

**“Change of Control Put Period”** means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 45th day following the date of the Change of Control Put Event Notice or, if earlier, the eighth day immediately preceding the Maturity Date;

**“Fitch”** means Fitch Ratings Limited;

**“Moody’s”** means Moody’s Investors Service Limited;

**“Negative Rating Event”** shall be deemed to have occurred, if at any time there is no rating assigned to the Notes by any Rating Agency (at the invitation or with the consent of the Issuer), either (i) the Issuer does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or (ii) if the Issuer does so seek and use all such reasonable endeavours, it is unable to obtain an Investment Grade Rating by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that the failure to issue an Investment Grade Rating was as a result, in whole or in part, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control had occurred at such time);

a reference to a **“person”** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

**“Potential Change of Control Announcement”** means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs;

**“Rating Agency”** means Moody’s, S&P or Fitch or any of their respective successors or any other rating agency (each a **“Substitute Rating Agency”**) of equivalent international standing specified by the Issuer from time to time and approved by the Trustee in writing; and

**“S&P and Standard & Poor’s”** means S&P Global Ratings Europe Limited.

## **7.7 Early Redemption Amounts**

For the purpose of Condition 7.2 above (*Redemption and Purchase – Redemption for tax reasons*) and Condition 10 (*Events of Default and Enforcement*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Series Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Series Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Series Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

## **7.8 Purchases**

The Issuer, any Guarantor or any Subsidiary of the Issuer or any Guarantor may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased may be held, resold, re-

issued or, at the option of the Issuer, surrendered to a Paying Agent or the Registrar for cancellation.

## **7.9 Cancellation**

All Notes purchased by or on behalf of the Issuer, any Guarantors or any Subsidiary of the Issuer or the Guarantors may be surrendered for cancellation by surrendering each such Note (together with all unmatured Coupons or Talons) to a Paying Agent or the Registrar and, if so surrendered, shall, together with all Notes which are redeemed by the Issuer be cancelled as soon as practicable (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so surrendered for cancellation and the Notes purchased and cancelled pursuant to Condition 7.8 above (*Redemption and Purchase – Purchases*) (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## **7.10 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption and Purchase – Redemption at maturity*), 7.2 (*Redemption and Purchase – Redemption for tax reasons*), 7.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*), 7.4 (*Redemption and Purchase – Redemption at par at the option of the Issuer (Issuer Maturity Par Call)*), 7.5 (*Redemption and Purchase – Redemption at the option of the Noteholders (Investor Put)*) or 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.7(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

## **8. TAXATION**

All payments of principal (including any purchase price payable in respect of any Notes purchased pursuant to Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*)) and interest in respect of the Notes and Coupons by or on behalf of the Issuer or any Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective

amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the Netherlands; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payments – Payment Day*)).

As used herein:

- (i) “**Tax Jurisdiction**” means (a) in the case of payments by the Issuer, the Netherlands or any political subdivision or any authority thereof or therein having power to tax or (b) in the case of payments by each Guarantor, the jurisdiction in which such Guarantor is incorporated or any political subdivision or any authority thereof or therein having power to tax or in the case of either (a) or (b), any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer or each Guarantor, as the case may be, of principal and interest on the Notes become generally subject; and
- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

## 9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 (*Payments – Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Payments – Presentation of definitive Bearer Notes and Coupons*).

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

The Trustee at its sole discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but, in relation to a Principal Subsidiary, in the case of the happening of any of the events described in paragraphs 10.1(b), 10.1(d) to 10.1(i) (inclusive) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur:

- (a) default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes (or any purchase price due pursuant to Condition 7.6 (*Redemption and Purchase – Redemption at the option of the Noteholders upon a change of control (Change of Control Put)*) in respect of the Notes) or any of them and the default continues for a period of seven days in the case of principal or purchase price and 14 days in the case of interest; or
- (b) the Issuer, any Guarantor, any other Restricted Subsidiary or the Issuer Holdco fails to perform or observe any of (i) its obligations, covenants or agreements under Condition 4 (*Covenants*) and (ii) its other obligations, covenants or agreements under these Conditions, the Trust Deed, the Intercreditor Agreement or the Security Documents and (except in any case where the Issuer fails to comply with Condition 4.12 (*Covenants – Consolidation, Merger or Sale of Assets*), when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by the Trustee on the Issuer, the relevant Guarantor or Restricted Subsidiary or the Issuer Holdco (as the case may be) of notice requiring the same to be remedied; or
- (c) default under any charge, mortgage, indenture, trust deed, document or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for or in respect of money borrowed of the Issuer, any Guarantor or any Restricted Subsidiary (or the payment of which is guaranteed by the Issuer, any Guarantor or any Restricted Subsidiary), whether such Indebtedness or guarantee now exists, or is created after the Initial Issue Date, if that default:
  - (i) is caused by a failure by the Issuer, any Guarantor or any Restricted Subsidiary to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of any originally applicable grace period (a “**Payment Default**”); or
  - (ii) results in the acceleration of such Indebtedness prior to its expressed maturity,

and in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there

has been a Payment Default (which is continuing) or the maturity of which has been so accelerated, aggregates to €100.0 million (or its equivalent in other currencies) or more;

- (d) (i) the Issuer, any Guarantor or any of their respective Principal Subsidiaries becomes insolvent, or stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts as they fall due or is deemed by a court to be unable to pay its debts pursuant to or for the purposes of any applicable laws, or is adjudicated or found bankrupt or insolvent, (ii) an administrative or other receiver, administrator, liquidator or other similar official is appointed (or application for any such appointment is made) in respect of the Issuer, any Guarantor or any of their respective Principal Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, any Guarantor or any of their respective Principal Subsidiaries, (iii) the Issuer, any Guarantor or any of their respective Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or
- (e) the Issuer, any Guarantor or any of their Principal Subsidiaries ceases or announces its intention to cease to carry on all or substantially all of its business (otherwise than for the purposes of, or pursuant to, a Permitted Reorganisation); or
- (f) an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, any Guarantor or any of their respective Principal Subsidiaries (otherwise than for the purposes of, or pursuant to, a Permitted Reorganisation); or
- (g) the Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect (other than in accordance with Condition 3.3 (*Status of the Notes, the Guarantee and Security – Release of a Guarantor*)); or
- (h) it is or will become unlawful for the Issuer or any of the Guarantors to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed, the Agency Agreement, the Intercreditor Agreement or the Security Documents; or
- (i) any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

## **10.2 Enforcement of the Notes**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or any Guarantor(s) as it may think fit to enforce the provisions of the Trust Deed (including the Guarantee), the Notes and the Coupons (other than the enforcement of the Collateral), but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes



or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

### **10.3 Enforcement of Collateral**

Subject always to the terms of the Intercreditor Agreement and in the circumstances set out therein, at any time following the Security Interests on the Collateral having become enforceable, the Trustee may at any time, at its discretion and without notice, require the enforcement of the Security Interests on the Collateral through the Security Agent (but only in accordance with the terms of the Trust Deed (including the Guarantee), the Intercreditor Agreement and the Security Documents), but it shall not be bound to take any such action or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

Any enforcement of the Security Interests on the Collateral will be undertaken by the Security Agent, subject to, and in accordance with, the provisions of the Intercreditor Agreement.

### **10.4 Noteholder Actions**

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors or instruct the Security Agent to enforce the Security Interests on the Collateral unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

### **10.5 Definitions**

For the purposes of the Conditions:

**“Principal Subsidiary”** means at any time a Restricted Subsidiary of the Issuer:

- (a) whose total assets (where the Restricted Subsidiary in question prepares consolidated accounts, whose total consolidated assets) attributable to the Issuer represent not less than 10 per cent. of the total consolidated assets of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Restricted Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Restricted Subsidiaries; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Restricted Subsidiary which immediately prior to such transfer is a Principal Subsidiary.

An Officer’s Certificate of the Issuer that in their opinion a Restricted Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

## **11. REPLACEMENT OF NOTES COUPONS AND TALONS**

Should any Note Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes Coupons or Talons must be surrendered before replacements will be issued.

## **12. AGENTS**

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer and the Guarantors are incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*Payments – General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to

which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

#### **14. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London or (b) if and for so long as the Notes are admitted to trading on the Global Exchange Market, and listed on the Official List, of Euronext Dublin, a daily newspaper of general circulation in Ireland or Euronext Dublin's website, [www.ise.ie](http://www.ise.ie). It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Irish Times* in Ireland. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing, by the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed or the Intercreditor Agreement. Such a meeting may be convened by the Issuer, any Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed or the Intercreditor Agreement (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or to release any Collateral or the Guarantee to the extent not expressly contemplated in these Conditions, the Intercreditor Agreement and/or the Security Documents), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Trust Deed provides that an Extraordinary Resolution or a request to the Trustee by the holders of at least one-quarter in nominal amount of the Notes then outstanding which in the opinion of the Trustee affects the Notes of more than one Series (including, but without limitation, any Extraordinary Resolution or such a request to modify the Intercreditor Agreement, the Security Documents or the Guarantee):

- (a) but does not give rise (in the opinion of the Trustee) to an actual or potential conflict of interest between the holders of Notes of any of the Series so affected, shall be deemed to have been duly passed at a single meeting of the holders of the Notes of all Series so affected or given by a request by the holders of at least one-quarter in nominal amount of all the Notes then outstanding of all Series so affected (taken together); and
- (b) and gives rise or may give rise (in the opinion of the Trustee) to a conflict of interest between the holders of Notes of one or more Series so affected shall be deemed to have been duly passed or given only if passed at separate

meetings of the holders of the Notes of each Series so affected or, as the case may be, if given by a request by the holders of at least one-quarter in nominal amount of each separate Series of Notes then outstanding so affected.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed, the Intercreditor Agreement or any Security Document, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid or to any modification which is of a formal, minor or technical nature or to correct a manifest error. For the avoidance of doubt, the Trustee may also, without the consent of the Noteholders or Couponholders, enter into any amendment or supplement to the Intercreditor Agreement or any Additional Intercreditor Agreement that is permitted by Condition 4.11 (*Covenants – Additional Intercreditor Agreements; Agreement to be Bound*). Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*).

## **16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTORS**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless directed by the Noteholders and indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, any Guarantor(s) and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, any Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain

and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **17. FURTHER ISSUES**

The Issuer shall be at liberty from time to time (but subject always to these Conditions) without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **19.1 Governing law**

- (a) The Trust Deed (including the Guarantee), the Agency Agreement, the Intercreditor Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee), the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law.
- (b) The Security Documents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the relevant jurisdiction as expressed therein.

### **19.2 Submission to jurisdiction**

- (a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a “**Dispute**”) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 19.2 (*Governing Law and Submission to Jurisdiction – Submission to jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **19.3 Appointment of Process Agent**

The Issuer and each Guarantor irrevocably appoints PPF Advisory (UK) Limited at Witan Gate House, 500-600 Witan Gate West, Milton Keynes, MK9 1SH, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of PPF Advisory (UK) Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer and each Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### **19.4 Other documents and the Guarantors**

The Issuer and, where applicable, the Guarantors have in the Trust Deed, Agency Agreement and Intercreditor Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes including, but not limited to, the repayment of debt and acquisitions.



## SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables present selected historical consolidated financial information of the Group as of and for the years ended 31 December 2019 and 2018 which has been derived from the Financial Statements incorporated by reference into these Base Listing Particulars. The information below should be read in conjunction with the information contained in "Presentation of Financial and Other Information" and the Financial Statements incorporated by reference into these Base Listing Particulars.

### Consolidated income statement and other comprehensive income

|                                                                             | For the year ended 31 December |             |
|-----------------------------------------------------------------------------|--------------------------------|-------------|
|                                                                             | 2019                           | 2018        |
|                                                                             | (in EUR millions)              |             |
| Revenue .....                                                               | 3,162                          | 2,415       |
| Other income from non-telecommunication services .....                      | 8                              | 9           |
| Operating expenses .....                                                    | (1,776)                        | (1,485)     |
| Net gain from sale of investments in subsidiaries .....                     | 3                              | 1           |
| <b>EBITDA .....</b>                                                         | <b>1,397</b>                   | <b>940</b>  |
| Depreciation and amortisation .....                                         | (690)                          | (469)       |
| Amortisation of costs to obtain contracts .....                             | (46)                           | (28)        |
| Impairment loss on property, plant and equipment and intangible assets .... | (7)                            | (8)         |
| <b>Operating profit (EBIT) .....</b>                                        | <b>654</b>                     | <b>435</b>  |
| Finance income .....                                                        | 18                             | 5           |
| Finance costs .....                                                         | (188)                          | (122)       |
| <b>Profit for the period before tax .....</b>                               | <b>484</b>                     | <b>318</b>  |
| Income tax expense .....                                                    | (112)                          | (85)        |
| <b>Profit for the period .....</b>                                          | <b>372</b>                     | <b>233</b>  |
| <b>Other comprehensive income<sup>(1)</sup></b>                             |                                |             |
| Currency translation differences .....                                      | (1)                            | (17)        |
| Cash flow hedge - effective portion of changes in fair value .....          | (11)                           | 12          |
| Cash flow hedge - net amount transferred to the income statement .....      | 7                              | (3)         |
| Valuation gains/(losses) on FVOCI equity instruments .....                  | -                              | (1)         |
| Income tax related to components of OCI .....                               | 1                              | (2)         |
| <b>Other comprehensive income, net of tax .....</b>                         | <b>(4)</b>                     | <b>(11)</b> |
| <b>Total comprehensive income for the period .....</b>                      | <b>368</b>                     | <b>222</b>  |
| <b>Profit attributable to:</b>                                              |                                |             |
| Equity holders of the Parent .....                                          | 305                            | 170         |
| Non-controlling interests .....                                             | 67                             | 63          |
| <b>Profit for the period .....</b>                                          | <b>372</b>                     | <b>233</b>  |
| <b>Total comprehensive income attributable to:</b>                          |                                |             |
| Equity holders of the Parent .....                                          | 303                            | 162         |
| Non-controlling interests .....                                             | 65                             | 60          |
| <b>Total comprehensive income for the period .....</b>                      | <b>368</b>                     | <b>222</b>  |

Notes:

(1) Items that are or may be reclassified to the income statement.

### Consolidated statement of financial position

|                                     | As of 31 December |       |
|-------------------------------------|-------------------|-------|
|                                     | 2019              | 2018  |
|                                     | (in EUR millions) |       |
| Property, plant and equipment ..... | 2,555             | 2,552 |
| Intangible assets .....             | 1,810             | 2,012 |
| Goodwill .....                      | 1,603             | 1,609 |

|                                                            |              |              |
|------------------------------------------------------------|--------------|--------------|
| Right-of-use assets                                        | 523          | -            |
| Equity-accounted investees                                 | 1            | 1            |
| Other financial assets                                     | 14           | 8            |
| Trade and other receivables                                | 52           | 59           |
| Contract assets                                            | 18           | 30           |
| Cost to obtain contracts                                   | 41           | 31           |
| Deferred tax assets                                        | 5            | 3            |
| Other assets                                               | 21           | 19           |
| <b>Non-current assets</b>                                  | <b>6,643</b> | <b>6,324</b> |
| Other financial assets                                     | 6            | 180          |
| Trade and other receivables                                | 571          | 575          |
| Contract assets                                            | 63           | 50           |
| Cost to obtain contracts                                   | 12           | 17           |
| Inventories                                                | 76           | 73           |
| Current income tax receivables                             | 5            | 6            |
| Cash and cash equivalents                                  | 795          | 262          |
| Other assets                                               | 44           | 50           |
| <b>Current assets</b>                                      | <b>1,572</b> | <b>1,213</b> |
| <b>TOTAL ASSETS</b>                                        | <b>8,215</b> | <b>7,537</b> |
| Due to banks                                               | 1,867        | 3,015        |
| Debt securities issued                                     | 1,855        | 812          |
| Financial liabilities at fair value through profit or loss | 72           | 53           |
| Deferred tax liabilities                                   | 407          | 425          |
| Lease liabilities                                          | 448          | -            |
| Trade and other payables                                   | 25           | 40           |
| Contract liabilities                                       | 61           | 58           |
| Provisions                                                 | 48           | 40           |
| <b>Non-current liabilities</b>                             | <b>4,783</b> | <b>4,443</b> |
| Due to banks                                               | 272          | 130          |
| Debt securities issued                                     | 14           | -            |
| Current income tax liability                               | 8            | 11           |
| Lease liabilities                                          | 78           | -            |
| Trade and other payables                                   | 737          | 745          |
| Contract liabilities                                       | 47           | 32           |
| Provisions                                                 | 15           | 13           |
| <b>Current liabilities</b>                                 | <b>1,171</b> | <b>931</b>   |
| <b>TOTAL LIABILITIES</b>                                   | <b>5,954</b> | <b>5,374</b> |
| Issued capital <sup>(1)</sup>                              | -            | -            |
| Share premium                                              | 1,417        | 1,341        |
| Other reserves                                             | 14           | 100          |
| Retained earnings                                          | 285          | 394          |
| Total equity attributable to equity holders of the Parent  | 1,716        | 1,835        |
| Non-controlling interests                                  | 545          | 328          |
| <b>Total equity</b>                                        | <b>2,261</b> | <b>2,163</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>8,215</b> | <b>7,537</b> |

Notes:

(1) Issued capital is TEUR 1.

## Consolidated statement of cash flow

|                               | For the year ended 31 December |      |
|-------------------------------|--------------------------------|------|
|                               | 2019                           | 2018 |
|                               | (in EUR millions)              |      |
| Profit before tax             | 484                            | 318  |
| Adjustments for:              |                                |      |
| Depreciation and amortisation | 690                            | 469  |

|                                                                       |              |                |
|-----------------------------------------------------------------------|--------------|----------------|
| Amortisation of costs to obtain or fulfil a contract.....             | 46           | 28             |
| Impairment losses on current and non-current assets .....             | 27           | 23             |
| Profit on sale of investment securities.....                          | 1            | (1)            |
| Net finance costs .....                                               | 128          | 60             |
| Other non-cash adjustments .....                                      | 39           | 50             |
| Foreign exchange (gains)/losses (net) .....                           | (15)         | 2              |
| <b>Net operating cash flow before changes in working capital.....</b> | <b>1,400</b> | <b>949</b>     |
| Interest received .....                                               | 13           | 5              |
| Change in inventories.....                                            | (3)          | (7)            |
| Change in trade and other receivables.....                            | (11)         | 18             |
| Change in trade and other receivables.....                            | (6)          | (40)           |
| Change in contract assets .....                                       | (1)          | (7)            |
| Change in other assets .....                                          | 3            | (22)           |
| Change in cost to obtain or fulfil the contract .....                 | (51)         | (32)           |
| Change in trade and other payables.....                               | 5            | 28             |
| Change in provisions.....                                             | 9            | (5)            |
| <b>Cash flows from operating activities .....</b>                     | <b>1,358</b> | <b>887</b>     |
| Income tax paid.....                                                  | (137)        | (100)          |
| <b>Net cash from/(used in) operating activities.....</b>              | <b>1,221</b> | <b>787</b>     |
| Purchase of PPE and intangible assets .....                           | (402)        | (309)          |
| Purchase of investment securities .....                               | -            | (173)          |
| Acquisition of subsidiaries and associates, net of cash acquired..... | (1)          | (2,674)        |
| Proceeds from disposals of PPE and intangible assets .....            | 8            | 15             |
| Proceeds from investment securities .....                             | 173          | -              |
| Proceeds from sale of subsidiaries to NCI .....                       | 304          | 173            |
| Acquisition of own shares.....                                        | (5)          | -              |
| <b>Net cash from/(used in) investing activities.....</b>              | <b>77</b>    | <b>(2,968)</b> |
| Proceeds from the issue of share premium.....                         | -            | 406            |
| Distribution of share premium .....                                   | -            | (203)          |
| Proceeds from the issue of debt securities.....                       | 501          | -              |
| Proceeds from loans due to banks .....                                | 190          | 2,786          |
| Repayment of loans due to banks.....                                  | (697)        | (449)          |
| Net payments on settlement of derivatives.....                        | (22)         | -              |
| Interest paid.....                                                    | (78)         | (53)           |
| Cash payments for principal portion of lease liability .....          | (89)         | -              |
| Dividends paid to shareholders .....                                  | (480)        | (135)          |
| Distributions to NCI.....                                             | (76)         | (75)           |
| Distributions to NCI.....                                             | (13)         | (15)           |
| <b>Cash flow from/(used in) financing activities.....</b>             | <b>(764)</b> | <b>2,262</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents.....</b>      | <b>534</b>   | <b>81</b>      |
| <b>Cash and cash equivalents as at 1 January .....</b>                | <b>262</b>   | <b>182</b>     |
| Effect of exchange rate changes on cash and cash equivalents .....    | (1)          | (1)            |
| <b>Cash and cash equivalents as at 31 December .....</b>              | <b>795</b>   | <b>262</b>     |

## DESCRIPTION OF THE GROUP

### Overview

The Group is a leading provider of telecommunication services in the CEE region including mobile telecommunication, fixed-line telecommunication, telecommunications infrastructure, data services and internet television. The Group provides services in the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia and Montenegro and operates through seven principal segments (see “– *Segments*” below). As of 31 December 2019, the Group had 17.2 million mobile customers. The Group’s strategy is focused on continued optimisation, integration of the Telenor CEE Group, organic growth and continued investment into infrastructure, innovation and technology going forward.

For the years ended 31 December 2019 and 2018, the Group had revenues of EUR 3,162 million and EUR 2,415 million, respectively, and profit of EUR 372 million and EUR 233 million, respectively. The Group’s EBITDA for the same years was EUR 1,397 million and EUR 940 million, respectively, of which 50.6 per cent. and 88.5 per cent., respectively, was generated in the Czech Republic. As of 31 December 2019, the Group had more than 12 thousand employees.

The Group belongs to the group comprised of PPF Group N.V. and its subsidiaries including Home Credit, Air Bank, PPF Banka, Clear Bank, PPF Real Estate Holding and Sotio (the “**PPF Group**”). The PPF Group was established in the Czech Republic as an investment fund in 1991 and has since then developed into a global investment group active in 23 countries and one of the largest investors in the CEE region. It is active in multiple geographies and industries ranging from banking and financial services, telecommunications, biotechnology, insurance and real estate to agriculture. The PPF Group is a strong sponsor of portfolio companies with a long-term investment horizon. As of and for the 12 months ended 30 June 2019, the PPF Group had total assets of EUR 47.3 billion, net income attributable to owners of the parent of EUR 1.1 billion and 160 thousand employees. The PPF Group is privately held and is ultimately majority owned and controlled by Mr. Petr Kellner (see “– *Group Structure*” below for more information).

The Issuer was incorporated on 16 October 2013 under the laws of the Netherlands in the form of a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The Issuer is registered in the Business Register of the Netherlands Chamber of Commerce under number 59009187. The registered office of the Issuer is located at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands. The telephone number of the Issuer is +31 (0) 20 8813120.

The Issuer was established as a holding company for entities of the PPF Group active in the technology, media and telecommunications sectors. However, O2 Czech Republic and its subsidiaries (collectively, the “**O2 Group**”) is not under managerial control of the Group and the PPF Group treats it as a financial investment only.

The management team of the Issuer and its relevant operating subsidiaries has extensive experience in the telecommunications sector, mainly in the CEE region. The Group also benefits from the local knowledge and expertise of its regional managers, whose input is integral to the business.

### Segments

The Group operates through seven principal segments based primarily on geography: Czech Republic (O2), Czech Republic (CETIN), Slovakia, Hungary, Bulgaria, Serbia and Montenegro and, in addition, the Group undertakes certain other ancillary activities included in its Unallocated segment.

The chart below shows a simplified structure of the Group's segments as of the date of these Base Listing Particulars:



Notes:

- (1) Share in share capital.
- (2) Share in voting rights. The difference to share in share capital is due to ownership of own shares by O2 Czech Republic which may not exercise voting rights.
- (3) PPF A3 B.V. and Anthiarose Limited, entities of the PPF Group outside of the Group, hold together an additional 15.27 per cent. ownership interest in O2 Czech Republic, resulting in an effective ownership interest of the PPF Group in O2 Czech Republic of 81.06 per cent. share in share capital and 83.58 per cent. share in voting rights.
- (4) PPF A3 B.V., an entity of the PPF Group outside of the Group, owns the remaining 10.27 per cent. ownership interest in CETIN, resulting in an effective ownership interest of the PPF Group in CETIN of 100.0 per cent.
- (5) Wholly-owned subsidiary of O2 Czech Republic a.s.
- (6) The Group owns a 75 per cent. ownership interest in TMT Hungary B.V., the parent company of Telenor Magyarország Zrt and Telenor Real Estate Hungary Zrt, while Antenna Hungária Zrt. holds the remaining 25 per cent. ownership interest.

The O2 Group comprises the Group's Czech Republic (O2) and Slovakia segments. The O2 Group is separated from other activities of the PPF Group because it is treated by the PPF Group as a financial investment only. It has its own management, business and financial strategies and policies, and the relationships between the O2 Group and the remaining part of the PPF Group are at an arm's length basis. The Group's activities in Hungary, Bulgaria, Serbia and Montenegro consist of Telenor Hungary, Telenor Bulgaria, Telenor Serbia and Telenor Montenegro, respectively, the local mobile operators which the Group acquired from the Norwegian incumbent telecom operator Telenor ASA for EUR 2.729 billion in March 2018, with completion occurring in July 2018 (the "**Telenor Acquisition**"). Through the Telenor Acquisition, the Group expanded its telecommunications portfolio to these four countries.

### 1. Czech Republic (O2) Segment

The Group's Czech Republic (O2) segment consists of the activities of O2 Czech Republic and its Czech subsidiaries (collectively, the "**O2 CZ Group**"), a leading fixed-mobile convergent telecommunications provider in the Czech Republic. As of 31 December 2019, it had 5.9 million subscribers. The O2 CZ Group is the joint largest mobile telecommunications provider in the Czech Republic by mobile revenue market share (36 per cent., the mobile revenue market share of T-Mobile Czech Republic is materially identical) (source: Analysys Mason) for the nine months ended 30 September 2019 and the largest fixed voice and broadband provider in the Czech Republic by subscriber market share (42 per cent. and 26 per cent., respectively) as of 30 September 2019 (source: Analysys Mason). As of the date of these Base Listing Particulars, O2 Czech Republic was listed on the Prague Stock Exchange and 15.93 per cent. of its shares were in free-float. As of the same date, the Group held a 65.79 per cent. ownership interest in O2 Czech Republic, while an additional 15.27 per cent. ownership interest was held by other entities of the PPF Group outside of the Group (see "—

*Group Structure*” below). O2 Czech Republic is the former state monopoly (incumbent) telecom operator in the Czech Republic.

## ***2. Czech Republic (CETIN) Segment***

The Group’s Czech Republic (CETIN) segment consists of the activities of CETIN, the owner and operator of the incumbent and largest telecommunications network infrastructure in the Czech Republic, and its subsidiaries. CETIN acts as an autonomous wholesale provider of fixed and mobile telecommunications infrastructure to all telecommunications operators on equal and transparent footing. As of the date of these Base Listing Particulars, its infrastructure covered 99.1 per cent. of the Czech population (source: CETIN) through a mix of mobile technologies with approximately 6,400 base stations. As of the same date, the Group held an 89.73 per cent. ownership interest in CETIN, while the remaining ownership interest was held by other entities of the PPF Group outside of the Group (see “– *Group Structure*” below). CETIN was incorporated in June 2015 as a spin-off of infrastructure assets and wholesale business of the O2 CZ Group. CETIN divides its business activities into two main divisions: domestic network services and international transit services. Its largest customers include the O2 CZ Group and T-Mobile Czech Republic. CETIN is rated Baa2 (negative outlook) and BBB (stable outlook) by Moody’s and Fitch, respectively.

## ***3. Slovakia Segment***

The Group’s Slovakia segment consists of the activities of O2 Slovakia, s.r.o. (“**O2 Slovakia**”), a leading mobile telecommunications provider in Slovakia and a wholly-owned subsidiary of O2 Czech Republic. As of 31 December 2019, it had 2.1 million subscribers. O2 Slovakia is the third largest and second largest mobile telecommunications provider in Slovakia by revenue and subscriber market share, respectively (28 per cent. and 29 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason).

## ***4. Hungary Segment***

The Group’s Hungary segment consists of the activities of Telenor Magyarország Zrt. and Telenor Real Estate Hungary Zrt. (“**Telenor Hungary**”) and the Hungarian Holdco, their parent entity. Telenor Hungary is the second largest mobile telecommunications provider in Hungary by both revenue and subscriber market share (28 per cent. and 27 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason) with particular focus on mobile broadband technology, delivering one of the widest and fastest 4G networks in Hungary. As of date of these Base Listing Particulars, the Group held a 75 per cent. ownership interest in the Hungarian Holdco, while the remaining ownership interest was held by Antenna. As of 31 December 2019, Telenor Hungary had 3.0 million subscribers. Further, Telenor Real Estate Hungary Zrt. owns the principal real estate used by Telenor Hungary, including its main office buildings.

## ***5. Bulgaria Segment***

The Group’s Bulgaria segment consists of the activities of Telenor Bulgaria EAD (Telenor Bulgaria), the largest and joint second largest mobile telecommunications provider in Bulgaria by revenue and subscriber market share, respectively (40 per cent. and 31 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason) with primary focus on its 4G services and high network quality. As of 31 December 2019, Telenor Bulgaria had 3.0 million subscribers.

## ***6. Serbia and Montenegro Segment***

The Group’s Serbia and Montenegro segment consists of the activities of Telenor d.o.o. Beograd and Telenor Foundation Beograd (collectively, “**Telenor Serbia**”) and Telenor d.o.o. Podgorica and Telenor Foundation Montenegro (collectively, “**Telenor Montenegro**”). As of and for the nine months ended 30 September 2019, Telenor Serbia was the largest and second

largest mobile telecommunications provider in Serbia by revenue and subscriber market share, respectively (37 per cent. and 31 per cent., respectively) and Telenor Montenegro is the largest mobile telecommunications provider in Montenegro by both revenue and subscriber market share (38 per cent. and 35 per cent., respectively) (source: Analysys Mason) with limited presence in the fixed telecommunications market as well. As of 31 December 2019, Telenor Serbia and Telenor Montenegro had 2.8 million and 354 thousand subscribers, respectively. Telenor Serbia and Telenor Montenegro are separate entities and constitute one segment of the Group only for financial reporting purposes.

## 7. Unallocated Segment

The Group's Unallocated segment consists of ancillary activities of the Group, primarily provision of technology services through Telenor Common Operation Zrt., incorporated in Hungary ("Telenor Common Operation") to the Telenor CEE Group as well as to various entities of the Telenor Group. In addition, this segment includes the Group's holding and sub-holding companies: the Issuer, PPF Telco B.V. ("PPF Telco"), PPF Infrastructure B.V. ("PPF Infrastructure") and PPF TMT Bidco 1 B.V. ("PPF Bidco").

The following table sets out key financial and operating information in respect of each of the Group's segments for the years ended 31 December 2019 and 31 December 2018:

| Key Metrics                                          | Czech Republic (O2) | Czech Republic (CETIN) | Slovakia | Telenor <sup>(1)</sup> |          |                       | Unallocated | Intersegment eliminations | Consolidated financial information |
|------------------------------------------------------|---------------------|------------------------|----------|------------------------|----------|-----------------------|-------------|---------------------------|------------------------------------|
|                                                      |                     |                        |          | Hungary                | Bulgaria | Serbia and Montenegro |             |                           |                                    |
| <i>(in EUR millions, unless indicated otherwise)</i> |                     |                        |          |                        |          |                       |             |                           |                                    |
| <b>As of and for the year ended 31 December 2019</b> |                     |                        |          |                        |          |                       |             |                           |                                    |
| Revenue.....                                         | 1,236               | 753                    | 298      | 527                    | 384      | 430                   | 34          | (492)                     | <b>3,170</b>                       |
| EBITDA .....                                         | 374                 | 333                    | 118      | 208                    | 180      | 184                   | 6           | (6)                       | <b>1,397</b>                       |
| EBITDA .....                                         | 30%                 | 44%                    | 40%      | 39%                    | 47%      | 43%                   | 18%         | 1%                        | <b>44%</b>                         |
| Margin.....                                          |                     |                        |          |                        |          |                       |             |                           |                                    |
| Total Assets .....                                   | 2,092               | 2,515                  | 594      | 1,176                  | 781      | 1,088                 | 469         | (500)                     | <b>8,215</b>                       |
| Mobile ARPU (in EUR) <sup>(2)</sup> .....            | 10.5 <sup>(3)</sup> | -                      | 10.3     | 12.3                   | 8.3      | 8.7                   | -           | -                         | -                                  |
| Mobile customers (in millions) <sup>(4)</sup> .....  | 5.9                 | -                      | 2.1      | 3.0                    | 3.0      | 3.2                   | -           | -                         | -                                  |
| <b>As of and for the year ended 31 December 2018</b> |                     |                        |          |                        |          |                       |             |                           |                                    |
| Revenue.....                                         | 1,205               | 779                    | 292      | 220                    | 165      | 183                   | 15          | (435)                     | <b>2,424</b>                       |
| EBITDA .....                                         | 332                 | 295                    | 101      | 75                     | 70       | 70                    | (3)         | -                         | <b>940</b>                         |
| EBITDA .....                                         | 28%                 | 38%                    | 35%      | 34%                    | 42%      | 38%                   | (20)%       | -                         | <b>39%</b>                         |
| Margin.....                                          |                     |                        |          |                        |          |                       |             |                           |                                    |
| Total Assets .....                                   | 1,890               | 2,238                  | 517      | 1,237                  | 807      | 1,067                 | 177         | (367)                     | <b>7,566</b>                       |
| Mobile ARPU (in EUR) <sup>(2)</sup> .....            | 11.5                | -                      | 9.9      | 11.6                   | 7.6      | 9.,1                  | -           | -                         | -                                  |
| Mobile customers (in millions) <sup>(4)</sup> .....  | 5.5                 | -                      | 2.0      | 3.1                    | 3.1      | 3.2                   | -           | -                         | -                                  |

### Notes:

- (1) The Telenor CEE Group entities are included for the period 1 August 2018 to 31 December 2019.
- (2) Mobile ARPU according to IAS 18.
- (3) O2 Czech Republic does not report ARPU. Figure calculated by the Group based on revenue and mobile customers.
- (4) Czech Republic (O2) mobile customers reported using 13 months active criterion, the remaining segments a three months active criterion.

## **Strengths**

Management believes that the Group benefits from the following key strengths:

### ***Activities diversified across seven segments with leading market positions, benefiting from scale***

The Group's operations are well diversified across seven principal segments based primarily on geography: Czech Republic (O2), accounting for 26.8 per cent. of the Group's EBITDA for the year ended 31 December 2019, Czech Republic (CETIN), accounting for 23.8 per cent., Slovakia, accounting for 8.4 per cent., Hungary, accounting for 14.9 per cent., Bulgaria, accounting for 12.9 per cent., Serbia and Montenegro, accounting for 13.2 per cent., and Unallocated, accounting for 0.4 per cent. The Group holds a leading position in most markets where it operates. For the nine months ended 30 September 2019, the Group was the joint largest mobile telecommunications provider in the Czech Republic by mobile revenue market share (36 per cent., the mobile revenue market share of T-Mobile Czech Republic is materially identical) and the largest fixed voice and broadband provider in the Czech Republic by subscriber market share (42 per cent. and 26 per cent., respectively) as of 30 September 2019 (source: Analysys Mason). O2 Czech Republic is the former incumbent (state monopoly) operator, but benefits from increased flexibility achieved through the separation of CETIN, which assumed its infrastructure assets and wholesale business. For the same period, the Group was also the largest mobile telecommunications provider in Bulgaria, Serbia and Montenegro with a 40 per cent., 37 per cent. and 38 per cent. revenue market share, respectively, the second largest in Hungary with a 28 per cent. revenue market share and the third largest in Slovakia with a 28 per cent. revenue market share (source: Analysys Mason). The management of the Group believes that the Group's large scale operations, strengthened through the Telenor Acquisition, increase its efficiency, produce various network effects and help it maintain profitability of its business despite the general market trend of pricing compression.

### ***Stable markets with positive trends supporting projected business growth***

The Group's business has faced moderate competitive pressure which has resulted in resilient ARPU and stable market shares in countries where it operates. The management of the Group believes that the Group may benefit from positive trends in the telecommunications sector including increasing smartphone penetration, data usage and number of broadband connections and rising demand for pay TV services, especially IPTV. New market developments, such as the introduction of 5G, also present potential growth opportunities for the Group in terms of customers and revenue. The Group has included the capital expenditures for 5G readiness initiatives in its financial plans, however it is difficult to estimate the costs as 5G standards have just been recently developed. In recent years, these trends have been supported by favourable macroeconomic factors, such as increasing consumer spending, GDP growth, stable inflation forecasts and decreasing unemployment.

### ***High quality of assets and services***

The Group operates high-quality well-invested networks with best-in-class coverage and strong spectrum allocation in most countries where it operates. As of the date of these Base Listing Particulars, CETIN's infrastructure, which is also used by O2 Czech Republic, covered 99.1 per cent. of the Czech population, while mobile coverage of the Telenor CEE Group entities reached over 99 per cent. of the population in each country where it operates (source: CETIN, Telenor CEE Group). As of 31 December 2019, the Telenor CEE Group had a portfolio of 10,277 mobile base sites. Further, in the Czech Republic and Hungary, the Group entered into network sharing agreements that have strengthened the competitive position of the participating operators by enabling them to provide better services at potentially lower costs than previously achievable through their parallel networks. In addition, network sharing may free up resources, which can then be invested in improving service



quality and availability and in the quicker deployment of next generation network services.

The Group enjoys a strong brand position as measured by Net Promoter Score (“NPS”) (source: NMS Market Research, 2018, Group market research), a measure of perceived network quality and overall customer satisfaction that measures the willingness of customers to recommend a company’s products or services to others and is used as a proxy for gauging the customer’s overall satisfaction with a company’s product or service and the customer’s loyalty to the brand. The Group offers a wide range of products and services, attracting a stable base of high-value customers. O2 Czech Republic in particular has a well-diversified product offering including mobile and fixed-line services as well IPTV, handsets and other equipment, interconnection for the retail and wholesale business, data and IT services. This has resulted in above-average ARPU of the Telenor CEE Group in most markets in recent years (source: Analysys Mason).

### ***Strong financial performance***

The Group has generated strong Free Cash Flow of EUR 827 (EUR 727 excluding impact of IFRS 16) and EUR 470 million, for the years ended 31 December 2019 and 2018, respectively. Its financial performance is underpinned by high EBITDA margins, largely discretionary capital expenditure requirements and CETIN’s long-term contracts and moderate counterparty risk. The Group’s financial stability has been supported by a proven track record of prudent financial policies and supportive shareholders. Members of the Group have also introduced various cost saving initiatives, such as insourcing of functions including accounting or procurement or network maintenance aimed at improving their margins.

### ***Prudent financial policy and solid credit metrics***

The Group has maintained a prudent financial policy and credit metrics. The Group has been able to draw on a diverse range of capital and liquidity sources including capital markets issuances, Schuldschein issuances and secured loans from its relationship banks. The Group has a solid liquidity profile. Further, as of the date of these Base Listing Particulars, the Group has conservative repayment profile and an undrawn committed revolving credit facility at the Issuer’s level. See “- *Financial Indebtedness*” below for more information.

### ***Experienced management team backed by a committed, long-term shareholder with a strong track record***

The management team of the Group and its relevant operating subsidiaries has extensive experience in the telecommunications sector, mainly in the CEE region. The Issuer is committed to the continued and progressive implementation of best practices with respect to corporate governance and continues to adjust and improve its internal practices in order to meet evolving standards. The Issuer’s shareholder, the PPF Group, is one of the largest investment groups in the CEE with EUR 47.3 billion of assets as of 30 June 2019. The strategic interest of the PPF Group is to support and develop the Group’s business with the aim of achieving a long-term, continuous generation of a stable, sustainable and predictable dividend flow. The PPF Group is supportive of the financing needs of the Group’s segments, has strong expertise in the telecommunications sector and a track record of disciplined financial policy. Following the acquisition of O2 Czech Republic in 2014 and the separation of CETIN, the Group’s management backed by strong shareholder support is uniquely positioned to leverage its experience in similar markets in the CEE.

### ***Strategy***

The Group is primarily focused on continued optimisation and realisation of synergies within the Group, organic growth, continued investments into infrastructure, innovation and technology and improved efficiency to strengthen its business resilience, especially by leveraging its core competencies, and developing new business areas.

The Group's strategy is determined at three levels: at the PPF Group level, the Issuer level and the Group's operating subsidiaries' level. Annual and long-term strategic plans are prepared annually with a detailed bottom-up approach and approved at the level of the PPF Group as the Issuer's shareholder. The Issuer holds weekly meetings of the Group's senior management including the head of each of the Group's segment, excluding O2 Czech Republic, where the Group's strategy is regularly reviewed. In addition, the Issuer's senior management holds monthly review meetings with the chief executive officer, chief financial officer and chief commercial officer of each of the Group's segments where the financial, business and operational performance of the respective segments for the previous month is discussed. On specific topics, *ad hoc* meetings may be organised on the appropriate level. See "*Issuer Management*" below for more information.

The Group's strategy is in particular focused on:

***Continued optimisation, vertical integration and realisation of synergies within the Group***

The Group continues to focus on extracting operating efficiencies in its businesses with the aim of improving its profitability and delivering better value to its shareholder, while providing competitive services to its customers. In 2018, the Group expanded its operations to Hungary, Bulgaria, Serbia and Montenegro through the Telenor Acquisition and became a major telecommunications provider in the wider CEE region. Over the next two to three years, the Group's key focus will remain on the integration of the Telenor CEE Group within the Group and realisation of synergies resulting from this combination of mobile telecommunications providers operating in six countries in addition to a fixed infrastructure operator in the Czech Republic, advanced know-how sharing, centralised procurement, implementation of best practices across the Group and within the area of wholesale services (such as telehousing, IP transit and capacity sales). The Group will continue to integrate the Telenor CEE Group into the Group and unbundle it from the Telenor Group in accordance with the transitional agreement with Telenor ASA (see "*Material Business Contracts – Telenor Transitional Service Agreement*" below). The synergies resulting from the Telenor Acquisition have been progressing according to plan with some areas such as strategic advisory services or parts of procurement already realised. The Telenor CEE Group is currently in the process of transitioning away from the Telenor Group for the provision of a majority of the remaining services in favour of certain Group companies and other third parties. Currently planned next steps include termination of relations with Telenor Group and its related entities including remaining IT services and procurement services. Further, the Group intends to explore also other areas where effective synergies may be created. Also, in October 2019, the Group sold a minority stake in Telenor Hungary to Antenna, a Hungarian national terrestrial television and radio broadcasting and wireless telecommunication services provider, and intends to focus on realisation of mutual strategic synergies which may allow both Antenna and the Group to improve the media and telecommunication services they provide in the Hungarian business-to-customer market.

In addition, following the successful separation of CETIN from O2 Czech Republic, the Group intends to continue to focus on innovative and value-adding ways to restructure its technology and infrastructure business.

***Further growing the Group's revenue base within the current telecommunications market through organic growth***

The Group's business portfolio has been developed through strategic acquisitions as well as organic growth over time. The Group's long term focus is to maintain a low churn rate of customers and improve its mobile customer mix in order to ensure a continued upward trend in ARPU. The Group aims to build on the individual company's strengths and synergies and capitalise on trends in the telecommunications market, especially increasing data usage and demand for content offering, and evolve its existing portfolio of products and services to meet clients' expectations. The O2 Group, as the former incumbent (state monopoly) operator,

plans to continue to focus on customer growth and bundling of services, while the Telenor CEE Group plans to focus on being a premium consumer brand and maintain its good customer relationships. CETIN' strategy is focused on high utilisation of its infrastructure assets.

### ***Continued investment into infrastructure, innovation and technology***

In order to maintain a leading position in its respective telecommunications markets and to ensure high quality of service, the Group plans to continue investing substantial amounts into modernisation of its infrastructure and into development of new products and services, such as hardware, travel insurance or investment in various start-up ventures. The Group is currently deploying new infrastructure to capture the growing demand for data services and to facilitate speed upgrades in both mobile and fixed market segments, particularly by upgrading its 4G LTE mobile network and preparing for 5G deployment and upgrading its access network to Next Generation Access (“NGA”) through Fibre-to-the-cabinet (“FTTC”) and Fibre-to-the-house (“FTTH”) deployment in the Czech Republic through CETIN. In addition, the Group and the relevant Group entities are analysing the possibility of separating the infrastructure assets of certain Group entities in Slovakia, Hungary, Bulgaria and Serbia (see “– Considered Infrastructure Separation” below).

### ***Increasing operating performance***

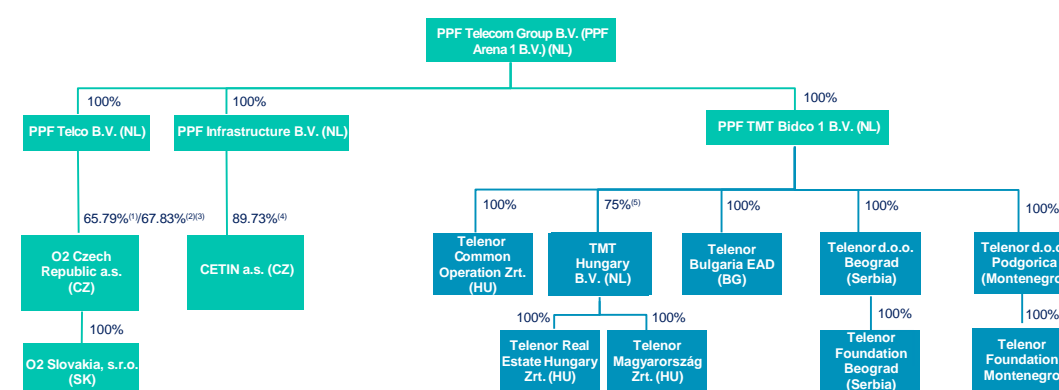
The Group is committed to the continuous improvement of its service levels, maintaining high customer satisfaction and stable and predictable cash flow generation. The Group plans to continue to monitor its internal processes to optimise efficiency of its operations and focus on ensuring adequate staff levels and operational support systems, allowing it to react quickly to customer issues and improve its profitability.

### ***Maintaining a disciplined approach to the Group's financial profile and policy***

The Group is committed to maintaining a conservative financial profile and financial policy communicated to rating agencies in order to secure the desired credit ratings, improve access to the capital markets, manage its leverage through the use of external sources of financing and ensure financial flexibility and free cash flow necessary to pursue potential future growth opportunities, including mergers and acquisitions.

## **Group Structure**

The following chart shows a simplified version of the Group's structure as of the date of these Base Listing Particulars:



Notes:

- (1) Share in share capital.
- (2) Share in voting rights. The difference to share in share capital is due to ownership of own shares by O2 Czech Republic which may not exercise voting rights.
- (3) PPF A3 B.V. and Anthiarose Limited, entities of the PPF Group outside of the Group, hold together an additional 15.27 per cent. ownership interest in O2 Czech Republic, resulting in an effective ownership interest of the PPF Group in O2

Czech Republic of 81.06 per cent. share in share capital and 83.58 per cent. share in voting rights. In addition, 15.93 per cent. of shares are in free-float.

- (4) PPF A3 B.V., an entity of the PPF Group outside of the Group, owns the remaining 10.27 per cent. ownership interest in CETIN, resulting in an effective ownership interest of the PPF Group in CETIN of 100.0 per cent.
- (5) The remaining 25 per cent. ownership interest is held by Antenna Hungária.

As of the date of these Base Listing Particulars, the Issuer and the Group are indirectly owned and controlled by Mr. Petr Kellner. This control is based on the direct and indirect ownership and control of a 98.93 per cent. interest in PPF Group N.V., the indirect sole shareholder of the Issuer. The remaining shareholders of PPF Group N.V., Mr. Ladislav Bartoníček, the Group's chief executive officer, and Mr. Jean-Pascal Duvieusart, each own a 0.535 per cent. interest. The Group is an important part of the PPF Group and, as of 30 June 2019, the Issuer's total consolidated equity of EUR 2,117 million represented 24.2 per cent. of PPF Group N.V.'s total consolidated equity of EUR 8,759 million. The Issuer uses standard statutory mechanisms to prevent potential misuse by its direct and indirect shareholders of their position and control over the Issuer, including the statutory instrument of the report on relations between the related entities.

## History

The current Group began to take shape in 2014 when the PPF Group entered the telecommunications sector by acquiring a majority ownership interest in O2 Czech Republic. However, the history of the companies belonging to the Group dates back mostly to the early 1990s.

The following timeline provides an overview of significant steps in the evolution of the Group and its members:

- In 1989, Správa pošt a telekomunikací Praha s.p., later renamed and incorporated as SPT TELECOM a.s., was established as the successor of the former state telecom company operating fixed networks, with the Czech state as its sole shareholder;
- In 1991, EuroTel Praha spol. s r.o. ("**EuroTel**") was established as the first Czech mobile operator in the form of a joint venture between SPT Telecom a.s. and Atlantic West B.V.;
- In 1993, Pannon GSM Telecommunications Ltd., the legal predecessor of Telenor Hungary, was established;
- In 1994, Mobtel Srbija, the legal predecessor of Telenor Serbia, was established as the first mobile operator in Serbia;
- In 1996 ProMonte, the legal predecessor of Telenor d.o.o. Podgorica, was established as the first mobile operator in Montenegro;
- In 2001, Cosmo Bulgaria Mobile EAD, operating under the brand GLOBUL and later renamed Telenor Bulgaria, was established as the second mobile operator in Bulgaria;
- In 2005, the Spanish telecom operator Telefónica S.A. acquired a majority ownership interest in ČESKÝ TELECOM, a.s. (formerly SPT Telecom a.s.) from the Czech state;
- In 2006, EuroTel merged with ČESKÝ TELECOM and the resulting company was renamed Telefónica O2 Czech Republic, a.s.;
- In 2007, Telefónica O2 Czech Republic, a.s. entered the Slovakian market;
- In 2013, the Issuer was incorporated;
- In 2014, the PPF Group acquired a 65.9 per cent. ownership interest in Telefónica O2 Czech Republic a.s. from the Spanish telecom operator Telefónica; the company was

renamed O2 Czech Republic, a.s. and the PPF Group gradually increased its ownership interest to 84.06 per cent. in 2015;

- In 2015, CETIN was incorporated as a voluntary spin-off of infrastructure assets of O2 Czech Republic and started providing fixed and mobile infrastructure to other telecommunications operators, while O2 Czech Republic continued to provide fixed and mobile services to its retail and business customers;
- In 2016, the PPF Group squeezed-out the minority shareholders of CETIN; and
- In March 2018, the Group entered into an agreement with the Norwegian incumbent telecom operator Telenor to acquire the Telenor CEE Group, i.e., Telenor's telecommunication assets in Hungary, Bulgaria, Serbia and Montenegro; the relevant regulatory approvals and acquisition closing occurred in July 2018;
- In October 2019, the Group sold a 25 per cent. ownership interest in the Hungarian Holdco, the parent company of Telenor Magyarország Zrt. and Telenor Real Estate Hungary Zrt Telenor Hungary, to Antenna.

### **Considered Infrastructure Separation**

As of the date of these Base Listing Particulars, the Group and the relevant Group entities are analysing the possibility of separating the infrastructure assets, wholesale business, security and IT infrastructure of certain Group entities into a separate legal entity in each country. Such entities would become Restricted Subsidiaries. As a result, the Group's current operating companies in these countries would become asset-light and service-oriented operators only. The Group undertook a similar operation in June 2015, when O2 Czech Republic voluntarily separated its infrastructure assets and wholesale business into CETIN (see “– *CETIN–Separation Overview*” below). If implemented, the separation would involve the transfer of infrastructure assets and employees as well as the integration of Telenor Common Operation, mainly by transfer of employees, into these new entities. The Group does not anticipate any changes to its capital structure in relation to this separation processes.

The Group's objectives pursued through this considered separation primarily include creating a consistent and sustainable model for infrastructure separated from commercial companies across the Group. The final organisation of these entities within the Group has not yet been confirmed and depends on multiple factors. This model is, however, intended to allow clear management priorities of each commercial or infrastructure entity, enable better infrastructure know-how sharing and provide potential for wholesaling infrastructure services and partnerships including infrastructure sharing. In addition, the Group intends to exploit potential synergies in development of the infrastructure, similarly to Telenor Common Operations in the past, including headcount optimisation and savings in operating and capital expenses.

The Group has recently analysed the feasibility of the separation and has been assessing the potential process. It intends to decide individually in the respective countries on or around the date of these Base Listing Particulars whether to proceed with the separation or not. If approved, the Group intends to implement the separation by mid-2020, subject to completion of various steps in each jurisdiction. However, the Group can provide no assurance when it will undertake the separation if at all and, if undertaken, when it will be implemented or that it will achieve the pursued objectives. A number of factors, many outside the Group's control, may affect the plans and result in termination, delays or failure of the separation. See “*Risk Factors*” and “*Cautionary Statement Regarding Forward Looking Statements*”.

### **Czech Republic (O2)**

The Group's Czech Republic (O2) segment consists of the activities of the O2 CZ Group, a leading fixed-mobile convergent telecommunications provider in the Czech Republic. It

offers a comprehensive end-to-end range of voice and data services, an Internet Protocol Television (“**IPTV**”) service called ‘O2 TV’ and information communications technology (“**ICT**”) services to retail consumers, as well as business customers and the public sector. The O2 CZ Group is separated from other activities of the PPF Group because it is treated by the PPF Group as a financial investment only. It has its own management, business and financial strategies and policies, and the relationships between the O2 Group and the remaining part of the PPF Group are at an arm’s length basis. As of 31 December 2019, the O2 CZ Group had 5.9 million subscribers. The O2 CZ Group is the joint largest mobile telecommunications provider in the Czech Republic by mobile revenue market share (36 per cent., the mobile revenue market share of T-Mobile Czech Republic is materially identical) (source: Analysys Mason) for the nine months ended 30 September 2019 and the largest fixed voice and broadband provider in the Czech Republic by subscriber market share (42 per cent. and 26 per cent., respectively) as of 30 September 2019 (source: Analysys Mason).

In the years ended 31 December 2019 and 2018, the O2 CZ Group generated revenue of EUR 1,236 million and EUR 1,205 million, respectively, EBITDA of EUR 374 million (representing 26.8 per cent. of the Group’s EBITDA of EUR 1,397 million for the same period) and EBITDA of EUR 332 million (representing 35.3 per cent. of the Group’s EBITDA of EUR 940 million for the same period), respectively. This represented an EBITDA Margin of 30 per cent. and 28 per cent., respectively.

O2 Czech Republic is listed on the Prague Stock Exchange. As of the date of these Base Listing Particulars, the Group held 65.79 per cent. of the shares and 67.83 per cent. of the voting rights in O2 Czech Republic, while an additional 15.27 per cent. ownership interest was held by other entities of the PPF Group outside of the Group (see “– *Group Structure*” above) and 15.93 per cent. of its shares were in free-float. O2 Czech Republic is the former state monopoly (incumbent) telecom operator in the Czech Republic.

In June 2015, O2 Czech Republic voluntarily separated its infrastructure assets and wholesale business into CETIN. As a result, O2 Czech Republic is an asset-light and service-oriented mobile network operator and leases the required infrastructure from CETIN at an arm’s length basis. See “– *CETIN–Separation Overview*” below for more information.

Apart from O2 Czech Republic, the main entities of the O2 CZ Group include O2 Czech Republic’s wholly-owned subsidiaries (i) O2 Slovakia, (ii) O2 TV s.r.o., which provides digital television services, (iii) O2 IT Services, s.r.o., which provides ITC services, and (iv) Bolt Start Up Development a.s., through which O2 Czech Republic invests in technology start-up companies. In addition, the O2 CZ Group participates in a joint venture with Tesco Stores and has a 50 per cent. ownership interest in Tesco Mobile CR s.r.o., a virtual mobile network operator for prepaid services.

### ***Products and Services***

The O2 CZ Group offers a comprehensive set of mobile and fixed-line services. In addition, the O2 CZ Group offers handsets and other equipment, interconnection for the retail and wholesale business, data and IT services, particularly hosting and cloud-based services, and is the largest IPTV provider in the Czech Republic.

In the years 2019 and 2018, the O2 CZ Group generally experienced an increased demand for mobile data, IPTV and equipment and decreased demand in traditional fixed line voice services, as well as SMS and MMS services. In the same period, the O2 CZ Group particularly focused on offers which bundle together its various services, especially a package of mobile services, fixed home internet access and O2 TV at discounted prices, such as ‘O2 Spolu’.

The table below sets out the subscriber base of the O2 CZ Group as of 31 December 2019 and 2018:

|                             | As of 31 December |                                  |                |                                  |
|-----------------------------|-------------------|----------------------------------|----------------|----------------------------------|
|                             | 2019              |                                  | 2018           |                                  |
|                             | (in thousands)    | (as percentage of total revenue) | (in thousands) | (as percentage of total revenue) |
| Mobile service              | 5,858             | 66.2                             | 5,467          | 66.1                             |
| of which contract customers | 3,893             | -                                | 3,490          | -                                |
| prepaid customers           | 1,965             | -                                | 1,977          | -                                |
| Fixed Service               | 1,740             | 33.8                             | 1,667          | 33.9                             |
| of which O2 TV              | 443               | -                                | 337            | -                                |
| Fixed broadband             | 835               | -                                | 808            | -                                |
| voice                       | 462               | -                                | 522            | -                                |

### *Mobile Services*

The O2 CZ Group provides mobile services on both prepaid and contract basis. The key mobile services the O2 CZ Group offers include voice, messaging (SMS and MMS) and data services for both consumers and business customers. It also provides value-added services such as voice mail, call forwarding and three-way calling. The O2 CZ Group focuses especially on the promotion of data-centric mobile services and provides extensive tariffs based on the fourth generation of wireless services based on the Long Term Evolution technology (“**4G LTE**”) for all market segments.

The O2 CZ Group has frequently introduced new tariffs such as fixed and mobile convergent ‘O2 Spolu’ to ensure it remains attractive to customers, with a focus on 4G LTE mobile users. Its roaming agreements allow customers to use their mobile handsets when they travel internationally (including outside the EU) and are outside of the Czech service territory. In 2017, the O2 CZ Group continued to improve the service and accelerate the roll-out of its 4G LTE mobile network, which reached 99 per cent. of the Czech population as of the date of these Base Listing Particulars. In September 2019, the O2 CZ Group launched new mobile tariffs including unlimited data offer ‘O2 NEO’.

### *Fixed-line Services*

The O2 CZ Group offers nationwide fixed services including access and voice traffic. The O2 CZ Group was the largest provider of fixed voice services as of 30 September 2019 with a 42 per cent. subscriber market share (source: Analysys Mason). It had 462 thousand subscribers as of 31 December 2019 as compared to 522 thousand subscribers as of 31 December 2018. In recent years, this market has been witnessing a decline in subscribers as customers migrate from fixed lines to mobile subscriptions.

### *Broadband Services*

The O2 CZ Group is one of the largest providers of broadband services, i.e., digital technologies that provide consumers with a signal-switched facility offering integrated access to voice, high-speed data service, video-on-demand services and interactive delivery services, with 835 thousand fixed broadband technology agnostic lines (“**xFBB**”) fixed internet customers as of 31 December 2019, of which approximately 73 per cent. enjoy the Very High Speed Digital Subscriber Line (“**VDSL**”) technology and, where there is insufficient internet speed over DSL, the O2 CZ Group offers unlimited broadband connection using the 4G LTE technology together covering 99 per cent. of the addressable market across the Czech Republic. The O2 CZ Group introduced a new fixed tariff, ‘Internet ULTRA HD’, which offers a download speed of up to 250 Megabits per second (“**Mbps**”) and upload speed of up

to 25 Mbps. In the past years, the O2 CZ Group has experienced an increase in the number of users of home internet over the mobile network.

### *IPTV*

The O2 CZ Group offers a television service called ‘O2 TV’, which is provided both over fixed line (IPTV), as well as over internet connection from any other provider (OTT). Among other things, O2 TV broadcasts sport events and acquired broadcasting rights for the UEFA Champions League, exclusive for the 2018/2019 to 2020/2021 seasons, Premier League, commencing with the 2019/2020 season, Fortuna Liga, (the highest Czech football league) and Tipsport Extraliga (the highest Czech ice hockey league). O2 TV’s sport channels may be bundled together with other channels such as HBO, Cinemax or Eurosport. In addition, O2 TV subscribers can use features such as playback of up to seven days, pause the broadcast or re-watch key moments. O2 TV has enjoyed strong growth in recent years supported by the launch of new bundling offers and this segment continues to be one of the key segments of focus for growth going forward. In 2017, the O2 CZ Group launched its TV products and mobile broadband offerings also in Slovakia. Further, the O2 CZ Group also pursued the development of its own sports content.

### *Handset Business*

The O2 CZ Group sells a wide variety of handsets and other equipment, including the latest premium devices and other hardware. For example, it has developed in-house its O2 Smart Box, a unique combination of a high-performance DSL modem, top-quality Wireless Fidelity (“Wi-Fi”) router and a smart home control centre. Additionally, the O2 CZ Group covers the growing demand from its secondary brand customers for more mobile data services with a wide range of affordable smartphones. The O2 CZ Group’s most important suppliers for mobile handsets are the manufacturers Samsung, Apple, Huawei, Xiaomi and Sony with a particular focus on LTE-enabled smartphones.

### *Payment and Financial Services*

The O2 CZ Group also offers payment transactions using telecommunication devices, whereby customers can remit sums of money and pay for third party digital content or services using their mobile phone or fixed line. Customers have a choice of several methods of payment – SMS, premium lines, confirming a payment online or in an application. The option to pay online via the O2 payment gateway, or directly in a third-party application, is also gaining traction. A typical example is payment in the Google Play application store. In addition, the O2 CZ Group offers insurance products including travel insurance and hardware insurance of sold devices and had 284 thousand insurance customers as of 31 December 2019. Its Smart Travel Insurance is a unique product in the European market, because once the service is activated, users are insured for every trip abroad and billed exactly according to the number of days for which travel insurance is required without the need for a separate new contract in respect of each trip (with the insurance is activated upon signing the related SIM card on to the foreign network and then the insurance deactivates when the SIM card sign-on back to Czech network). In 2017, the O2 CZ Group came third in the poll for Insurance Innovator of the Year organised by Hospodářské noviny.

### *Digital Services*

The O2 CZ Group also offers ICT services. With access to data centres totalling 7,300 square meters in floor area, it is a leading provider of hosting and cloud services. As of the date of these Base Listing Particulars, the data centres are fully occupied and the agreed fees are on a fully take-or-pay basis.



## **Customers**

The O2 CZ Group primarily serves two main customer groups: consumers and business customers. Its core business are consumers, who use particularly mobile voice, messaging and data services, fixed network services, as well as high-speed internet access. The O2 CZ Group's strategic focus is on the sale of data-centric mobile communications contracts to smartphone users. The O2 CZ Group serves also business customers, largely medium-sized business and corporate customers, as well as public and government institutions, who use particularly mobile and fixed connectivity and innovative tariffs and products such as managed data services, housing, hosting and cloud services.

## **Service Bundling**

The O2 CZ Group provides a variety of bundling packages across mobile, fixed voice, fixed internet and TV services. A customer can use all services provided by the O2 CZ Group, however bundling discounts apply where mobile, internet and TV services are utilised. The O2 CZ Group provides the most lucrative bundle using internet and TV services whilst there is no discount available for holding fixed voice lines with the O2 CZ Group. Add-on services are available for both prepaid and contract tariffs including discounted credit cards with partner banks and reduced rates for calling foreign numbers.

## **Network**

As part of the voluntary separation (see “– *CETIN–Separation Overview*” below), the O2 CZ Group transferred its infrastructure assets and wholesale division to CETIN and, as of the date of these Base Listing Particulars, does not own the network used for the provision of its services with the exception of spectrum authorisations and the core network part. The O2 CZ Group uses the infrastructure of CETIN at an arm's length basis and, to a certain extent, based on public reference offers of CETIN (see “– *Material Contracts*” for more information). The O2 CZ Group has focused on improving both the coverage and capacity of its mobile data network, increasing mobile coverage of 4G LTE outdoor space from 5 per cent. in 2014 to 99 per cent. in 2016. The O2 CZ Group has also historically been a pioneer in active network sharing rolling out jointly with other telecoms providers, with 3G coverage in 2011 followed by 4G LTE in 2014. In addition, the O2 CZ Group recently reached 4G LTE+ (LTE Advanced, which enables increased speed as compared to 4G LTE) coverage across 99 per cent. of the Czech Republic and 3CC (Three Cell Carrier) availability in selected parts of Prague and Brno, the two largest cities in the Czech Republic. In 2017, the O2 CZ Group acquired a 40 MHz block of 3,700 MHz spectrum in the Czech Republic. The additional spectrum is currently intended to be used for both new services and improving service quality for existing customers.

In addition, the Czech NRA is currently preparing the auction of 2x 30 MHz in the 700 MHz spectrum, considered to be key for developing the 5G mobile network. As of the date of these Base Listing Particulars, the timing of the auction and conditions under which the frequencies are to be auctioned are not yet known. However, the auction may take place as soon as 2020. In January 2020, the Czech government tasked the Czech NRA to take into account two objectives when designing the auction: 1) decreasing prices of mobile data to the EU average by setting attractive conditions for a larger number of operators and 2) fast, efficient and safe development of 5G mobile networks. Additionally, the Czech NRA plans to offer together with the auction of 700 MHz frequency band also part of the 3400 – 3600 MHz frequency band.

The table below sets out an overview of the spectrum allocated to the O2 CZ Group in the Czech Republic as of the date of these Base Listing Particulars:

| <b>Spectrum</b> | <b>O2 CZ Group</b> | <b>Percentage of total<br/>allocated</b> | <b>Unallocated</b> | <b>Expiry</b> |
|-----------------|--------------------|------------------------------------------|--------------------|---------------|
| <i>(in MHz)</i> |                    | <i>(in per cent.)</i>                    | <i>(in MHz)</i>    |               |

|           |              |              |     |              |
|-----------|--------------|--------------|-----|--------------|
| 450       | 4,44         | 100          | 0   | 2033         |
| 700       | not assigned | not assigned | 60  | not assigned |
| 800       | 10           | 33           | 0   | 2029         |
| 900       | 12.4         | 36           | 0.4 | 2024         |
| 1,800     | 27.8         | 37           | 0.4 | 2024/2029    |
| 2,100     | 19.8         | 33           | 1.2 | 2022         |
| 2,600 FDD | 20           | 29           | 0   | 2029         |
| 2,600 TDD | 25           | 50           | 0   | 2029         |
| 3,700 TDD | 40           | 20           | 0   | 2032         |

Source: O2 Czech Republic and Czech NRA licences

The O2 CZ Group's fixed broadband coverage in the Czech Republic, provided through CETIN's infrastructure, reached over 88 per cent. of the households in the Czech Republic as of 31 December 2018, while its nearest competitor UPC covered over 34 per cent. (source: Grant Thornton, CETIN). This allows the O2 CZ Group to offer superior coverage at increased speeds with approximately 60 per cent. of its clients enjoying speed in excess of 80 Mbps.

### ***Distribution***

The O2 CZ Group markets its products using a multi-channel sales approach in order to maximise customer growth and economies of scale. As of 31 December 2019, it operated 158 retail stores in the Czech Republic, all of which were branded stores. In addition, customers may top up their credit at multiple other points of sale, such as banks, post offices or gas stations. Further, the O2 CZ Group operates three call centres in the Czech Republic and utilises online and telesales channels. The O2 CZ Group has a sophisticated website with features such as online store, product information, non-stop support and e-billing.

### **Czech Republic (CETIN)**

The Group's Czech Republic (CETIN) segment consists of the activities of CETIN, the owner and operator of the incumbent and largest telecommunications network infrastructure in the Czech Republic. It acts as an autonomous wholesale provider of fixed and mobile telecommunications services to all retail operators under fair and equal conditions and more than 50 per cent. of the domestic retail market uses some parts of CETIN's infrastructure, including its mobile network services, fixed network services and underlying backbone and transport infrastructure (source: CETIN's internal data, analyses and estimations). CETIN was incorporated in June 2015 as a voluntary spin-off of infrastructure assets of O2 Czech Republic. Its key customers are O2 Czech Republic and T-Mobile Czech Republic and more than half of CETIN's EBITDA is generated under long-term take-or-pay contracts. As of the date of these Base Listing Particulars, CETIN's infrastructure covered 99.6 per cent. and 99.1 per cent. of the Czech population and geographical area through a mix of fixed-line and mobile technologies with approximately 6,400 base stations, 20 million kilometres of twisted metallic pairs and 45.9 thousand kilometres of optical cables. In the years ended 31 December 2019 and 2018, CETIN generated revenue of EUR 753 million and EUR 779 million, respectively, EBITDA of EUR 333 million (representing 23.8 per cent. of the Group's EBITDA of EUR 1,397 million for the same period) and EUR 295 million (representing 31.4 per cent. of the Group's EBITDA of EUR 940 million for the same period), respectively. This represented an EBITDA Margin of 44 per cent. and 38 per cent., respectively.

CETIN divides its business activities into two main divisions: domestic network services and international transit services. CETIN's domestic division provides in particular mobile network infrastructure services, mass fixed-line network services and data services for corporate networks, and rental of data centres. The international division supports the transmission of international voice and data traffic globally.

As of the date of these Base Listing Particulars, the Group held a 89.73 per cent. ownership interest in CETIN, with the remaining ownership interest held by entities of the PPF Group outside of the Group. As of the same date, CETIN was rated Baa2 (negative outlook) and BBB (stable outlook) by Moody's and Fitch, respectively. CETIN has four wholly-owned subsidiaries, CETIN Finance B.V. incorporated in the Netherlands, which serves as the financing special purpose company for CETIN, STEL-INVEST s.r.o. incorporated in the Czech Republic, which, among other things, renders back-up electrical sources (diesel aggregates) for telecommunication sites including the maintenance of such aggregates, and CZECH TELECOM Germany GmbH i.L. incorporated in Germany and CZECH TELECOM Austria GmbH in Liqu. incorporated in Austria, both of which operate CETIN's points of presence abroad for the purpose of providing international transit services to foreign operators and are, as of the date of these Base Listing Particulars, in liquidation as CETIN is to operate the points of presence itself using permanent establishment in Germany and Austria respectively.

### ***Separation Overview***

In March 2015, O2 Czech Republic launched a voluntary process to separate its infrastructure and wholesale division into a new company, CETIN. The spin-off was the first voluntary separation of a fully integrated operator in the European telecommunications market. The transaction established CETIN as an independent and autonomous wholesale provider of fixed and mobile infrastructure providing services to other telecommunications operators on equal footing, while O2 Czech Republic continued to provide fixed and mobile services to its subscriber base of retail and business customers. The structural separation model enabled each company to streamline its business, pursue different management and investment objectives and allowed CETIN to benefit from a lower regulatory burden than other EU-based incumbent operators, which remained integrated with their retail operations.

The separation also streamlined the two businesses as set out in the table below:

|                                        | <b>CETIN</b>                                                                                                                              | <b>O2 Czech Republic</b>                                                                                                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Activity</b>                        | Infrastructure owner and operator and fixed asset-based wholesale services provider                                                       | Asset-light, service-oriented and customer-facing provider                                                                               |
| <b>Customers</b>                       | National wholesale partners (O2 Czech Republic and T-Mobile Czech Republic) and other major domestic and international wholesale partners | Mass market retail subscribers and a wide business customer portfolio                                                                    |
| <b>Revenue profile</b>                 | Long-term committed capacity off-take contracts reflecting the useful lifetime of the infrastructure technology                           | Short to mid-term contracts reflecting the short lifetime of retail products and rapid innovation                                        |
| <b>Investment policy</b>               | Longer payback affordable reflecting the longer lifecycle of the underlying network technologies                                          | Asset-light, short payback on products with a short lifecycle, recouped over the term of customer contract                               |
| <b>Regulation</b>                      | Strategy aligned with wholesale regulatory requirements                                                                                   | Subject to retail focussed regulation in line with competitors                                                                           |
| <b>Relationship with the PPF Group</b> | CETIN is a core asset for the PPF Group and is treated as a long-term strategic investment                                                | O2 Czech Republic is a financial investment with limited involvement of the PPF Group's management, particularly given its listed status |

As a result of the spin-off, CETIN acquired all assets, rights and obligations related to the infrastructure and wholesale division of the formerly integrated O2 Czech Republic, particularly:

- fixed public communications network, including transmission systems, connecting and routing equipment and other resources, such as passive network elements, which allow the transmission of signals over lines, radio, optical and other electromagnetic means in the fixed network;

- physical infrastructure of the mobile public communications network, including transmission systems, connecting and routing equipment and other resources, such as passive network elements with the exception of the core part of this network that has remained with O2 Czech Republic;
- data centres, including buildings, technological units forming an integral part of the data centres infrastructure (such as electrical systems, backup power supplies, diesel aggregates, control systems, consumption monitoring systems, temperature and cooling systems), structured cabling, fibre optic cables, central interconnection points and active technologies (such as network switches and servers used for surveillance, data collection and operation of data centre systems); and
- real estate assets, including over 1,350 buildings across the Czech Republic with a total floor area of 300,000 square meters, over 3,100 plots of land covering approximately 522,000 square meters, over 1,250 technology centres, more than 6,400 mobile base stations and thousands of kilometres of ducts and cable collectors, including all related property rights and easements.

### ***Products and Services***

CETIN divides its business activities into two main divisions: domestic network services and international transit services. These two divisions operate in different markets and their business models, profitability and investment demands are fundamentally different. In the year ended 31 December 2019, CETIN's domestic division generated revenue and EBITDA of EUR 465 million and EUR 323 million, respectively, while its international division generated revenue and EBITDA of EUR 282 million and EUR 10 million, respectively.

#### ***Domestic Network Services***

CETIN serves fixed and mobile service providers operating in the Czech telecommunications market, offering an extensive portfolio of wholesale voice, data and broadband services in the Czech Republic, accompanied by supplementary services, allowing customers to select a service or a combination of services that best corresponds to their specific needs and requirements. The domestic division constitutes the core business of CETIN. CETIN offers a combination of GSM, UMTS, LTE and CDMA mobile technologies for mobile network services and fixed SDH, WDM, Ethernet, IP, DSL, FTTC/FTTH and PSTN/voice technologies for mass fixed-line network services such as network access service, xFBB, infrastructure for IPTV, voice services, corporate data services, data centres and certain other services.

#### **Mobile Services**

CETIN owns and operates a mobile access network with nation-wide coverage, including its passive and active infrastructure such as masts, poles, antennas and towers. CETIN's mobile network services comprise active RAN (Radio Access Network) technology, passive infrastructure, backhaul and IP core. As of the date of these Base Listing Particulars, CETIN's mobile network consisted of over 6,400 mobile base sites, which provided 2G, 3G and 4G LTE coverage to 99.5 per cent., 82.1 per cent. and 99.4 per cent., respectively, of the Czech population (source: CETIN).

CETIN is the principal mobile service supplier and mobile network provider to O2 Czech Republic. CETIN's mobile network has been consolidated into a network shared with T-Mobile Czech Republic. T-Mobile Czech Republic is the master operator of the shared network for the western part of the Czech Republic, while CETIN is the master operator for the eastern part. The cities of Prague and Brno are excluded from the network sharing. The master operator owns and operates the active technology on all sites within its region, while ownership of the passive infrastructure (including the sites) remains unchanged, and

ownership of the spectrum remains with the retail operators (T-Mobile Czech Republic and O2 Czech Republic) (see “– *Material Contracts – Network Sharing Agreements*”). In addition, CETIN also provides backhaul services for mobile sites operated by all three major Czech operators, i.e., O2 Czech Republic, T-Mobile Czech Republic and Vodafone Czech Republic.

CETIN has continuously invested and improved its mobile network infrastructure, particularly in order to increase its network capacity and density, by adding new layers and sites to its 4G LTE network. CETIN is also currently preparing for the introduction of 5G services and the continually increasing demand for higher speed, more capacity and better quality of mobile data services.

#### Fixed-Line Services

CETIN operates a metallic and fibre optic access network across the Czech Republic with extensive coverage and density, providing fixed voice and broadband services to its customers. CETIN provides access to its fixed network, coupled with a combination of related services including voice, broadband access and IPTV. Auxiliary services include co-location of technologies and local loop unbundling. CETIN predominantly markets its fixed line services using its mass market offer, that is an offer by CETIN of access to its fixed telecommunications network consisting of voice and broadband services, including capacity products and the distribution of multimedia content, as published by CETIN from time to time.

The table below sets out the connection speed of CETIN’s network for the years 2019, 2018, 2017 and 2015:

|                            | Year ended 31 December |            |            |            |
|----------------------------|------------------------|------------|------------|------------|
|                            | 2019                   | 2018       | 2017       | 2015       |
|                            | <i>(in per cent.)</i>  |            |            |            |
| <b>FTTH</b>                | 1                      | 0          | 0          | 0          |
| <b>&gt;100 Mbps copper</b> | 17                     | 7          | 4          | 0          |
| <b>100 Mbps</b>            | 36                     | 29         | 13         | 0          |
| <b>50 Mbps</b>             | 25                     | 29         | 25         | 30         |
| <b>20 Mbps</b>             | 11                     | 20         | 40         | 38         |
| <b>2-6 Mbps</b>            | 10                     | 15         | 17         | 32         |
| <b>Total</b>               | <b>100</b>             | <b>100</b> | <b>100</b> | <b>100</b> |

#### (i) Metallic Network

CETIN is the only telecommunications infrastructure operator in the Czech Republic with a metallic network, providing fixed network access to most DSL connections in the country. CETIN’s network reached 4.3 million households, representing 84.0 per cent. of all households in the Czech Republic as of the date of these Base Listing Particulars, of which approximately 1.1 million households actively use fixed services via CETIN’s metallic network, more than 967,000 households use fixed broadband services and over 360,000 households use voice services.

#### (ii) Fibre Optic Network

CETIN’s fibre optic network is an aggregation and transport network that incorporates 45,900 kilometres of optic cables, transmitting fixed network traffic and capturing a substantial part of the Czech fixed data services market. As of the date of these Base Listing Particulars, approximately 7,000 households were connected to CETIN’s fibre optic network through FTTH, mainly in new greenfield developments. The deployment of the last mile access using FTTH is typically more expensive, slower and disruptive compared to the deployment of FTTC, which uses CETIN’s existing metallic connections to deliver the last mile access to households. CETIN’s competitors have historically built their fibre optic networks along the main railway, gas or power distribution corridors, and are accordingly limited to certain

locations. CETIN currently plans to further invest in the development of its fixed network to further strengthen its leading market position.

#### Data Services and Data Centres

CETIN's data services are aimed at medium and large businesses and are provided on a wholesale basis to other operators. Services include leased lines, Ethernet, VPN and point-to-point interconnection of corporate LANs (Local Area Networks). In addition, CETIN operates the largest network neutral TIER III data centres in the Czech Republic with a total area of 3,527 square metres, located in Prague and Hradec Králové. Further, in mid-2018 CETIN finished a data centre building in Prague Stodůlky which is used for commercial purposes as well as for CETIN's own operations. The centres are rented primarily to O2 Czech Republic on a take-or-pay or similar basis. CETIN also captures a substantial part of the market through the combination of its extensive network of metallic and fibre cables.

#### Other

CETIN also provides operators with dark fibre rentals, either as bespoke customer solutions or as backhaul for the mobile networks of T-Mobile Czech Republic and Vodafone Czech Republic. Additional minor sources of supplementary income comprise domestic interconnection services, roaming support service, forced network transfers, duct hire and other related services.

#### *International Transit Services*

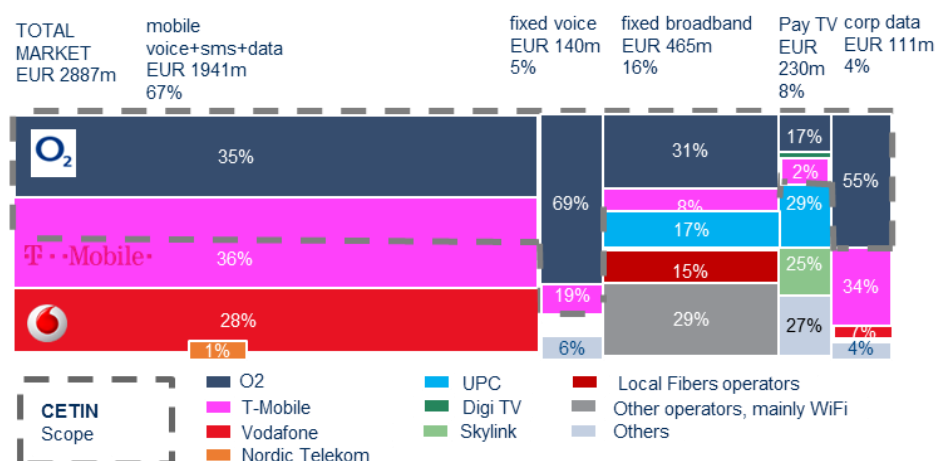
CETIN's international division primarily routes and terminates mainly international voice traffic to international operators, utilising its points of presence outside of the Czech Republic in Frankfurt, Vienna, Bratislava, London and Hong Kong. It predominantly constitutes a trading business, acting as an intermediary between international operators. The international transit division constitutes a supplementary business activity of CETIN. CETIN is one of the largest international carriers in the CEE (source: CETIN), providing wholesale international voice services to more than 200 telecommunications operators worldwide and transmitting more than half a billion minutes per month.

#### *Customers*

CETIN's customer base is comprised of fixed and mobile network operators in the domestic Czech market and the international telecommunications market. The key customers of CETIN are O2 Czech Republic, T-Mobile Czech Republic and Vodafone Czech Republic, the three largest mobile operators in the Czech Republic. CETIN is the backhaul provider for all of these operators, and all three operators use CETIN's fixed access network almost exclusively to provide voice, broadband and IPTV services to their subscribers. CETIN actively markets its fixed network services to all network operators and retail service providers in the country to add new customers to its portfolio. CETIN also provides its backbone transport network to a number of network operators and retail service providers.

More than half of CETIN's EBITDA is generated under long-term take-or-pay contracts. CETIN has three key agreements with O2 Czech Republic for the provision of mobile services, fixed services and two key agreements with T-Mobile Czech Republic for the provision of data centre services and fixed services. See “– *Material Contracts*” for more information.

The graph below sets out an overview of the retail market in the Czech Republic and indicates CETIN's customers:



Source: CETIN

## Slovakia

The Group's Slovakia segment consists of the activities of O2 Slovakia, a leading mobile telecommunications provider in Slovakia. It offers a comprehensive end-to-end range of mobile voice and data services and O2 TV to consumers, as well as business customers and the public sector. O2 Slovakia is a wholly-owned subsidiary of O2 Czech Republic and, therefore, is also separated from other activities of the PPF Group and treated by the PPF Group as a financial investment only (see "– Segments" for more information). As of 31 December 2019, O2 Slovakia had 2.1 million subscribers in Slovakia, of which 1.39 million were contract subscribers and 0.76 million were prepaid subscribers. O2 Slovakia is the third largest and second largest mobile telecommunications provider in Slovakia by revenue and subscriber market share, respectively (28 per cent. and 29 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason). In the years ended 31 December 2019 and 2018, O2 Slovakia generated revenue of EUR 298 and EUR 292 million, respectively, EBITDA of EUR 118 (representing 8.4 per cent. of the Group's EBITDA of EUR 1,397 million for the same period) and EUR 101 million (representing 10.7 per cent. of the Group's EBITDA of EUR 940 million for the same period), respectively. This represented an EBITDA Margin of 40 per cent. and 35 per cent., respectively.

O2 Slovakia offers its business solutions to large corporate and public segment through its wholly-owned subsidiary O2 Business Services, a.s. In addition, O2 Slovakia participates in a joint venture with Tesco Stores and has a 50 per cent. ownership interest in Tesco Mobile Slovakia s.r.o., a virtual mobile network operator for prepaid services.

### Products and Services

O2 Slovakia provides mobile services on both prepaid and contract basis. The key mobile services O2 Slovakia offers include voice, messaging (SMS and MMS) and data services for both consumers and business customers. It also provides value-added services such as voice mail, call forwarding and three-way calling. O2 Slovakia focuses especially on the promotion of data-centric mobile services and provides extensive tariffs based on the fourth generation of wireless services based on 4G LTE for all market segments. In addition, in 2017, the O2 CZ Group launched its TV product O2 TV also in Slovakia. Further, O2 Slovakia sells a wide

variety of handsets and other equipment, including the latest premium devices and other hardware.

### **Network**

O2 Slovakia has continued to focus on building out its mobile network, with nearly 1,800 locations and 97.3 per cent. population coverage of 4G LTE as of 31 December 2019 (source: O2 press release). This has resulted in the company being number one in the Slovak market in terms of high-speed mobile internet connectivity (source: zive.sk). Together with the construction of the 4G LTE network, O2 Slovakia has also increased the population coverage for its 2G network, which was at 99.7 per cent. as of the date of these Base Listing Particulars (source: O2 press release). Through its national roaming partnership with Slovak Telekom and Orange Slovensko, the total combined coverage was at 99.8 per cent. as of the date of these Base Listing Particulars.

The table below sets out an overview of the spectrum allocated to O2 Slovakia as of the date of these Base Listing Particulars:

| <b>Spectrum</b><br><i>(in MHz)</i> | <b>O2 CZ Group</b> | <b>Percentage of<br/>total allocated</b><br><i>(in per cent.)</i> | <b>Unallocated</b> | <b>Expiry</b> |
|------------------------------------|--------------------|-------------------------------------------------------------------|--------------------|---------------|
| 800                                | 10                 | 33                                                                | 0                  | 2028          |
| 900                                | 10.2               | 33                                                                | 4.4                | 2026          |
| 1,800                              | 15.8               | 24                                                                | 9                  | 2026          |
| 2,100                              | 20                 | 33                                                                | 0                  | 2026          |
| 2,600                              | 0                  | 0                                                                 | 0                  | -             |
| 3,500 TDD                          | 110                | 55                                                                | 0                  | 2025          |
| 3,700 TDD                          | 40                 | 20                                                                | 0                  | 2024          |

Source: O2 Slovakia and licences granted by the Regulatory Authority for Electronic Communications and Postal Services

### **Distribution**

O2 Slovakia markets its products using a multi-channel sales approach in order to maximise customer growth and economies of scale. As of 31 December 2019, it operated 85 retail stores in Slovakia, of which 24 were branded stores and 61 partner stores. In addition, customers may top up their credit at multiple other points of sale, such as banks, post offices or gas stations. O2 Slovakia has a sophisticated website with features such as online store, product information, non-stop support and e-billing.

### **Hungary**

The Group's Hungary segment consists of the activities of Telenor Hungary, the second largest mobile telecommunications provider in Hungary by both revenue and subscriber market share (28 per cent. and 27 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason). Telenor Hungary was established in 1993 under the name Pannon and acquired by Telenor Group in two steps in 1994 and 2001. The company was rebranded as Telenor Hungary in May 2010. The Group acquired Telenor Hungary from the Norwegian incumbent telecom operator Telenor in March 2018.

As of date of these Base Listing Particulars, the Group held a 75 per cent. ownership interest in the Hungarian Holdco, while the remaining ownership interest was held by Antenna, a Hungarian telecommunications company outside of the Group mainly active in the field of national terrestrial television and radio broadcasting and wireless business telecommunication services. The Group sold the minority stake to Antenna in October 2019 and believes that the exploitation of mutual strategic synergies may allow both Antenna and the Group to improve the media and telecommunication services they provide in the Hungarian business-to-customer market.



In the year ended 31 December 2019, Telenor Hungary generated revenue of EUR 527 and EBITDA of EUR 208 (representing 14.9 per cent. of the Group's EBITDA of EUR 1,397 million for the same period). This represented an EBITDA Margin of 39 per cent. In the period 1 August 2018 until 31 December 2018, Telenor Hungary generated revenue of EUR 220 million, EBITDA of EUR 75 million (representing 8.0 per cent. of the Group's EBITDA of EUR 940 million for the year ended 31 December 2018). This represented an EBITDA Margin of 34 per cent.

As of 31 December 2019 and 2018, Telenor Hungary had 3,031 thousand mobile subscribers (of which 1,047 thousand were pre-paid and 730 thousand business-to-consumer post-paid subscribers of voice and data on mobile phones ("**Small-Screen**")) and 3,067 thousand mobile subscribers (of which 1,122 thousand were pre-paid and 685 thousand post-paid Small-Screen), respectively. In the years ended 31 December 2019 and 2018, these subscribers generated a total blended ARPU of EUR 12.3, excluding the effects of IFRS 15 (EUR 3.9 for pre-paid subscribers and EUR 23.9 for business-to-consumer post-paid Small-Screen subscribers) and EUR 11.6, excluding the effects of IFRS 15 (EUR 3.9 for pre-paid subscribers and EUR 23.3 for business-to-consumer post-paid Small-Screen subscribers), respectively.

Telenor Hungary is a pioneer in mobile broadband technology in Hungary, delivering one of the widest and fastest 4G coverage in the country, reaching 99 per cent. of the population (source: Telenor Hungary). Hungary had the eighth best 4G LTE network worldwide as of the first quarter of 2019, according to the non-profit organisation OpenSignal. Telenor Hungary has aimed to offer superior network quality and speed, as well as innovative products including its 'HiperNet', Telenor Hungary's super-fast mobile internet offering.

Telenor Hungary owns an office building in Törökbálint, in close vicinity of Budapest. The building was constructed in 2009, has an area of 33,361 square metres and serves as Telenor Hungary's headquarters and datacentre.

### ***Products and Services***

Telenor Hungary offers a comprehensive set of mobile services on both prepaid and contract bases to consumers, as well as business customers. Its voice services include closed user group offers and non-voice services include SMS, MMS, mobile content services and internet service provider services via Internet Protocol (IP). Telenor Hungary frequently introduces new tariffs such as Telenor Hiper tariff portfolio with potentially unlimited calling and SMS services and varying mobile data packages.

### ***Network***

Telenor Hungary has a well-invested network with extensive coverage both in terms of population and geography. Telenor Hungary's 2G network covers the entire Hungarian population while its 3G network reaches 97.9 per cent. of the population (source: Telenor Hungary, the National Media and Infocommunications Authority (the "**Hungarian NRA**")). In 2013, Telenor Hungary began to establish a 4G offering which it has successfully expanded to cover the entire population and 98.6 per cent. of the geographical area of Hungary as of the date of these Base Listing Particulars.

Telenor Hungary has a strong allocation of the spectrum, particularly in the 1,800 MHz band, where it holds 2x30 MHz while its main competitors Magyar Telekom (T-Mobile) and Vodafone hold 2x25 MHz and 2x20 MHz, respectively. In addition, Telenor Hungary has a strong asset base consisting of 3,885 mobile base sites as of 31 December 2019.

The table below sets out an overview of the spectrum allocated to Telenor Hungary as of the date of these Base Listing Particulars:

| <b>Spectrum</b> | <b>Telenor Hungary</b> | <b>Percentage of total allocated</b> | <b>Unallocated</b> | <b>Expiry</b> |
|-----------------|------------------------|--------------------------------------|--------------------|---------------|
|-----------------|------------------------|--------------------------------------|--------------------|---------------|

|           | (in MHz) |  | (in per cent.) | (in MHz) |                     |
|-----------|----------|--|----------------|----------|---------------------|
| 800       | 10       |  | 33             | -        | 2029 <sup>(1)</sup> |
| 900       | 11.8     |  | 33             | -        | 2022 <sup>(2)</sup> |
| 1,800     | 30       |  | 40             | -        | 2022                |
| 2,100     | 15       |  | 33             | 15       | 2027                |
| 2,600 FDD | 20       |  | 29             | -        | 2029 <sup>(1)</sup> |
| 2600 TDD  | -        |  | -              | 1x15     | -                   |

Source: Telenor Hungary

Notes:

(1) Automatic extension until 2034 if all obligations are fulfilled by Telenor Hungary.

(2) 10 MHz expiring in 2022, and 1,8 MHz expiring in 2029/34.

### **Distribution**

Telenor Hungary conducts its mobile operations via a strong retail base, which is complemented by its website, mobile application and call centres. As of 31 December 2019, it operated 138 retail stores, of which 38 were own stores and 100 were partner stores, situated across the country and employing a salesforce of 654 people.

Further, Telenor Hungary has a sophisticated website and a mobile application, 'My Telenor', offering online sales, product information, non-stop support and e-billing. It also offers mobile applications and products such as the 'Telenor Wallet' which enables users to pay for amenities including parking, highway tickets or lottery tickets with the cost automatically added to the customer's monthly phone bill. In addition, as of the date of these Base Listing Particulars, Telenor Hungary operated two call centres and employed two telesales agencies and 355 agents to provide support to its customers through telephony channels. The team is available non-stop and handles all consumer and business inbound calls, as well as running outbound campaigns.

### **Bulgaria**

The Group's Bulgaria segment consists of the activities of Telenor Bulgaria, the largest and joint second largest mobile telecommunications provider in Bulgaria by revenue and subscriber market share, respectively (40 per cent. and 31 per cent., respectively) as of and for the nine months ended 30 September 2019 (source: Analysys Mason). On 1 August 2013, Cosmo Bulgaria Mobile EAD, which operated in Bulgaria under the name GLOBUL, became a wholly-owned subsidiary of Telenor and was renamed Telenor Bulgaria in November 2014. It operates only within the mobile telecommunications segment and has no presence in the fixed voice, internet or TV segments. The Group acquired Telenor Bulgaria as part of the Telenor Acquisition. As of the date of these Base Listing Particulars, the Group held a 100 per cent. stake in Telenor Bulgaria.

In the year ended 31 December 2019, Telenor Bulgaria generated revenue of EUR 384 and EBITDA of EUR 180 (representing 12.9 per cent. of the Group's EBITDA of EUR 1,397 million for the same period). This represented an EBITDA Margin of 47 per cent. In the period 1 August 2018 until 31 December 2018, Telenor Bulgaria generated revenue of EUR 165 million, EBITDA of EUR 70 million (representing 7.4 per cent. of the Group's EBITDA of EUR 940 million for the year ended 31 December 2018). This represented an EBITDA Margin of 42 per cent.

As of 31 December 2019 and 2018, Telenor Bulgaria had 3,006 thousand mobile subscribers (of which 582 thousand were pre-paid and 1,634 thousand were business-to-consumer post-paid Small-Screen) and 3,070 thousand mobile subscribers (of which 624 thousand were pre-paid and 1,646 thousand were business-to-consumer post-paid Small-Screen), respectively. In the years ended 31 December 2019 and 2018, these subscribers generated a total blended ARPU of EUR 8.3, excluding the effects of IFRS 15 (EUR 3.0 for pre-paid subscribers and EUR 11.1 for business-to-consumer post-paid Small-Screen subscribers) and EUR 7.6,

excluding the effects of IFRS 15 (EUR 2.9 for pre-paid subscribers and EUR for 10.4 business-to-consumer post-paid Small-Screen subscribers), respectively.

Telenor Bulgaria primarily focuses on its 4G services and high network quality. Telenor Bulgaria's network reaches over 90 per cent. of the population across 2G, 3G and 4G technologies and focusses on the top end of the market. Telenor Bulgaria also owns an office building in Sofia. The building was constructed in 2007, has an area of 12,386 square metres and serves as Telenor Bulgaria's headquarters.

### ***Products and Services***

Telenor Bulgaria offers a comprehensive set of mobile services, including advanced voice and non-voice services to subscribers, on both a prepaid and contract basis. Non-voice services include SMS, MMS, mobile content services and internet service. Telenor Bulgaria launched the first 4G network with national coverage in December 2015 and was named the best network in Bulgaria by the mobile networks benchmark company umlaut (former P3 company) in January 2020.

### ***Network***

Telenor Bulgaria has a developed 2G and 3G network covering 99.8 per cent. and 99.7 per cent. of the Bulgarian population, respectively (source: TNBG Company Technology). Further, it has been investing in its 4G network, which, as of the date of these Base Listing Particulars, reached 97.0 per cent. of Bulgaria's population and 72.4 per cent. of its geographical area (source: TNBG Company Technology). In addition, Telenor Bulgaria has a strong asset base consisting of 3,317 mobile base sites as of 31 December 2019.

The table below sets out an overview of the spectrum allocated to Telenor Bulgaria as of the date of these Base Listing Particulars:

| <b>Spectrum</b> | <b>Telenor Bulgaria</b> | <b>Percentage of total<br/>allocated</b> | <b>Unallocated</b> | <b>Expiry</b> |
|-----------------|-------------------------|------------------------------------------|--------------------|---------------|
| <i>(in MHz)</i> |                         | <i>(in per cent.)</i>                    | <i>(in MHz)</i>    |               |
| 800             | -                       | -                                        | 30                 | -             |
| 900             | 11                      | 33                                       | -                  | 2021          |
| 1,800           | 15                      | 23                                       | 10                 | 2021          |
| 2,100           | 15                      | 33                                       | 15                 | 2025          |
| 2,600 FDD       | -                       | -                                        | 60                 | -             |
| 2600 TDD        | -                       | -                                        | 50                 | -             |

Source: Telenor Bulgaria

### ***Distribution***

Telenor Bulgaria has a proportionally large retail distribution channel compared to the other Telenor CEE Group markets together with a call centre and online presence. As of 31 December 2019, it operated 201 retail stores, all of which were branded stores, including 78 franchised stores, situated across the country and employing a salesforce of 815 people in its own retail stores and 310 in franchised stores. Similarly to Telenor Hungary, Telenor Bulgaria currently plans to decrease the number of stores as part of streamlining and cost-cutting initiatives. Further, Telenor Bulgaria has a comprehensive website offering online sales, product information, non-stop support and an online portal enabling customers to access account information. In addition, Telenor Bulgaria operates a call centre available to its customers non-stop.

### ***Serbia and Montenegro***

The Group's Serbia and Montenegro segment consists of the activities of Telenor Serbia and Telenor Montenegro, among the leading mobile telecommunications providers in Serbia and

Montenegro. Telenor Serbia was the largest and second largest mobile telecommunications provider in Serbia by revenue and subscriber market share, respectively (37 per cent. and 31 per cent., respectively) and Telenor Montenegro is the largest mobile telecommunications provider in Montenegro by both revenue and subscriber market share (38 per cent. and 35 per cent., respectively) (source: Analysys Mason) for the year ended 31 December 2018. Telenor Serbia and Telenor Montenegro each also have a minor presence in the fixed telecommunications market.

In the year ended 31 December 2019, Telenor Serbia and Telenor Montenegro generated revenue of EUR 430 and EBITDA of EUR 184 (representing 13.2 per cent. of the Group's EBITDA of EUR 1,397 million for the same period). This represented an EBITDA Margin of 43 per cent. In the period 1 August 2018 until 31 December 2018, Telenor Serbia and Telenor Montenegro generated revenue of EUR 183 million, EBITDA of EUR 70 million (representing 7.4 per cent. of the Group's EBITDA of EUR 940 million for the year ended 31 December 2018). This represented an EBITDA Margin of 38 per cent.

As of 31 December 2019 and 2018, Telenor Serbia had 2,809 thousand mobile subscribers (of which 1,133 thousand were pre-paid and 1,121 thousand business-to-consumer post-paid Small-Screen) and 2,820 thousand mobile subscribers (of which 1,184 thousand were pre-paid and 1,075 thousand business-to-consumer post-paid Small-Screen), respectively. In the years ended 31 December 2019 and 2018, these subscribers generated a total blended ARPU of EUR 8.7, excluding the effects of IFRS 15 (EUR 3.1 for pre-paid subscribers and EUR 13.5 for business-to-consumer post-paid Small-Screen subscribers) and EUR 8.5, excluding the effects of IFRS 15 (EUR 3.1 for pre-paid subscribers and EUR 13.6 for business-to-consumer post-paid Small-Screen subscribers), respectively.

As of 31 December 2019 and 2018, Telenor Montenegro had 354 thousand mobile subscribers (of which 191 thousand were pre-paid and 100 thousand business-to-consumer post-paid Small-Screen) and 366 thousand mobile subscribers (of which 208 thousand were pre-paid and 93 thousand business-to-consumer post-paid Small-Screen), respectively. In the years ended 31 December 2019 and 2018, these subscribers generated a total blended ARPU of EUR 9.2, excluding the effects of IFRS 15 (EUR 4.8 for pre-paid subscribers and EUR 14.9 for business-to-consumer post-paid Small-Screen subscribers) and EUR 10.0, excluding the effects of IFRS 15 (EUR 5.5 for pre-paid subscribers and EUR 15.6 for business-to-consumer post-paid Small-Screen subscribers), respectively.

### ***Telenor Serbia***

Telenor Serbia became part of the group of the Norwegian incumbent telecom operator Telenor in 2006 through the acquisition of Mobi 63 d.o.o., later renamed Telenor Serbia. The Group acquired Telenor Serbia as part of the Telenor Acquisition. As of the date of these Base Listing Particulars, the Group held a 100 per cent. stake in Telenor Serbia. Telenor Serbia enjoys good reputation amongst customers supported by its strong capabilities in advanced data analytics for customer insights and targeted marketing strategies.

### ***Products and Services***

Telenor Serbia offers advanced voice and non-voice services, with particular focus on mobile services and minor share of fixed voice and non-voice services. Non-voice services include SMS, MMS, mobile content services and internet service as well as adjacent wholesale services such as telehousing, IP transit and capacity sales. Telenor Serbia is present in both consumer and business customer segments and provides services on prepaid as well as contract basis. It is particularly focused on data and advanced data and digital services. To contract customers, Telenor Serbia offers a wide range of handset and data devices such as modems, tablets, laptops and smart watches on a subsidised basis or with financing, provided

in cooperation with PPF Group controlled Mobi Banka AD Belgrade (formerly Telenor banka AD Belgrade), particularly instalment payments.

### *Network*

Telenor Serbia's network has the widest 3G population coverage in Serbia and its 3G and 4G network covered 87 per cent. and 75 per cent., respectively, of Serbia's area as of the date of these Base Listing Particulars (source: the Regulatory Agency for Electronic Communications and Postal Services, the Serbian national regulatory authority (the "**Serbian NRA**")). Telenor Serbia also has the best perception as measured by NPS (source: TNS Medium Gallup/TMG Insights reports ordered by Telenor Serbia). Further, according to independent quality benchmarking of Serbia's mobile networks undertaken by the Serbian NRA in 2018, Telenor Serbia has the best mobile network, 3G and 4G network, web browsing as well as the highest quality of voice services (source: Serbian NRA: Mobile networks in Serbia 2018 benchmark (annual report)). As of 31 December 2019, Telenor Serbia's 3G and 4G network covered 99.0 per cent. and 96.7 per cent. of Serbia's population (source: Serbian NRA). In addition, Telenor Serbia has a strong asset base consisting of 2,159 mobile base sites as of 31 December 2019. Telenor's network performance was the highest and Telenor Serbia has scored "Best in Test" in 2019 and 2018 according to independent mobile benchmarking (so-called 'crowdsourcing' methodology) conducted by P3 and in addition was also best rated in coverage for all categories: voice, data and 4G coverage and in user download and upload speeds.

The table below sets out an overview of the spectrum allocated to Telenor Serbia as of the date of these Base Listing Particulars:

| <b>Spectrum</b> | <b>Telenor Serbia</b> | <b>Percentage of total allocated</b> | <b>Unallocated</b> | <b>Expiry</b> |
|-----------------|-----------------------|--------------------------------------|--------------------|---------------|
| <i>(in MHz)</i> |                       | <i>(in per cent.)</i>                | <i>(in MHz)</i>    |               |
| 800             | 10                    | 33                                   | -                  | 2031          |
| 900             | 9,6                   | 41                                   | 11                 | 2026          |
| 1,800           | 20                    | 29                                   | 5                  | 2026 - 2027   |
| 2,100           | 15                    | 33                                   | 15                 | 2026          |
| 2,100 TDD       | 5                     | 33                                   | 15                 | 2026          |
| 2,600 FDD       | -                     | -                                    | 70                 | -             |
| 2600 TDD        | -                     | -                                    | 50                 | -             |

Source Telenor Serbia, the Serbian NRA licences

### *Distribution*

Telenor Serbia conducts its mobile operations via a retail base, which is complemented by its website and call centres. As of 31 December 2019, Telenor Serbia operated 143 retail stores, of which 49 were own shops and 71 were franchise shops managed by partners, and 23 retail express kiosks POS situated across the country and employing a salesforce of 627 people. Additionally, Telenor Serbia operates in-house prepaid distribution and a call centre available to its customers non-stop and supports consumer and business marketing segment through inbound and outbound contacts (retention, renewal and customer upsell). Further, Telenor Serbia has a comprehensive website offering online sales, products information, non-stop support and an online portal enabling customers to access account information.

### *Telenor Montenegro*

Telenor Montenegro was established in 1996 as Montenegro's first mobile operator under the name Promonte. In 2004, Promonte became a wholly owned subsidiary of Telenor Group and in 2010 was rebranded Telenor Montenegro. The Group acquired Telenor Montenegro from

the Norwegian incumbent telecom operator as part of the Telenor Acquisition. As of the date of these Base Listing Particulars, the Group held a 100 per cent. stake in Telenor Montenegro.

### *Products and Services*

Telenor Montenegro offers advanced voice and non-voice services, with particular focus on mobile services and minor share of fixed voice and non-voice services. Non-voice services include SMS, MMS, mobile content services and internet service as well as adjacent wholesale services such as telehousing, IP transit and capacity sales. Telenor Montenegro is present in both consumer and business customer segments and provides services on prepaid as well as contract basis. It is particularly focused on data and advanced data and digital services. To contract customers, Telenor Montenegro offers a wide range of handset and data devices such as modems, tablets, laptops and smart watches on a subsidised basis or with financing, particularly instalments.

### *Network*

Telenor Montenegro has the widest 2G and 3G coverage in Montenegro, 98 per cent. and 96 per cent., respectively, of Montenegro's area, and second widest 4G coverage with 96 per cent. of Montenegro's area (source: Ekip).

Furthermore, the Montenegrin NRA's independent benchmark measurements performed at the beginning of 2019 showed the best overall network performance in Montenegro. Telenor Montenegro also has the best perception as measured by NPS (source: TMG Insights reports). As of 30 September 2018, Telenor Montenegro's 2G, 3G and 4G network covered 99 per cent., 97 per cent. and 98 per cent. of Montenegro's population (source: Telenor Montenegro). In addition, Telenor Montenegro has a strong asset base consisting of 417 mobile base sites as of 31 December 2019.

The table below sets out an overview of the spectrum allocated to Telenor Montenegro as of the date of these Base Listing Particulars:

| <b>Spectrum</b><br><i>(in MHz)</i> | <b>Telenor<br/>Montenegro</b> | <b>Percentage of total<br/>allocated</b><br><i>(in per cent.)</i> | <b>Unallocated</b><br><i>(in MHz)</i> | <b>Expiry</b> |
|------------------------------------|-------------------------------|-------------------------------------------------------------------|---------------------------------------|---------------|
| 800                                | -                             | -                                                                 | -                                     | -             |
| 900                                | 15                            | 43                                                                | -                                     | 2031          |
| 1,800                              | 25                            | 33                                                                | -                                     | 2031          |
| 2,100                              | 20                            | 33                                                                | -                                     | 2031          |
| 2,100 TDD                          | 5                             | 33                                                                | -                                     | 2022          |
| 2,600 FDD                          | -                             | -                                                                 | 40                                    | -             |
| 2600 TDD                           | -                             | -                                                                 | 45                                    | -             |

Source: Telenor Montenegro, the Montenegrin NRA licences

### *Distribution*

Telenor Montenegro conducts its mobile operations via a retail base, which is complemented by a website and call centres. As of 31 December 2019, Telenor Montenegro operated 15 retail stores, all of which were own shops, employing a salesforce of 55 people. Additionally, Telenor Montenegro operates in-house prepaid distribution and a call centre available to its customers non-stop and supports consumer and business marketing segment through inbound and outbound contacts (retention, renewal and customer upsell).

## Unallocated

The Group's Unallocated segment consists of the Group's ancillary activities, primarily provision of technology services, mainly network and IT services, through Telenor Common Operation, mainly network and IT services. In addition, this segment includes the Group's holding and sub-holding companies: the Issuer, PPF Telco, PPF Infrastructure and PPF Bidco.

In the years ended 31 December 2019 and 2018 the Group's Unallocated segment generated revenue of EUR 34 and EUR 15 million, respectively, and EBITDA of EUR 6 million and EUR (3) million (negative EBITDA), respectively.

Telenor Common Operation is a provider of network and IT services. It is incorporated in Hungary and has offices in Hungary, Bulgaria, Serbia and Montenegro. It was established in 2013 as a shared service centre for Telenor Serbia, Telenor Hungary and Telenor Montenegro with the aim to increase operational efficiency and better utilisation of cross-border synergies. As of the date of these Base Listing Particulars, the main customers of Telenor Common Operation are Telenor Hungary, Telenor Bulgaria, Telenor Serbia, Telenor Montenegro and various entities of the Telenor Group. Relationships with all customers are clearly regulated and contracts are at an arm's length principles to secure transparency. As of 31 December 2019, Telenor Common Operation had over 600 employees across Hungary, Bulgaria, Serbia and Montenegro.

Telenor Common Operation currently provides the following services to Telenor Hungary, Telenor Bulgaria, Telenor Serbia and Telenor Montenegro: network planning, network implementation, network monitoring (NOC), network field maintenance, operations and reporting, IT infrastructure planning and operations, IT application operations, IT helpdesk and desktop support and network and IT security. In addition, Telenor Common Operation provides managed services to various entities of the Telenor Group, particularly operation of the non-stop customer service desk and monitoring and operating of services and equipment, and limited security services such as vulnerability assessment and management, to other business units of Telenor.

## Financial Indebtedness of the Group

This section provides an overview of the net financial indebtedness of the Group comprising of bank debt and bonds issues (representing principal amount and disregarding, among other things, unamortised fees, discounts and accrued interest).

As of 31 December 2019, Net Financial Indebtedness of the Group was EUR 3,213 million, of which EUR 2,217 million, or 69 per cent., was Net Financial Indebtedness of the Issuer, primarily under the outstanding Notes previously issued under the Programme and the PPF Facilities Agreement, which ranks *pari passu* with the Issuer's obligations under the Notes and shares the same security package (see “– *Material Contracts – PPF Facilities Agreement*” and “– *Transaction Security*”). A material part of Group's indebtedness (34.51 per cent. as of 31 December 2019) is owed by the subsidiaries of the Issuer who are not Guarantors and whose assets are not subject to the Transaction Security securing the Notes and, consequently, is structurally senior to the indebtedness of the Issuer under the Notes (see “*Risk Factors – A material part of the Group's financial indebtedness is structurally senior to the financial indebtedness of the Issuer under the Notes*”). As of the same date, 65.49 per cent. of the Group's financial indebtedness was secured.

### Overview

The following table provides a basic overview of outstanding bonds issued by the Group as of 31 December 2019.

| Group Member | Ranking | Ratings at Issue | Bonds Outstanding <sup>(1)</sup> | Maturity | Coupon | YTM <sup>(2)</sup> |
|--------------|---------|------------------|----------------------------------|----------|--------|--------------------|
|--------------|---------|------------------|----------------------------------|----------|--------|--------------------|

|                                    |                                                |                                             | (in EUR<br>millions) |                       | (in per<br>cent.) | (in per<br>cent.) |
|------------------------------------|------------------------------------------------|---------------------------------------------|----------------------|-----------------------|-------------------|-------------------|
|                                    |                                                | BBB-<br>(Fitch) / Ba1<br>(Moody's) /<br>BB+ |                      |                       |                   |                   |
| <b>Issuer</b> <sup>(3)</sup> ..... | Senior secured<br>guaranteed<br>unsubordinated | (Standard &<br>Poor's)                      | 550                  | 27 March<br>2026      | 3.125             | 2.065             |
|                                    |                                                | BBB-<br>(Fitch) / Ba1<br>(Moody's) /<br>BB+ |                      |                       |                   |                   |
| <b>Issuer</b> <sup>(3)</sup> ..... | Senior secured<br>guaranteed<br>unsubordinated | (Standard &<br>Poor's)                      | 500                  | 31<br>January<br>2025 | 2.125             | 1.640             |
|                                    |                                                | BBB (Fitch)                                 |                      | 6                     |                   |                   |
| <b>CETIN</b> <sup>(4)</sup> ....   | guaranteed<br>unsubordinated                   | / Baa2<br>(Moody's)                         | 625                  | December<br>2021      | 1.423             | 0.76              |
|                                    |                                                | BBB (Fitch)                                 |                      | 6                     |                   |                   |
| <b>CETIN</b> <sup>(4)</sup> ....   | guaranteed<br>unsubordinated                   | / Baa2<br>(Moody's)                         | 192 <sup>(5)</sup>   | December<br>2023      | 1.250             | -(6)              |
| <b>Total</b> .....                 |                                                |                                             | <u>1,867</u>         |                       |                   |                   |

Notes:

- (1) Represents principal owed, disregarding accrued interest, unamortised discounts/premiums and fees.
- (2) Bloomberg as of 31 December 2019.
- (3) Issued by the Issuer under its EUR 3 billion Euro Medium Term Note Programme.
- (4) Issued by CETIN FINANCE B.V. under its EUR 2 billion Euro Medium Term Note Programme and unconditionally and irrevocably guaranteed by CETIN.
- (5) CZK 4,866 million, converted into EUR using the exchange rate 1.0 EUR = 25.408 CZK.
- (6) Information not available.

In January 2020, the Issuer issued a EUR 100 million tap of the EUR 500 million 2.125 per cent. notes issued by the Issuer under the Programme (see table above) and as such matures on 31 January 2025 and carries fixed annual coupon at the rate of 2.125 per cent.

The following table provides a basic overview of outstanding Schuldschein issues of the Group as of 31 December 2019.

| <b>Group<br/>Member</b>                       | <b>Ranking</b>              | <b>Ratings<br/>Issue</b> | <b>at<br/>Bonds<br/>Outstanding<sup>(1)</sup></b> | <b>Maturity</b>                   | <b>Coupon</b>                   |
|-----------------------------------------------|-----------------------------|--------------------------|---------------------------------------------------|-----------------------------------|---------------------------------|
|                                               |                             |                          | (in EUR<br>millions)                              |                                   | (in per cent.)                  |
| <b>O2 Czech Republic</b> <sup>(2)</sup> ..... | unsecured<br>unsubordinated |                          | -                                                 | 17 April<br>2024-17 April<br>2026 | 6M<br>EURIBOR +<br>1.2 - 1.5954 |
| <b>O2 Czech Republic</b> <sup>(3)</sup> ..... | unsecured<br>unsubordinated |                          | -                                                 | 5 April 2022-<br>5 April 2024     | 3M PRIBOR<br>+ 0.75 - 1.734     |
| <b>Total</b> .....                            |                             |                          | <u>297</u>                                        |                                   |                                 |

Notes:

- (1) Represents principal owed, disregarding accrued interest, unamortised discounts/premiums and fees.
- (2) The Schuldschein issue consists of four tranches: (i) EUR 94 million due 17 April 2024 with interest rate 6M EURIBOR + 1.2 per cent. p.a., (ii) EUR 30 million due 17 April 2024 with interest rate 1.203 per cent. p.a.; (iii) EUR 26 million due 17 April 2026 with interest rate 6M EURIBOR + 1.4 per cent. p.a. and (iv) EUR 10 million due 17 April 2024 with interest rate 1.5954 per cent. p.a.
- (3) The Schuldschein issue consists of six tranches: (i) CZK 90 million (EUR 3.5 equivalent) due 5 April 2022 with interest rate 3M PRIBOR + 0.75 per cent. p.a., (ii) CZK 130 million (EUR 5.1 equivalent) due 5 April 2024 with interest rate 3M PRIBOR + 1.05 per cent. p.a., (iii) EUR 11 million due 5 April 2022 with interest rate 6M EURIBOR + 1.30 per cent. p.a., (iv) EUR 9 million due 5 April 2024 with interest rate 6M EURIBOR + 1.50 per cent. p.a., (v) CZK 470 million (EUR 18.5 equivalent) due 5 April 2022 with interest rate 1.316 per cent. p.a. and (vi) CZK 2,280 million (EUR 89.7 equivalent) due 5 April 2024 with interest rate 1.734 per cent. p.a.



The following table provides a basic overview of the Group's key bank loan and guarantee facilities as of 31 December 2019.

| <b>Group Member</b>            | <b>Type of Facility</b>             | <b>Security and Guarantees</b> | <b>Aggregate Outstanding Balance</b><br><i>(in EUR millions)</i> | <b>Base Rate<sup>(1)</sup></b> | <b>Final Maturity Date</b> |
|--------------------------------|-------------------------------------|--------------------------------|------------------------------------------------------------------|--------------------------------|----------------------------|
| <b>Issuer .....</b>            | Committed term, revolving Committed | security and guarantees        | 1,591 <sup>(2)</sup>                                             | EURIBOR <sup>(3)</sup>         | 2023-2024 <sup>(4)</sup>   |
| <b>O2 Czech Republic .....</b> | term, revolving                     | -                              | 275 <sup>(5)</sup>                                               | PRIBOR                         | 16 December 2020           |
| <b>Total .....</b>             |                                     |                                | <b>1,866</b>                                                     |                                |                            |

Notes:

- (1) May vary for different facilities
- (2) Includes loans of EUR 1,349 million and CZK 6,139 million (converted at a rate of 25.408 CZK/EUR). Revolving credit facility in the amount of EUR 200 million has not been utilised. The PPF Facilities Agreement also permits incurrence of incremental term and revolving loans, as long as the *pro forma* proportionate leverage of the Issuer's group on such incurrence does not exceed 3.50:1, subject to certain exceptions.
- (3) Or PRIBOR, SOFIBOR, BUBOR or BELIBOR, depending on the currency
- (4) Five to six years after the closing date, depending on the facilities, except for incremental facilities, whose maturity may not be shorter
- (5) Long-term facility of CZK 12 billion (EUR 470 million equivalent), of which CZK 7 billion (EUR 275 million equivalent) has been utilised as of 31 December 2019 and the remaining CZK 5 billion (EUR 195 million equivalent) represents a committed revolving credit facility.

The terms of certain of the Group's financial indebtedness contain restrictive provisions (see “– *Material Contracts*” for more information).

Further, one of the legal consequences of the CETIN's spin-off from O2 Czech Republic was the creation of the statutory Cross-Guarantee, whereby CETIN guarantees certain monetary and non-monetary debts of O2 Czech Republic, up to the amount of CZK 46.9 billion and O2 Czech Republic guarantees certain monetary and non-monetary debts of CETIN, up to the amount of CZK 19.7 billion. The Cross-Guarantee is not limited in time and may be exercised at any time until all of the guaranteed debts have ceased to exist. Should O2 Czech Republic or CETIN fail to pay their monetary debts or perform their non-monetary debts, creditors may claim under the Cross-Guarantee, which would result in an increased cost to CETIN or O2 Czech Republic.

### Capital Expenditures

Of the Group entities, CETIN incurs the largest capital expenditures. The maintenance and development of CETIN's domestic network requires continuous investments, both discretionary and committed through contracts with key customers. Approximately 25 per cent. of CETIN's total capital expenditures are committed through contracts with O2 Czech Republic and T-Mobile Czech Republic, while approximately 11 per cent. are tied to minimum necessary network maintenance required to sustain operating levels. The remaining capital expenditures are discretionary. The current main ongoing projects relate to (i) development of CETIN's mobile network, especially increase of network capacity and preparing for introduction of 5G, (ii) modernisation of fixed networks, particularly extension of fibre optic cables through FTTC/FTTH and installation of remote digital subscriber line access multiplexer (“**DSLAMs**”), (iii) individual customer projects and (iv) maintenance of the existing infrastructure. CETIN has committed to invest CZK 27 billion (EUR 1.04 billion equivalent) in the period 2018 to 2025.

The Telenor CEE Group and, to the relevant extent, also the O2 Group, own the assets necessary for the provision of mobile telecommunications services, which forms the structure

of their respective capital expenditures. The main asset categories include spectrum licences, mobile network components including the core network, radio access network and transport network including microwave and fibre optic cables, IT systems and licences for the support of the network operation and business functions. In addition, non-technology assets mainly include brand licences, stores and store design, other buildings and vehicles used for business purposes. The technology assets along with spectrum new bands' acquisitions and current bands' prolongations are also major drivers of new investments.

The following table provides an overview of the Group's CAPEX for the years ended 31 December 2019 and 2018.

|                             | Year ended 31 December   |                   |
|-----------------------------|--------------------------|-------------------|
|                             | 2019                     | 2018              |
|                             | <i>(in EUR millions)</i> |                   |
| Czech Republic (O2).....    | 57                       | 129               |
| Czech Republic (CETIN)..... | 161                      | 158               |
| Slovakia.....               | 38                       | 43                |
| Hungary.....                | 62                       | 10 <sup>(1)</sup> |
| Bulgaria.....               | 28                       | 7 <sup>(1)</sup>  |
| Serbia and Montenegro ..... | 46                       | 17 <sup>(1)</sup> |
| Unallocated .....           | 0                        | 0                 |
| <b>Total .....</b>          | <b>392</b>               | <b>364</b>        |

Notes:

(1) Data only for period 1 August 2018 until 31 December 2018 when Telenor CEE was part of the Group.

## Branding

O2 Czech Republic has the right to use the 'O2' brand until January 2022 with an extension option for a further five years, and the Telenor CEE Group has the right to use the 'Telenor' brand until April 2021 (see "*Material Business Contracts – Telenor Brand Licence Agreement, O2 Brand Licence Agreements*"). The Group plans to make decisions regarding its future branding strategy based on circumstances and, as of the date of this Base Listing Particulars, expects to either secure continued usage of the existing brands or rebrand the Group's activities under another brand.

## Information Technology

The Group's business operations are highly dependent on the functionalities, availability, security, and continuous development of its sophisticated and advanced IT systems. The IT systems of the individual Group members are integral to their business and provide the required capabilities for all fixed, mobile and digital services, such as online services point-of-sales support, third party integration of sales channels and resellers, service provisioning, billing, customer relationship management, data ware-housing and enterprise resource management, data analytics, and workplace support. Each segment of the Group uses its own independent IT systems. In 2018 and 2019, the O2 CZ Group successfully finalised its transformation programme 'Simple Online Company' implementing a complete re-design of its IT systems.

## Insurance

While the Issuer's senior management makes all commercial, procedural and supervisory decisions regarding insurance policies, the insurance contracts at the individual company-level remain the responsibility of local management. The Group members maintain insurance protection that they consider adequate in the ordinary course of operations, including protection against material damage to their business assets caused by, among other things,

fire, explosions, earthquakes, flooding and theft. Although the Group is covered by the industry standard insurances the Issuer cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Group may be exposed. Particularly, some of CETIN's assets including certain towers may not be insured as in the management's view such insurance may not be cost effective. The Issuer believes that its policies are in accordance with customary industry practice.

## Employees

The table below provides an overview of the average number of full-time equivalent employees of the Group for the years ended 31 December 2019 and 2018:

|                             | Year ended 31 December |               |
|-----------------------------|------------------------|---------------|
|                             | 2019                   | 2018          |
| Czech Republic (O2).....    | 4,526                  | 4,708         |
| Czech Republic (CETIN)..... | 2,117                  | 1,890         |
| Slovakia.....               | 740                    | 674           |
| Hungary.....                | 968                    | 980           |
| Bulgaria.....               | 1,642                  | 1,614         |
| Serbia.....                 | 1,318                  | 1,345         |
| Montenegro.....             | 256                    | 257           |
| Unallocated.....            | 627                    | 677           |
| <b>Total.....</b>           | <b>12,194</b>          | <b>12,145</b> |

## Material Business Contracts

### *Mobile Agreement between CETIN and O2 Czech Republic*

CETIN and O2 Czech Republic are parties to a long-term wholesale agreement pursuant to which CETIN provides O2 Czech Republic with mobile infrastructure services, such as mobile access services and carrying voice, messaging and data traffic, allowing O2 Czech Republic to provide mobile services to its customers in GSM (Global System for Mobile Communications), UMTS (Universal Mobile Telecommunications System, a set of third-generation (3G) mobile phone technologies) and 4G LTE systems. The agreement enables O2 Czech Republic to comply with its Czech regulatory obligations under its LTE spectrum licences and its undertakings towards customers. Under the agreement, O2 Czech Republic is committed to purchasing a set level of mobile infrastructure services and pay to CETIN a fee of CZK 4.4 billion (EUR 170 million equivalent) per year on a fully take-or-pay basis. After seven years, the fee may be re-negotiated between the parties, with the next renegotiation scheduled to occur in 2022. If no consensus is reached, O2 Czech Republic is obligated to make certain further payments for a phase-out period.

### *MMO Agreement between CETIN and O2 Czech Republic*

CETIN and O2 Czech Republic are parties to a long-term wholesale agreement regarding access to CETIN's public fixed communication network, based on the CETIN's mass market offer, available to all operators under fair and equal conditions. Under the agreement, CETIN provides certain wholesale services to O2 Czech Republic, including connection at termination points, access to publicly available electronic communications services and other related services. O2 Czech Republic has committed to purchase fixed network services for seven years at an agreed fee on a fully take-or-pay basis, with the current period commencing in June 2015.

### *Network Sharing Agreements*

O2 Czech Republic and T-Mobile Czech Republic are parties to two long-term agreements regarding the mutual sharing of their respective networks, (i) the Network Sharing Agreement

dated 29 October 2013, concerning the active sharing of their respective 2G/3G mobile networks in the Czech Republic and (ii) the Network Sharing Agreement dated 2 May 2014, concerning the active sharing of their 4G LTE mobile networks in the Czech Republic (collectively, the Network Sharing Agreements). As a result of CETIN's spin-off from O2 Czech Republic, CETIN replaced O2 Czech Republic as the counterparty to the Network Sharing Agreements.

Under the Network Sharing Agreements, T-Mobile Czech Republic is the master operator of the shared network for the western part of the Czech Republic, while CETIN is the master operator for the eastern part. Prague and Brno are excluded from the Network Sharing Agreements. The master operator owns and operates the active technology on all sites within its region, while ownership of the passive infrastructure (including the sites) remains unchanged, and ownership of the spectrum remains with the retail operators T-Mobile Czech Republic and O2 Czech Republic.

#### ***T-Mobile DSL Agreement***

CETIN and T-Mobile Czech Republic are parties to a long-term DSL agreement regarding the provision of data services, various xFBB services and fibre connectivity of sites by CETIN to T-Mobile Czech Republic. A substantial part of the agreement is on a take-or-pay basis.

#### ***Telenor Transitional Service Agreement***

Pursuant to a transitional services agreement ("TSA"), each of the Telenor CEE Group entities receive certain support services (including IT or procurement services) and migration assistance from the Telenor Group and provide certain reverse services back to the Telenor Group. These services are designed to support the orderly separation of the acquired business from the Telenor Group. The TSA is dated 21 March 2018 and each of the services to the Telenor CEE Group entities has a term of around twenty-four months from 31 July 2018 (with an option to extend for an additional period if necessary), unless they are terminated earlier for convenience or for cause, which includes on a change of control of the Telenor CEE Group entities (subject generally to provision of the services for a run-off period after termination). Each party's liability under the TSA in both its capacity as a service provider and as a service recipient is generally capped at differing levels depending on the services concerned.

#### ***Telenor Brand Licence Agreement***

The Telenor CEE Group entities have been granted rights to use trademarks and domain names in respect of the "Telenor" brand and related sub-brands in Hungary, Bulgaria, Serbia and Montenegro for specified purposes under a licence agreement that they entered into with Telenor ASA (the owner of the relevant trademarks and domain names). The agreement is dated 21 March 2018 and remains in force until 30 April 2021, unless terminated earlier for cause, which includes when there is a change of control of the entire Telenor CEE Group business. In most cases, the business has a run-off period post-termination to transition to a replacement brand.

#### ***O2 Brand Licence Agreement***

The O2 Group has been granted rights to use the 'O2' brand in the Czech Republic and Slovakia for specified purposes under a licence agreement with O2 Worldwide, the legal owner of the rights to the O2 brand and an entity of the Telefónica Group. As of the date of these Base Listing Particulars, the licence agreement with O2 Worldwide has been renewed until 27 January 2022. The O2 CZ Group has an option to unilaterally extend the right to use the brand for an additional five years. However, the licence agreement and the right of the O2 CZ Group to use the O2 brand may be terminated on customary terms and in certain exceptional circumstances, including in case of material breach.

### ***Telenor Hungary and Magyar Telekom Nyrt. Network Sharing Agreements***

Telenor Hungary and Magyar Telekom Nyrt. are parties to a network sharing agreement regarding the sharing of the 800 MHz spectrum and roll out and operation of the 4G LTE network in Hungary and to a network sharing agreement regarding the 900 MHz spectrum. Telenor Hungary is the master operator of the shared network for the western part of Hungary, while Magyar Telekom Nyrt. is the master operator for the eastern part. The city of Budapest is excluded from the network sharing. The parties' core network being responsible for product differentiation is not shared. In the year ended 31 December 2019, the majority of Telenor Hungary's data traffic was under the shared network.

### **Material Financing Arrangements**

#### ***PPF Facilities Agreement***

The Issuer is a party to the senior term and revolving facilities agreement dated 21 March 2018, as amended and restated on 22 March 2019, with, among others, BNP Paribas Fortis NV/SA, Crédit Agricole CIB, Česká spořitelna, a.s., HSBC Bank plc, Societe Generale and UniCredit Bank Czech Republic and Slovakia, a. s. as Global Co-ordinators, Societe Generale as Agent, Komerční banka, a.s. as Security Agent and certain financial institutions named therein as lenders (the “**PPF Facilities Agreement**”). The PPF Facilities Agreement is English law governed and provides for term loans in the aggregate amount of EUR 2.825 billion (with EUR 1.591 billion outstanding as of 31 December 2019) and revolving loans in the aggregate amount of EUR 200 million. The PPF Facilities Agreement also permits incurrence of incremental term and revolving loans, as long as the *pro forma* proportionate leverage of the Issuer's group on such incurrence does not exceed 3.50:1 or, where such incremental indebtedness is made available to fund certain permitted acquisitions of the Group, 3.99:1, subject to certain exceptions.

The obligations of the Issuer under the PPF Facilities Agreement are general, senior secured obligations of the Issuer and rank equally in right of payment with the Issuer's existing and future indebtedness that is not subordinated in right of payment, including under the Notes. The final maturity date with respect to the loans under the PPF Facilities Agreement is 31 July 2023 and 31 July 2024, depending on the facilities, except for incremental facilities, whose final maturity may not fall before 31 July 2024. The interest rate under the PPF Facilities Agreement is calculated as a margin plus the EURIBOR, PRIBOR, SOFIBOR, BUBOR or BELIBOR reference rate, depending on the currency. The margin is subject to adjustments based on proportionate leverage of the Group.

The obligations under the PPF Facilities Agreement benefit from the same guarantees and security granted in favour of the Notes in accordance with the terms of the relevant Security Documents. For a description of the security created in relation to, among other things, the PPF Facilities Agreement, see “*–Transaction Security*” below.

The PPF Facilities Agreement contains representations and warranties common to loans of this type, as well as undertakings that, among other things, limit the ability of the Issuer and certain of its subsidiaries to:

- issue shares, consolidate, merge or engage in certain other similar transactions;
- engage in certain investments;
- create security or quasi-security on assets;
- transfer, lease or sell assets;
- engage in certain business activities;
- pay any dividend, charge, fee or other distribution;

- be a creditor in respect of financial indebtedness; and
- incur financial indebtedness, guarantees or indemnities.

These undertakings are subject to a number of important limitations and exceptions.

Further, the PPF Facilities Agreement also contains financial covenants involving the regular testing of:

- proportionate leverage calculated as proportionate net debt to proportionate EBITDA of the relevant part of the Group, which for any relevant period ending on or after 31 December 2018 may not exceed: (i) 4.50:1 for the group consisting of all material Group entities, (ii) 2.50:1, subject to adjustments from time to time, for the group consisting primarily of the O2 Group and CETIN (iii) 1.00:1 for the group consisting of the Telenor CEE Group and future target entities.
- the interest cover calculated as cash upstreamed to the Issuer by its subsidiaries to net finance charges of the Issuer, which may not be less than 2.50:1 in respect of the financial years ending on 31 December 2018 and 2019 and less than 3.00:1 thereafter.

In addition, the PPF Facilities Agreement contains customary events of default, including, among other things, non-payment, breach of financial covenants or other obligations, misrepresentation, cross default, insolvency, breach of the related intercreditor agreement, repudiation and rescission of agreements, litigation and material adverse change.

The PPF Facilities Agreement allows for the Transaction Security to be released if the proportionate leverage of the Group (calculated as above), subject to certain exceptions, is equal to or below 2.00:1 and, among other things, no default or blocking event is continuing and the Issuer delivers a notice to the agent; if, however, the leverage increases to or exceeds 2.50:1, the security subject to the release must be again created and perfected. In addition, a guarantor other than the Original Guarantors may, upon request, cease to be a guarantor provided that, among others, such guarantor is being disposed in full to a person outside the Group, to O2 CZ Group or to CETIN, is not a Material Company (as defined in the PPF Facilities Agreement) and the *pro forma* proportionate leverage of the Issuer's group on such incurrence does not exceed 2.00:1.

The PPF Facilities Agreement allows for voluntary prepayment of any loan upon five business days' notice, provided such prepayment is at a minimum of EUR 5 million. Further, the PPF Facilities Agreement sets forth, subject to the level of proportionate leverage of the Group, mandatory prepayment from excess upstreamed cash for any financial year of the Issuer in excess of EUR 20 million, whereas excess upstreamed cash is defined as cash dividends or distributions paid, or long term loan provided, by each Group member to the Issuer less, among other things, costs of such upstreaming, debt service, voluntary prepayments, taxes and expenses of the Borrower up to EUR 5 million and any guarantee fees under the PPF Facilities Agreement.

The PPF Facilities Agreement also sets forth that if, among other things, it is or becomes unlawful for an Obligor or a Third Party Security Provider to perform its material obligations under the Finance Documents (each term as defined in the PPF Facilities Agreement), any Finance Documents ceases to be legal, valid or enforceable or any Group member suspends or ceases to carry a material parts of its business and such suspension has a Material Adverse Effect (each a so-called blocking event) and such event is not remedied within 20 business days, each lender shall have the right to have its commitment cancelled and its participations prepaid within five business days after notification of the Issuer by the agent, provided that the Issuer shall have, under certain conditions, the right to require such retiring lender to transfer all of its rights and obligations to a replacement lender.

## ***PPF Intercreditor Agreement***

### *Overview*

The Issuer is a party to an intercreditor agreement dated 28 June 2018 with certain of the Guarantors, PPF TMT Holdco 2 B.V. (the “**Investor**”), the agent under the Senior Credit Facility, the Security Agent and the other parties thereto establishing certain intercreditor arrangements among certain secured and unsecured creditors of the Group (the “**Original Intercreditor Agreement**”). On 15 February 2019, an amendment and restatement agreement was entered into (the “**Amendment and Restatement Agreement**”) which, among other things, amended and restated the Original Intercreditor Agreement (as so amended and restated, the “**Intercreditor Agreement**”) to incorporate the Notes as Senior Notes (as defined in the Intercreditor Agreement) and as liabilities of the “Debtors” (as defined in the Intercreditor Agreement, and including the Issuer and the Guarantors), and for the Trustee to be a Senior Note Trustee (as defined in the Intercreditor Agreement). The Trustee and the Security Agent entered into a Creditor Representative Accession Undertaking dated 22 March 2019 under which the Trustee, as representative of the Noteholders, acceded to the Intercreditor Agreement.

Liabilities under the Notes Trust Deed constitute a “Senior Notes Trust Deed”, the Notes constitute “Senior Notes Liabilities” and “Senior Liabilities”, the Notes Trustee and each Noteholder constitute a “Senior Creditor” and a “Senior Notes Creditor”, and the Notes Trustee constitutes a “Senior Notes Trustee” and a “Creditor Representative”, in each case under (and as defined in) the Intercreditor Agreement.

The Intercreditor Agreement is governed by English law, and, among other things, sets out the ranking of liabilities of the Debtors and of the security interests (including the Transaction Security) granted to the Senior Creditors (as defined below), regulates when payments can be made, and enforcement action taken, in respect of such liabilities and such security interests, provides for the turnover of recoveries or payments to the Senior Creditors and the application of proceeds of enforcement of such security interests. By accepting a Note, holders of the Notes deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

Unless the context otherwise requires, terms defined in this section apply only to this section. The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and prospective investors should review that document to determine the rights of the holders of the Notes, and of the Trustee, under it.

In this section, “Initial Senior Credit Facilities Agreement” means the senior facilities agreement described above under “*PPF Facilities Agreement*” and “Senior Credit Facility Agreement” means the Initial Senior Credit Facilities Agreement and any facility or facilities agreement or agreements which refinance, replace, increase, supplement or are in addition to the Initial Senior Credit Facilities Agreement (whether or not any amounts or commitments are outstanding thereunder at such time):

- (a) which does not breach the terms of the Intercreditor Agreement, the other Senior Facilities Agreement(s) or any Senior Notes Trust Deed (as defined below) at that time; and
- (b) among other things, the agent of the lenders of which becomes a party to the Intercreditor Agreement as a Creditor Representative (as defined in the Intercreditor Agreement) and the lender(s) of which has (have) become party (parties) to the Intercreditor Agreement as Senior Lender(s),

“Senior Facility Documents” means the finance documents as defined under any Senior Credit Facility Agreement and “Senior Lender” means any lender under any such Senior Credit Facility Agreement.

In this section, “Senior Creditors” means each Senior Notes Creditor, each Creditor Representative in relation to any Senior Liabilities, each Senior Arranger, each Senior Lender and each Hedge Counterparty, “Senior Notes Creditor” means a Senior Noteholder, Senior Notes Trustee, any agent thereof under any Senior Notes Trust Deed and any Senior Notes Administrative Party, “Creditor Representative” means, in relation to the Senior Lenders under a Senior Facility, the facility agent in respect of that Senior Facility which has acceded to the Intercreditor Agreement as the Creditor Representative of such Senior Lenders and, in relation to any Senior Noteholders, the Senior Notes Trustee which has acceded to the Intercreditor Agreement as the Creditor Representative of such Senior Noteholders, “Senior Liabilities” means the Liabilities owed by the Debtors to the Senior Creditors under or in connection with the Senior Debt Documents, “Senior Arranger” means any arranger of a credit facility which creates or evidences any Senior Liabilities which is or becomes a Party (as defined the Intercreditor Agreement) as such, “Hedge Counterparty” means each entity which is or becomes a Party (as defined in the Intercreditor Agreement) as such, “Senior Noteholder” means a “noteholder” as defined in the relevant Senior Notes Trust Deed, “Senior Notes Trustee” means any note trustee in respect of Senior Notes which has acceded as a Creditor Representative, “Senior Notes Trust Deed” means any trust deed entered into between the Issuer and a Senior Notes Trustee in respect of any Senior Notes, “Senior Notes Administrative Party” means any paying agent, transfer agent or registrar appointed in respect of any Senior Notes and “Senior Notes” means any senior notes issued or to be issued by the Issuer from time to time (and outstanding) under the relevant Senior Notes Trust Deed (where the Issuer has confirmed that the incurrence of the same will not breach the Senior Debt Documents).

In this section, “Senior Debt Documents” means the Senior Facility Documents, the Senior Notes Documents and the Hedging Agreements, “Senior Notes Documents” means each Senior Notes Trust Deed, any Senior Notes Conditions, any Senior Notes, each Senior Notes Agency Agreement, the Intercreditor Agreement, the Transaction Security Documents and each Senior Notes Guarantee (as defined in the Intercreditor Agreement). “Senior Notes Agency Agreement” means any agency agreement entered into between the Issuer, a Senior Notes Trustee and the Senior Notes Administrative Parties in respect of any Senior Notes and “Hedging Agreements” means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Issuer and a Hedge Counterparty for the purpose of hedging interest rates and / or exchange rates in relation to the Term Outstandings.

In this section, “Senior Facility Liabilities” means the liabilities of the Debtors under any Senior Facility Documents, “Senior Notes Liabilities” means any liabilities of the Debtors under the Senior Notes Documents and “Hedging Liabilities” means the liabilities of the Debtors to the Hedge Counterparties under or in respect of any Hedging Agreements, “Intra-Group Liabilities” means amounts owed by any Debtor to any member of the Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect to it and which becomes a party to the Intercreditor Agreement as an “Intra-Group Lender” (as defined in the Intercreditor Agreement) in accordance with the terms of the Intercreditor Agreement, and “Investor Liabilities” means amounts owed by any Debtor to the Investor, and in this section “Secured Obligations” means the all liabilities (including Senior Facility Liabilities, Senior Notes Liabilities, Hedging Liabilities and liabilities to any other Senior Creditor) owed by the Debtors.

In this section, the Senior Facility Documents, the Senior Notes Documents, the Intercreditor Agreement, the Hedging Agreements, any agreement evidencing the terms of the Investor Liabilities or the Intra-Group Liabilities, the related ancillary and security documents



(including the Transaction Security) and any other document designated as such by the Security Agent and the Company are referred to herein are referred to in this section as “Debt Documents”, and the Senior Creditors, the Intra-Group Lenders and the Investor are referred to herein as “Creditors”.

In this section, an “Instructing Group” means the Majority Senior Creditors. “Majority Senior Creditors” means, at any time, Senior Creditors whose participations in the Senior Credit Participations at the relevant time aggregate more than 50 per cent. of the Senior Credit Participations at that time. “Senior Credit Participation” means, in relation to a Senior Lender, its aggregate drawn and undrawn commitments under any Senior Credit Facility Agreement, in relation to a Hedging Counterparty (a) the aggregate of amounts due to it and unpaid in respect of Hedging Agreements (to the extent the same is a Hedging Liability) that have been terminated or closed out prior to the date of calculation and (b) following the Senior Debt Discharge Date, an amount equal to its aggregate exposures under Hedging Agreements (including exposures under any Hedging Agreement that has not been terminated or closed out as if such Hedging Agreement was subject to an early termination based on a Debtor default), and, in relation to a Senior Noteholder, the principal amount of outstanding Senior Notes held by that Senior Noteholder. “Required Senior Lenders” means, in relation to any vote or decision, each Creditor Representative acting on behalf of any Senior Lenders and “Required Senior Noteholders” means each Creditor Representative acting on behalf of any Senior Noteholders and “Third Party Security Provider” means the Investor and any other person (other than a member of the Group) which has entered into a Transaction Security Document pursuant to which it creates or expresses to create security over its assets.

### *Ranking and Priority*

#### Priority of liabilities

The Intercreditor Agreement provides that (subject to certain permitted payments as set out under the heading “Permitted Payments”, below) the liabilities owed by the Debtors to the creditors under the Debt Documents rank as follows: The Senior Liabilities shall rank *pari passu* and without any preference between them and the Intra-Group Liabilities and the Investor Liabilities shall be postponed and subordinated to the Senior Liabilities (without any preference between the Intra-Group Liabilities and the Investor Liabilities).

#### Priority of Security

The Intercreditor Agreement provides that the Transaction Security shall secure the Senior Liabilities *pari passu* between themselves and without any preference between them.

#### Subordination of Intra-Group Liabilities and Investor Liabilities

The Intercreditor Agreement provides that the Intra-Group Liabilities and Investor Liabilities are each postponed and subordinated to the liabilities owed by the Debtors to the Senior Creditors, and that the Investor Liabilities are further postponed and subordinated to the Intra-Group Liabilities. The Intercreditor Agreement does not purport to rank the Intra-Group Liabilities as between themselves or the Investor Liabilities as between themselves.

#### Permitted Payments

The Intercreditor Agreement permits, *inter alia*, the following payments.

*Permitted Senior Payments:* The Debtors may make payments in respect of the Senior Facility Liabilities and the Senior Notes Liabilities at any time in accordance with the relevant Senior Facility Documents or Senior Notes Documents.

*Permitted Hedge Payments:* Debtors may make payments to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging

Agreement in accordance with the terms of that Hedging Agreement, if, *inter alia*, (i) the payment is a scheduled payment arising under the relevant Hedging Agreement, (ii) to the extent that the relevant Debtor's obligation to make the payment arises as a result of the operation of certain sections of the ISDA 1992 or 2002 Master Agreements or any similar provision of a Hedging Agreement not based on such master agreements, (iii) the payment relates to certain non-credit-related close out events in respect of the relevant Hedging Agreement, or (while no Event of Default is continuing) such payment results from (A) a credit-related close-out or a permitted automatic early termination event relating to the relevant Debtor or (B) a close-out or termination arising as a result of an insolvency event or force majeure affecting the relevant Hedge Counterparty, or (v) with the prior consent of the Required Senior Lenders and Required Senior Noteholders (together, "Required Consent"). However, no such payment may be made without Required Consent if any scheduled payment due from that Hedge Counterparty to a Debtor under a Hedging Agreement to which they are both party is due and unpaid.

*Permitted Intra-Group Payments:* members of the Group may make payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time when due, except such payments may not be made if, at the time of the payment, an acceleration in respect of the Senior Facility Liabilities or the Senior Notes Liabilities has occurred and is continuing unless (i) prior to the "Senior Discharge Date" (being the first date on which (amongst other liabilities) all Senior Notes Liabilities have been fully and finally discharged to the satisfaction of each Senior Notes Trustee), Required Consent is obtained to that payment being made; or (ii) that Payment is made to facilitate payment of the Senior Liabilities or Senior Notes Trustee Amounts (as defined in the Intercreditor Agreement).

*Permitted Investor Payments:* Prior to the Senior Discharge Date, the Debtors may not, and must procure that no other member of the Group will, make any payment of the Investor Liabilities at any time unless that payment is expressly permitted by each Senior Facility Agreement and permitted by the Senior Notes Conditions or Required Consent to that payment is obtained.

#### Enforcement Instructions

The Intercreditor Agreement provides that the Security Agent may not take any Enforcement Action (as defined in the Intercreditor Agreement) with respect to the Transaction Security unless instructed to do so by the Instructing Group (as defined below, and such instructions "Enforcement Instructions"), shall act in accordance with Enforcement Instructions, and may refrain from enforcing the Transaction Security unless instructed otherwise by the Instructing Group. Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Agent as it sees fit. No Secured Party may enforce against or have recourse to the Transaction Security other than through the Security Agent.

If the Instructing Group wishes to issue Enforcement Instructions, the Creditor Representatives (and, if applicable, Hedge Counterparties) representing the relevant Senior Creditors comprising the Instructing Group shall deliver a copy of the proposed Enforcement Instructions to the Security Agent, which will promptly forward a copy of the same to each other Creditor Representative and Hedge Counterparty. Prior to acting on such Enforcement Instructions, the Security Agent shall (except where an Insolvency Event is continuing with respect to a Debtor or where the Instructing Group determines in good faith that a delay could reasonably be expected to have a material adverse effect on the ability to effect an enforcement disposal or on the expected realisation proceeds) consult with the Creditor Representatives and Hedge Counterparties for a period of not less than 10 business days and not more than 20 business days.

### Manner of Enforcement

If the Transaction Security is being enforced as set forth above under the caption “— Enforcement Instructions,” the Security Agent shall enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as the Instructing Group shall instruct or, in the absence of any such instructions, as the Security Agent sees fit, in each case in accordance with applicable law and the terms of the relevant Transaction Security Documents.

### Exercise of Voting Rights

Each Creditor (other than each Creditor Representative and each Senior Arranger) agrees to cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group or Third Party Security Provider as instructed by the Security Agent (and each Creditor Representative for any Senior Noteholders will cast the vote of such Noteholders accordingly). The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group.

### Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Senior Creditors and the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest which is capable of being applied in or towards discharge of any of the Secured Obligations, is so applied.

### Turnover of Enforcement Proceeds

Subject to certain clauses and exclusions of and in the Intercreditor Agreement, if at any time prior to the Senior Discharge Date, any Senior Creditor (other than the Security Agent) receives or recovers from any member of the Group the proceeds of any enforcement of any Transaction Security (whether received or recovered by way of set-off or otherwise, but excepting any receipt or recovery by any Hedge Counterparty way of certain netting provisions of the Hedging Agreements or (in the case of Ancillary Lenders, by way of netting or set-off of related overdrafts), that Creditor will:

- (i) in relation to receipts and recoveries not received or recovered by way of set-off:
  - (A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (as defined in the Intercreditor Agreement, including but not limited to all liabilities ranking *pari passu* with or in priority to the liabilities owed to such Creditor and other liabilities owed to the Security Agent) (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
  - (B) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

### Proceeds of Disposals: Non-Distressed Disposals

In this section, “Disposal Proceeds” means the proceeds of a Non-Distressed Disposal (as defined below).

A “Non-Distressed Disposal” means a disposal of (a) an asset by a Debtor or (b) an asset which is subject to the Transaction Security, to a person or persons outside the Group where: (i) each Creditor Representative in respect of each Senior Facility Agreement notifies the Security Agent that that disposal is permitted under the Senior Finance Documents, (ii) two directors of the Company certify to the Security Agent that the disposal (and any related release of Transaction Security) is permitted under the Senior Debt Documents (or each Creditor Representative in respect of each Senior Facility Agreement and Senior Notes Conditions authorises such release) and (iii) that disposal is not a Distressed Disposal (as defined below)

If the disposal of an asset is a Non-Distressed Disposal, the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party, Debtor or Third Party Security Provider) to: (a) release the Transaction Security and any other claim (relating to a Debt Document) over that asset, (b) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security and any other claim (relating to a Debt Document) over that member of Group’s assets, (c) to execute and deliver or enter into any release of the Transaction Security or any claim described in the two bullet points above and/or (d) issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may in the discretion of the Security Agent be considered necessary or desirable (the actions described in the foregoing (d) being “Crystallisation Actions” , and the actions described in the foregoing (a), (b), (c) and (d) collectively, “Release Actions”).

### Application of Certain Proceeds

If the aggregate amount in respect of any Disposal Proceeds, acquisition or report recovery proceeds, insurance proceeds or proceeds of any listing required to be applied in mandatory prepayment or purchase of the Senior Liabilities under the terms of the relevant Senior Debt Documents exceeds the amount of the relevant proceeds, the prepayment or purchase obligation under each relevant Senior Debt Document will be reduced *pro rata* to the principal amount outstanding under that Senior Debt Document such that the aggregate amount required to be applied in mandatory prepayment or purchase under the relevant Senior Debt Documents is equal to the relevant proceeds (and without prejudice to the rights of any Senior Creditor to decline such prepayment).

### Release and Retake of Security

The Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party Debtor or Third Party Security Provider) to effect any Release Actions, but only if the Company has delivered to the Security Agent a request that it do so and each Senior Agent (and, if expressly required by the terms of any relevant Senior Notes Documents, the applicable Senior Notes Trustee(s) or, if not so expressly required, the Company has confirmed to the Security Agent that such release is permitted under the relevant Senior Notes Conditions) has confirmed that the applicable conditions for release under the applicable Debt Documents have been satisfied. If at any time after the Security Agent has released any Transaction Security pursuant to the foregoing Transaction Security is required to be granted under any Senior Debt Documents, each relevant member of the Group and former Third Party Security Provider must create and perfect Transaction Security over their respective assets subject to and in accordance with the relevant Senior Debt Documents and certain agreed security principles and the Security Agent shall take that Transaction Security. See “*PPF Facilities Agreement*” above.

### Distressed Disposals

A “Distressed Disposal” is a disposal of an asset of a member of the Group or a Third Party Security Provider which is being effected: (a) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable, (b) by enforcement of the Transaction Security, or (c) after the occurrence of a Distress Event (as defined in the Intercreditor Agreement), by a Debtor to a person or persons which is not a member of the Group.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, Debtor or Third Party Security Provider):

- (i) to effect any Release Action;
- (ii) if the asset consists of shares in the capital of a Debtor to release (a) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities, (b) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets, and (c) any other claim of an Intra-Group Lender, the Investor, another Debtor or a Third Party Security Provider over that Debtor’s assets or over the assets of any subsidiary of that Debtor, in each case on behalf of the relevant Creditors, Debtors and Third Party Security Providers;
- (iii) if the asset subject to the Distressed Disposal consists of shares in the capital of any holding company of a Debtor, to release: (a) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities, (b) any Transaction Security granted by any subsidiary of that holding company over any of its assets, and (c) any other claim of an Intra-Group Lender, the Investor, another Debtor over the assets of that holding company and any subsidiary of that holding company, in each case on behalf of the relevant Creditors, Debtors and Third Party Security Providers;
- (iv) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Debtor (the Disposed Entity) and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities (other than liabilities due to any Creditor Representative or Senior Arranger) or in relation to a Debtor, any liabilities and obligations owed to any other Debtor or any other member of the Group by that Debtor (the Debtors’ Intra-Group Receivables) owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
  - a. on the basis that any transferee of those liabilities or Debtors’ Intra-Group Receivables (the Transferee) will not be treated as a Senior Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtors’ Intra-Group Receivables on behalf of the relevant Creditors, Debtors and Third Party Security Providers provided that notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Senior Creditor or a Secured Party for the purposes of the Intercreditor Agreement; or
  - b. on the basis that any transferee of those liabilities or Debtors’ Intra-Group Receivables will be treated as a Senior Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to execute and deliver or enter into any agreement to dispose of all (and not part only) of the liabilities owed to

the Senior Creditors (other than to the Senior Agent or any senior arranger); and all or part of any other liabilities (other than liabilities owed to the Senior Agent or any senior arranger) and the Debtors' Intra-Group Receivables on behalf of, in each case, the relevant Creditors, Debtors and Third Party Security Providers.

- (v) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or the holding company of a Disposed Entity and the Security Agent decides to transfer to another Debtor (the Receiving Entity) all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of: the Intra-Group Liabilities, any Investor Liabilities or the Debtors' Intra-Group Receivables, to execute and deliver or enter into any agreement to: (a) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Investor Liabilities or Debtor Intra-Group Receivables on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations, and (b) (provided the Receiving Entity is a holding company of the Disposed Entity which holding company is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, Investor Liabilities or Debtors' Intra-Group Receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtors' Intra-Group Receivables pursuant to (iv) or (v) above (a "Debt Disposal")) shall be paid, or distributed, to the Security Agent for application in accordance with the provisions set out under the caption "—Application of Proceeds" and, to the extent that Liabilities Sale (defined as a Debt Disposal pursuant to (iv)(b) above) has occurred, as if that Liabilities Sale had not occurred.

In the case of a Distressed Disposal (or a Liabilities Sale) effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone (or request postponement of) any such Distressed Disposal or Liabilities Sale in order to achieve a higher price).

#### Effect of Insolvency Event; Filing of Claims

Subject to specific provisions of the Intercreditor Agreement concerning cash cover and limitations on each Senior Notes Trustee's turnover obligations, after the occurrence of an Insolvency Event in relation to any member of the Group or any Third Party Security Provider, any party entitled to receive a distribution out of the assets of that member of the Group or Third Party Security Provider in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group or Third Party Security Provider to make that distribution to the Security Agent (or such other person as the Security Agent shall direct) until the Secured Obligations have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption "—Application of Proceeds: Order of Application" below.

Generally (subject to certain exceptions), to the extent that any liabilities of a member of the Group are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor which benefited from that set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption "—Application of Proceeds: Order of Application" below.

If the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the liabilities.

Without prejudice to certain rights of ancillary lenders of netting or set-off relating to Multi-account Overdraft Liabilities, after the occurrence of an Insolvency Event in relation to any member of the Group or Third Party Security Provider, each Creditor irrevocably authorises the Security Agent on its behalf, to: (a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group or Third Party Security Provider, (b) demand, sue, prove and give receipt for any or all of the liabilities of that member of the Group or Third Party Security Provider, (c) collect and receive all distributions on, or on account of, any or all of the liabilities of that member of the Group or Third Party Security Provider, and (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover the liabilities of that member of the Group or Third Party Security Provider.

Each Creditor will (i) do all things that the Security Agent reasonably requests in order to give effect to the foregoing and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this section or if the Security Agent (acting in accordance with the Intercreditor Agreement) requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action.

#### Application of Proceeds: Order of application

Subject to the Intercreditor Agreement, the amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document or in connection with the realisation or enforcement of all or any part of the Transaction Security shall be held by the Security Agent on trust and, to the extent permitted by applicable law, be applied at any time as the Security Agent (in its discretion) sees fit: First, in discharging any sums owing to the Security Agent (in its own right, and other than in respect of parallel debt provisions of the Intercreditor Agreement) or any receiver or delegate and in payment to the Creditor Representatives of fees, costs and expenses due to them under the respective Debt Documents, secondly in discharging all costs and expenses incurred by any Senior Creditor in connection with the realisation or enforcement of Transaction Security or at the request of the Security Agent, thirdly, in payment or distribution to each Creditor Representative towards discharge of the relevant Senior Liabilities on a *pari passu* basis, fourthly, if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor, and fifthly, the balance in payment or distribution to the relevant Debtor.

#### Equalisation among the Senior Creditors

The Intercreditor Agreement provides that if, for any reason, any Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Creditors at the enforcement date, the Senior Creditors (subject, in the case of the Senior Notes Trustee, to the terms of the Intercreditor Agreement) will make such payments amongst themselves as the Security Agent shall require to put the Senior Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

### Amendments and Waivers

The Intercreditor Agreement does not restrict Senior Creditors amending, restating, extending, supplementing, modifying or waiving any term of their respective Debt Documents in accordance with the terms of such Debt Documents.

The Intercreditor Agreement permits the Security Agent (if required by the Required Senior Lenders and Required Senior Noteholders and consented to by the Company), and subject to the terms of any Debt Documents, to amend the terms of or waive any requirement under or grant any consent under any of the Transaction Security, but, subject to certain exceptions, if any such amendment or waiver or consent has the effect of changing or relates to: (i) the nature or scope of the Charged Property (as defined in the Intercreditor Agreement), (ii) the manner in which the proceeds of enforcement of the Transaction Security are distributed or (iii) the release of any Transaction Security, such amendment, waiver or consent shall not be made without the prior consent of the Senior Lenders whose consent to the same is required by the Senior Facility Documents, the Senior Notes Trustee(s) on behalf of the relevant Senior Noteholders whose consent is required under the Senior Notes Documents, and the Hedge Counterparties.

Subject to certain exceptions, terms of the Intercreditor Agreement relating to (i) redistribution and application of proceeds of enforcement, (ii) the giving of instructions in respect of the Security Agent's own position, so as to effect (in the opinion of the Security Agent) a de facto amendment to the Intercreditor Agreement or the requirement that in the absence of instructions the Security Agent should act having regard to the interest of all Secured Parties or (iii) the order of priority or subordination under the Intercreditor Agreement, may not be amended, waived or changed without the consent of the Creditor Representatives, the Senior Lenders, each Senior Notes Trustee, each Hedge Counterparty (to the extent the amendment or waiver would adversely affect the Hedge Counterparty) and the Security Agent. Any amendment or waiver to the provisions of the Intercreditor Agreement:

- (a) relating to equalisation among the Senior Creditors may be made with the consent of the Creditor Representatives in respect of any Senior Facility Liabilities, the Hedge Counterparties and the Security Agent to the extent that such amendment or waiver does not affect the Senior Notes Creditors;
- (b) constituting the guarantee and indemnity in favour of the Hedge Counterparties (ranking *pari passu* with the Guarantees) may be made with the consent of the Hedge Counterparties to the extent the same does not affect the Senior Lenders or the Senior Notes Creditors; and
- (c) other than as provided in (a) or (b) above (and subject to other exceptions) may be made only with the consent of the Creditor Representatives, the Required Senior Lenders, the Required Senior Noteholders and the Security Agent.

### Additional Indebtedness

If the Issuer gives notice to the Security Agent, the Creditor Representatives and the Hedge Counterparties that it intends to enter into permitted additional Senior Liabilities, the parties (other than the Senior Notes Trustee) are obliged (at the cost of the Issuer) to enter (subject to the Agreed Security Principles (as defined in the Intercreditor Agreement)) to into such documentation as may be necessary to preserve the ranking of the Senior Liabilities (provided that such documentation does not adversely affect (i) the rights, obligations and protections of any Creditor Representative or the Security Agent or (ii) the interests of any other Secured Parties (re-commencement of security hardening periods excepted)). The relevant arranger and creditors of such additional Senior Liabilities shall accede to the Intercreditor Agreement.



### Override

The terms and conditions of the Intercreditor Agreement override any conflicting provision of any of the Debt Documents (including any Senior Debt Documents).

### Senior Facility Structural Adjustment

If a Senior Facility Structural Adjustment (and as defined in the Initial Senior Credit Facilities Agreement) is approved by the Company and the requisite Senior Facility Creditors and complies with the Intercreditor Agreement terms in relation to the Senior Facility Liabilities, and is confirmed by the Company to comply with the terms of all of the Senior Debt Documents, the Security Agent is authorised to enter into any release or grant any consent in relation to any of the Transaction Security.

### Snooze/Lose

Subject to certain exceptions, if in relation to certain requests for consents, votes, participations or approvals under the Intercreditor Agreement, an Senior Lender fails to respond or provide requested information within 15 Business Days of that request being made, such Senior Lender's Senior Secured Credit Participation will be deemed to be zero for the purposes of calculating whether any relevant percentage of Senior Credit Participations necessary to give that consent, carry that vote or approve that action and such Senior Lender shall be disregarded in ascertaining the consent or vote of any specified group of Senior Secured Creditors.

### ***Transaction Security***

Subject to the provisions of Condition 3.6 (*Status of the Notes, the Guarantee and Security – Release of Security*), the provisions of the Intercreditor Agreement and registration pursuant to the terms of the relevant Security Documents, the obligations of the Issuer and the Guarantors under the Notes, the Guarantee, the PPF Facilities Agreement and certain other obligations of the Issuer and the Guarantors are secured by security (which includes the Security Interests on the Collateral as defined in the Conditions of the Notes) (the “**Transaction Security**”) created under a number of security documents (the “**Security Documents**”) which provide the Noteholders with the benefit of a common security package alongside other Secured Parties (as defined in the Intercreditor Agreement). As of the date of these Base Listing Particulars, the Transaction Security consists of:

- Bulgarian law governed financial collateral with the creation of a pledge over all the shares in Telenor Bulgaria EAD;
- Czech law governed pledges of receivables from bank accounts of the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed share pledges over all the shares in the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed share pledge over 75 per cent. shares in TMT Hungary B.V.;
- Dutch law governed pledges over bank account receivables of the Issuer, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Dutch law governed pledges over intercompany loans provided by the Issuer, the Investor, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- English law governed security over hedging receivables (the Issuer only), acquisition agreements and intercompany loans provided or received by the Issuer, the Investor, PPF Infrastructure B.V., PPF Telco B.V. and PPF TMT Bidco 1 B.V.;
- Hungarian law governed pledge over all shares in Telenor Common Operation Zrt.;

- Montenegrin law governed pledge on quota (shares) in respect of Telenor d.o.o. Podgorica; and
- Serbian law governed pledge of quota (shares) in respect of Telenor d.o.o. Beograd.

Some or all of the Transaction Security may be released in certain circumstances. In addition, the validity and enforceability of the Transaction Security is subject to certain limitations. The Noteholders and the other Secured Parties share in the benefit of the security interests in the Transaction Security, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents, as further described in Condition 3.5 (*Status of the Notes, the Guarantee and Security – Security*) and in “-Material Financing Arrangements—Intercreditor Agreement”.

## ***O2 Czech Republic Facilities Agreement***

O2 Czech Republic is a party to a term and revolving facilities agreement dated 16 December 2015, as amended, with Komerční banka, a.s. (acting also as an agent), Česká spořitelna, a.s., Československá obchodní banka, a.s., Československá obchodná banka, a.s., Citibank Europe plc., Raiffeisenbank a.s., Slovenská sporiteľňa, a. s., UniCredit Bank Czech Republic and Slovakia, a.s. and Všeobecná úverová banka, a.s., pursuant to which O2 Czech Republic has been provided with term and revolving facilities in the aggregate amount of CZK 12 billion due 16 December 2020. The obligations of O2 Czech Republic under the agreement are general, senior unsecured obligations of O2 Czech Republic and rank equally in right of payment with O2 Czech Republic’s existing and future indebtedness that is not subordinated in right of payment.

## **Legal Proceedings**

The Group may from time to time be subject to governmental, regulatory and legal or arbitral proceedings and claims, including those described below. As of 31 December 2019, the Group had a provision for claims and legal costs of EUR 5 million. Other than the proceedings described below, there are no governmental, regulatory and legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the 12 months prior to the date of these Base Listing Particulars which may have, or have had a significant effect on the financial position or profitability of the Group.

### ***Antitrust Proceedings in respect of O2 Czech Republic, CETIN and T-Mobile Czech Republic Related to Network Sharing***

On 25 October 2016, the European Commission announced that it has opened formal antitrust proceedings to investigate the network sharing co-operation between O2 Czech Republic, CETIN and T-Mobile Czech Republic. The European Commission will examine whether the co-operation restricts competition in the Czech Republic and thereby harms innovation, in breach of EU antitrust rules. The investigation before the European Commission relates to the Network Sharing Agreements and their compatibility with EU competition laws. On 7 August 2019, the European Commission sent to the parties a so-called “statement of objections”, in which the European Commission expressed its preliminary conclusion that the sharing agreements restrict competition and therefore infringe EU competition rules. The parties submitted their respective responses to the European Commission’s statement of objection, explaining in more detail the concerns the European Commission raised, by end of January 2020. In addition, in January 2020, the European Commission sent a similar document also to the parent companies of the parties, PPF Group N.V. and Deutsche Telekom, who are not expected to provide their respective responses until April 2020. As of the date of these Base Listing Particulars, the investigation is still pending. Should the European Commission in the end conclude that the Network Sharing Agreement breached EU antitrust rules, it could

impose various sanctions including fines (see “*Risk Factors – The Group’s activities may be considered anti-competitive.*”).

***Dispute between O2 Czech Republic and VOLNÝ, a.s.***

In March 2011, VOLNÝ, a.s. commenced a legal action against O2 Czech Republic for an amount of CZK 4 billion (EUR 154 million equivalent) excluding interest for an alleged abuse of dominant position on the market of internet broadband connection provided to households via ADSL. The amount was calculated as the purported profit the plaintiff lost in the period 2004 to 2010. The plaintiff claimed it had a 30 per cent. share on the dial-up internet market in 2003 and implied that it would have the same share on the broadband market had it not been for the alleged margin squeeze by O2 Czech Republic on the fixed broadband market. O2 Czech Republic denied any wrongdoing and noted that the claim and the calculations submitted by the plaintiff were unsubstantiated. At the beginning of 2018, the court decided in favour of O2 Czech Republic and dismissed the plaintiff’s claim. In June 2018, the plaintiff appealed against the decision. As of the date of these Base Listing Particulars, no hearing has been set.

***Dispute between O2 Czech Republic and Vodafone Czech Republic a.s.***

In April 2015, Vodafone Czech Republic a.s. commenced a legal action against O2 Czech Republic claiming CZK 385 million (EUR 15 million equivalent) in damages. The legal action is based on alleged breach of competition law related to the broadband internet services based on xFBB technology between 2009 and 2014. Vodafone Czech Republic a.s. claimed that it had not reached 200 thousand customers of xFBB internet services and therefore had lost profit. O2 Czech Republic denied any wrongdoing and provided the court with its responses to that effect. In 2019, both the Municipal Court in Prague and High Court in Prague dismissed the application of Vodafone Czech Republic a.s. requesting extensive information disclosure by O2 Czech Republic without a reciprocal disclosure by Vodafone Czech Republic a. s. As of the date of these Base Listing Particulars, no hearing regarding the subject matter of the dispute has been set.

***Dispute between O2 Czech Republic and BELL TRADE s.r.o.***

In March 2016, BELL TRADE s.r.o. (“**Bell Trade**”) commenced a legal action against O2 Czech Republic for an amount of CZK 5.2 billion (EUR 192 million equivalent) which represents alleged damages resulting from termination of contracts in June 2015 by Bell Trade. The plaintiff claims that in December 2002 O2 Czech Republic and RVI, a.s. (“**RVI**”) concluded several contracts regarding solutions for public administration (such as ‘Radnice On Line’ or ‘Power Card’). Subsequently, RVI allegedly indirectly transferred its claims against O2 Czech Republic to Bell Trade. O2 Czech Republic maintained that it had never concluded any such contracts with either RVI or the plaintiff, also as neither RVI nor the plaintiff ever delivered to O2 Czech Republic any hardware, software or any other supply which could base any claim against O2 Czech Republic. Slovak courts ruled that they have no jurisdiction over such legal action against O2 Czech Republic. In a parallel case initiated by O2 Czech Republic, the Municipal court in Prague ruled that O2 Czech Republic had not concluded any contract with, among others, Bell Trade and therefore there is no claim against O2 Czech Republic. The High court in Prague amended the decision and ruled that O2 Czech Republic had not concluded any contract with RVI either. The plaintiff filed an extraordinary appeal to the Supreme Court and subsequently a constitutional complaint to the Constitutional Court, both of which were rejected.

***Antitrust Proceedings against Telenor Hungary Related to 800 MHz Auction and 800 MHz Sharing***

In January 2018, the Hungarian Competition Authority carried out an unannounced inspection in the headquarters of Telenor Hungary in relation to two cases: (i) the investigation of the 800 MHz frequency tender auction as Telenor Hungary and Magyar Telekom allegedly

committed anti-competitive behaviour during the tender in form of bid rigging and information exchange; and (ii) the 800 MHz network sharing cooperation under the investigation ongoing since 2015. As of the date of these Base Listing Particulars, the proceedings were ongoing and Telenor Hungary was cooperating with the Hungarian Competition Authority to show no breach had occurred. However, should the Hungarian Competition Authority conclude that Telenor Hungary breached the relevant antitrust rules, it could impose various sanctions including fines (see “*Risk Factors – The Group’s activities may be considered anti-competitive.*”).

## ISSUER MANAGEMENT

### Overview

The Issuer has a two-tier management structure consisting of its management board (*bestuur*) (the “**Management Board**”). The Management Board represents the Issuer in all matters and is charged with its day-to-day business management. The Issuer has no administrative, management or supervisory body other than the Management Board despite being established as two-tier under Dutch law as all members of the Management Board are executive.

### Management Board

The Management Board is the Issuer’s statutory body, which directs its operations and acts on its behalf. The Issuer’s general meeting (the “**General Meeting**”) elects the members of the Management Board for a term of office determined by the General Meeting in its sole discretion. Re-election of the members of the Management Board is permitted. Pursuant to the Issuer’s Articles of Association (*statuten*) (the “**Articles of Association**”), the Management Board has at least one member. As of the date of these Base Listing Particulars, all three members of the Management Board are executive.

All members of the Management Board are obliged to perform their tasks and duties further to the office in the best corporate interest of the Issuer and the undertaking attached to it, as required under Dutch law. Pursuant to the Articles of Association, the members of the Management Board are authorised to solely and independently represent the Issuer.

The following table sets forth the members of the Management Board appointed as of the date of these Base Listing Particulars:

| Name                      | Year of Birth | Position          | Commencement of Current Term of Office |
|---------------------------|---------------|-------------------|----------------------------------------|
| Jan Cornelis Jansen       | 1972          | Managing Director | 16 October 2013                        |
| Lubomír Král              | 1972          | Managing Director | 16 October 2013                        |
| Marcel Marinus van Santen | 1971          | Managing Director | 1 June 2015                            |

The business address of Mr. Jansen and Mr. van Santen is at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands, and of Mr. Král is at Evropská 2690/17, 160 41 Prague 6, Czech Republic.

### *Jan Cornelis Jansen*

Mr. Jansen has been a member of the Management Board since 16 October 2013. He joined the PPF Group in 2007 and since then he has held the position of legal counsel and company secretary of PPF Group N.V. In 2012, he became vice-chairman of the board of directors of Home Credit B.V. and from July 2015 he has been a member of PPF Group N.V.’s board of directors. Prior to joining the PPF Group, Mr. Jansen worked at De Hoge Dennen Holding as legal counsel and company secretary for social investment funds.

Mr. Jansen holds an LL.M. degree in Dutch Law from Universiteit Utrecht. Mr. Jansen also has two post-graduate qualifications in company and corporate law and employment law from the Grotius Academie (Nijmegen) and Vrije Universiteit Law Academy (Amsterdam), respectively.

Mr. Jansen is also a member of the management bodies of other Group companies, such as PPF Bidco, PPF Infrastructure, PPF Telco and CETIN Finance B.V. Outside of the Group, Mr. Jansen holds various positions within the PPF Group, including member of the board of directors of PPF Group N.V., PPF Financial Holdings B.V., PPF Real Estate Holding B.V., SOTIO N.V., Home Credit Group B.V. and PPF Industrial Holdings B.V.

### ***Lubomír Král***

Mr. Král has been a member of the Management Board since 16 October 2013. Mr. Král has also held the position of general counsel of the PPF Group and, since March 2007, he has also been a member of the board of directors of PPF a.s. Prior to that, from 1997 to 1999, Mr. Král worked in the legal department of the settlement centre of the Prague Stock Exchange.

Mr. Král has a degree in Czech law from the Faculty of Law of Charles University in Prague and also attended the University of Economics, Prague.

Mr. Král is also a member of the management bodies of other Group companies, such as PPF Bidco, PPF Infrastructure and PPF Telco. Outside of the Group, Mr. Král holds various positions within the PPF Group, including member of the board of directors of PPF Financial Holdings B.V. and PPF a.s. and member of the supervisory board of PPF Group N.V.

### ***Marcel Marinus van Santen***

Mr. van Santen has been a member of the Management Board since 1 June 2015. Before joining the Group in 2007, Mr. van Santen served as a financial executive in leading international IT companies, such as Cisco. In 2015, after seven years in senior financial roles within the PPF Group, Mr. van Santen joined the Home Credit B.V. board of directors.

Mr. van Santen is also a member of the management bodies of other Group companies, such as PPF Bidco, PPF Infrastructure, PPF Telco and CETIN Finance B.V. Outside of the Group, Mr. van Santen holds various positions within the PPF Group, including member of the board of directors of Home Credit Group B.V., SOTIO N.V. and PPF Industrial Holdings B.V.

## **Senior Management**

The senior management of the Group except the O2 Group (the “**Senior Management**”) consists of the Group’s chief executive officer, chief technology officer and chief commercial officer and the chief executive officers of Group’s main operating subsidiaries. Members of the Senior Management are employees or management members of the respective PPF Group affiliates, including the Group’s operating subsidiaries.

O2 Czech Republic has its own management, business and financial strategies and policies, as the PPF Group treats O2 Group as a financial investment only.

The following table sets forth the members of the Senior Management appointed as of the date of these Base Listing Particulars, with biographical information provided below.

| <b>Name</b>         | <b>Year of Birth</b> | <b>Position</b>                               | <b>Commencement of Current Term of Office</b> |
|---------------------|----------------------|-----------------------------------------------|-----------------------------------------------|
| Ladislav Bartoníček | 1964                 | Chief Executive Officer                       | 1 January 2018                                |
| Marek Sláčík        | 1973                 | Chief Commercial Officer                      | 1 July 2018                                   |
| Roman Staněk        | 1970                 | Chief Technology Officer                      | 15 February 2020                              |
| Jan Kadaník         | 1965                 | Head of Strategy, M&A and Finance             | 24 September 2019                             |
| Juraj Šedivý        | 1962                 | Chief Executive Officer of CETIN              | 1 January 2019                                |
| Jan Hanuš           | 1974                 | Chief Executive Officer of Telenor Hungary    | 1 August 2018                                 |
| Jason King          | 1974                 | Chief Executive Officer of Telenor Bulgaria   | 1 September 2018                              |
| Mike Michel         | 1969                 | Chief Executive Officer of Telenor Serbia     | 8 October 2018                                |
| Branko Mitrovic     | 1975                 | Chief Executive Officer of Telenor Montenegro | 1 July 2019                                   |

### ***Ladislav Bartoníček***

Mr. Bartoníček has been the Group’s chief executive officer since 1 January 2018 and a minority shareholder of the PPF Group since 2007, holding a 0.535 per cent. ownership interest in PPF Group N.V. as of the date of these Base Listing Particulars. He joined the PPF

Group in 1991 as an executive director and has been responsible for the telecommunications business of the PPF Group since 2018. Between 2014 and 2018, he served as chief executive officer of SOTIO a.s., PPF Group's biotechnology company. In March 2018, he was elected to the supervisory board of SOTIO a.s. Between 2014 and June 2015, he was, and again since October 2016 has been, member of the supervisory board of O2 Czech Republic and in 2018 was appointed its chairman. Prior to that, between 2007 and 2013, Mr. Bartoníček was chief executive officer and member of the board of directors of Generali PPF Holding N.V., one of the largest insurance groups in the CEE established as a joint venture of the PPF Group and Assicurazioni Generali, and between 1996 and 2006 chief executive officer of the insurance company Česká pojišťovna a.s. Mr. Bartoníček holds a master's degree in electrical engineering from the Czech Technical University in Prague and an MBA degree from the Rochester Institute of Technology, New York.

#### ***Marek Sláčík***

Mr. Sláčík has been the Group's chief commercial officer since July 2018. Prior to joining the PPF Group in 2018, Mr. Sláčík held the position of chief commercial officer at Beeline Russia, part of VEON, one of the largest integrated telecommunication operators in the world, and worked for seven years in various executive management roles such as chief executive officer of Telenor Denmark, chief marketing office of Telenor Sweden and Telenor Serbia at the Telenor Group. Before that, he held marketing and management positions at various telecommunication operators including O2 Czech Republic or Vodafone Czech Republic. Mr. Sláčík holds a master's degree in business administration and marketing from the University of Economics in Prague and completed the Stanford Executive Programme at the Graduate School of Business, Stanford University. Mr. Sláčík is an employee of PPF a.s.

#### ***Roman Staněk***

Mr. Staněk has been the Group's chief technology officer since February 2020. Mr. Staněk has extensive experience in the telecommunications industry. Prior to joining the PPF Group in 2018 as head of telecommunications procurement, he held the position of chief technology officer at VEON EuroAsia, where he oversaw technology in twelve operational companies and network operations in seven countries. Before that, he held various management positions at Telenor, VEON and Vodafone in the Czech Republic, Netherlands, Norway, Ukraine, Germany, Bangladesh and India, providing him with extensive international experience. Mr. Staněk holds a degree in engineering and a specialisation in telecommunications from the Czech Technical University in Prague.

#### ***Jan Kadaník***

Mr. Kadaník has been the Group's Head of Strategy, M&A and Finance since September 2019. He spent the last 12 years in Basel, Switzerland, working for the Agri conglomerate Ameropa initially as chief finance officer and subsequently as chief executive officer for the last five years. Prior to that, Mr. Kadaník held a strategy and finance role at Agrofert, a major Czech industrial conglomerate, for seven years. Mr. Kadaník holds a master's degree in international trade and international finance from the Prague School of Economics and frequented various professional courses during his career, most recently the breakthrough programme for senior executives at IMD Lausanne.

#### ***Juraj Šedivý***

Mr. Juraj Šedivý has been the chief executive officer of CETIN since 1 January 2019. He joined ČESKÝ TELECOM, the legal predecessor of O2 Czech Republic and CETIN, in 1997 as Executive Director for planning and controlling and from 2001 served as a Vice President for finance and shared services. Between 2003 and 2009, he held the position of First Vice Chairman of the board of directors and from 2006 to 2009 served as chief executive officer of Telefónica O2 Slovakia, new green field entrant to Slovak mobile market. He also held a range of financial controlling roles at Johnson & Johnson in the United States and the Czech

Republic, served as a chief financial officer of Globtel, member of France Telecom Group, and as an investment partner in the area of software development. Mr. Šedivý holds an MBA degree from the Rochester Institute of Technology, New York and an engineering degree from University of Nitra.

#### ***Jan Hanuš***

Mr. Hanuš has been the chief executive officer of Telenor Hungary since August 2018. He joined the PPF Group in 2017 as head of commercial and human resources of PPF Group's telecommunications division. Prior to joining the PPF Group, Mr. Hanuš held the position of founder and chief executive officer at Simple Food a.s., a vegan and vegetarian fast-food chain in the Czech Republic, and director at Emco, a major cereals producer. Prior to that, between 2012 and 2015, he worked as general and crises manager at Kostecké uzeniny. Mr. Hanuš holds a degree in marketing, economy and information technology from the University of Hradec Králové. Mr. Hanuš is also chairman of the board of directors of Simple Food a.s.

#### ***Jason King***

Mr. King has been the chief executive officer of Telenor Bulgaria since September 2018. Prior to joining Telenor Bulgaria, Mr. King spent 20 years in various senior management roles at major technology, media and telecommunications companies, including commercial director at VEON, chief marketing officer at UPC Czech Republic, formerly part of UPC Liberty Global, and chief marketing officer at Deutsche Telekom. Mr. King holds a master's degree in international marketing from University of Strathclyde and completed a private equity programme at the Said Business School, University of Oxford, and an executive leadership programme at IMD Business School.

#### ***Mike Michel***

Mr. Michel has been the chief executive officer of Telenor Serbia since October 2018 and the chairman of the board of directors of Telenor Montenegro since November 2018. Prior to joining Telenor Serbia, Mr. Michel was the chief marketing officer of mobile operator Banglalink, Bangladesh. In his previous roles, he also served as chief marketing officer in Telenor Hungary, chief marketing officer in Telenor Montenegro and vice president for brand in the Telenor Group in Norway. Before that, he spent eight years in various managerial positions at Telenor Serbia and Vodafone Czech Republic (Oskar Mobil). Mr. Michel holds a bachelor's degree in economics from Simon Fraser University, Burnaby, Canada.

#### ***Branko Mitrović***

Mr. Mitrović has been the chief executive officer of Telenor Montenegro since July 2019. He has over 20 years of experience in the telecommunications sector. He was a member of the board of directors of Telenor Montenegro, and during the previous four years, he served as executive director of corporate affairs in Telenor Serbia. He started his career at Mobtel in 1998, and held several management positions in the finance and corporate sector in Telenor Serbia. From 2011, he served as wholesale director, and from 2014 to 2016, he ran MNNews, a Telenor company in Montenegro. Mr. Mitrović completed his bachelor's and master's studies at the Faculty of Organisational Sciences, University of Belgrade, and earned his master's degree in business administration at Cotrugli Business School. He has completed programs at London, INSEAD and Harvard Business School.

#### **Conflicts of Interest**

There are no existing or potential conflicts of interest between any duties owed to the Issuer by the members of the Management Board and their private interests and other duties.



## PPF BIDCO MANAGEMENT

### Overview

PPF Bidco has a two-tier management structure consisting of its management board (*bestuur*) (the “**PPF Bidco Management Board**”). The PPF Bidco Management Board represents PPF Bidco in all matters and is charged with its day-to-day business management. PPF Bidco has no administrative, management or supervisory body other than the PPF Bidco Management Board despite being established as two-tier under Dutch law as all members of the PPF Bidco Management Board are executive.

### Management Board

The PPF Bidco Management Board is PPF Bidco’s statutory body, which directs its operations and acts on its behalf. PPF Bidco’s general meeting (the “**PPF Bidco General Meeting**”) elects the members of the PPF Bidco Management Board for a term of office determined by the General Meeting in its sole discretion. Re-election of the members of the PPF Bidco Management Board is permitted. Pursuant to PPF Bidco’s Articles of Association (*statuten*) (the “**PPF Bidco Articles of Association**”), the PPF Bidco Management Board has at least one member. As of the date of these Base Listing Particulars, all three members of the Management Board are executive.

All members of the PPF Bidco Management Board are obliged to perform their tasks and duties further to the office in the best corporate interest of PPF Bidco and the undertaking attached to it, as required under Dutch law. Pursuant to the PPF Bidco Articles of Association, the members of the PPF Bidco Management Board are authorised to solely and independently represent PPF Bidco.

The following table sets forth the members of the PPF Bidco Management Board appointed as of the date of these Base Listing Particulars:

| <b>Name</b>               | <b>Year of Birth</b> | <b>Position</b>   | <b>Commencement of Current Term of Office</b> |
|---------------------------|----------------------|-------------------|-----------------------------------------------|
| Jan Cornelis Jansen       | 1972                 | Managing Director | 2 January 2018                                |
| Lubomír Král              | 1972                 | Managing Director | 2 January 2018                                |
| Marcel Marinus van Santen | 1971                 | Managing Director | 2 January 2018                                |

The business address of all members of the PPF Bidco Management Board is at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands.

For relevant information on the qualifications and professional experience regarding each member of the PPF Bidco Management Board, see “*Issuer Management – Management Board*”.

### Conflicts of Interest

There are no existing or potential conflicts of interest between any duties owed to PPF Bidco by the members of the PPF Bidco Management Board and their private interests and/or other duties.

## PPF INFRASTRUCTURE MANAGEMENT

### Overview

PPF Infrastructure has a two-tier management structure consisting of its management board (*bestuur*) (the “**PPF Infrastructure Management Board**”). The PPF Infrastructure Management Board represents PPF Infrastructure in all matters and is charged with its day-to-day business management. PPF Infrastructure has no administrative, management or supervisory body other than the PPF Infrastructure Management Board despite being established as two-tier under Dutch law as all members of the PPF Infrastructure Management Board are executive.

### Management Board

The PPF Infrastructure Management Board is PPF Infrastructure’s statutory body, which directs its operations and acts on its behalf. PPF Infrastructure’s general meeting (the “**PPF Infrastructure General Meeting**”) elects the members of the PPF Infrastructure Management Board for a term of office determined by the General Meeting in its sole discretion. Re-election of the members of the PPF Infrastructure Management Board is permitted. Pursuant to PPF Infrastructure’s Articles of Association (*statuten*) (the “**PPF Infrastructure Articles of Association**”), the PPF Infrastructure Management Board has at least one member. As of the date of these Base Listing Particulars, all three members of the Management Board are executive.

All members of the PPF Infrastructure Management Board are obliged to perform their tasks and duties further to the office in the best corporate interest of PPF Infrastructure and the undertaking attached to it, as required under Dutch law. Pursuant to the PPF Infrastructure Articles of Association, the members of the PPF Infrastructure Management Board are authorised to solely and independently represent PPF Infrastructure.

The following table sets forth the members of the PPF Infrastructure Management Board appointed as of the date of these Base Listing Particulars:

| Name                      | Year of Birth | Position          | Commencement of Current Term of Office |
|---------------------------|---------------|-------------------|----------------------------------------|
| Jan Cornelis Jansen       | 1972          | Managing Director | 23 January 2016                        |
| Lubomír Král              | 1972          | Managing Director | 23 January 2016                        |
| Marcel Marinus van Santen | 1971          | Managing Director | 23 January 2016                        |

The business address of all members of the PPF Infrastructure Management Board is at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands.

For relevant information on the qualifications and professional experience regarding each member of the PPF Infrastructure Management Board, see “*Issuer Management – Management Board*”.

### Conflicts of Interest

There are no existing or potential conflicts of interest between any duties owed to PPF Infrastructure by the members of the PPF Infrastructure Management Board and their private interests and/or other duties.

## PPF TELCO MANAGEMENT

### Overview

PPF Telco has a two-tier management structure consisting of its management board (*bestuur*) (the “**PPF Telco Management Board**”). The PPF Telco Management Board represents PPF Telco in all matters and is charged with its day-to-day business management. PPF Telco has no administrative, management or supervisory body other than the PPF Telco Management Board despite being established as two-tier under Dutch law as all members of the PPF Telco Management Board are executive.

### Management Board

The PPF Telco Management Board is PPF Telco’s statutory body, which directs its operations and acts on its behalf. PPF Telco’s general meeting (the “**PPF Telco General Meeting**”) elects the members of the PPF Telco Management Board for a term of office determined by the General Meeting in its sole discretion. Re-election of the members of the PPF Telco Management Board is permitted. Pursuant to PPF Telco’s Articles of Association (*statuten*) (the “**PPF Telco Articles of Association**”), the PPF Telco Management Board has at least one member. As of the date of these Base Listing Particulars, all three members of the Management Board are executive.

All members of the PPF Telco Management Board are obliged to perform their tasks and duties further to the office in the best corporate interest of PPF Telco and the undertaking attached to it, as required under Dutch law. Pursuant to the PPF Telco Articles of Association, the members of the PPF Telco Management Board are authorised to solely and independently represent PPF Telco.

The following table sets forth the members of the PPF Telco Management Board appointed as of the date of these Base Listing Particulars:

| Name                      | Year of Birth | Position          | Commencement of Current Term of Office |
|---------------------------|---------------|-------------------|----------------------------------------|
| Jan Cornelis Jansen       | 1972          | Managing Director | 23 January 2016                        |
| Lubomír Král              | 1972          | Managing Director | 23 January 2016                        |
| Marcel Marinus van Santen | 1971          | Managing Director | 23 January 2016                        |

The business address of all members of the PPF Telco Management Board is at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands.

For relevant information on the qualifications and professional experience regarding each member of the PPF Telco Management Board, see “*Issuer Management – Management Board*”.

### Conflicts of Interest

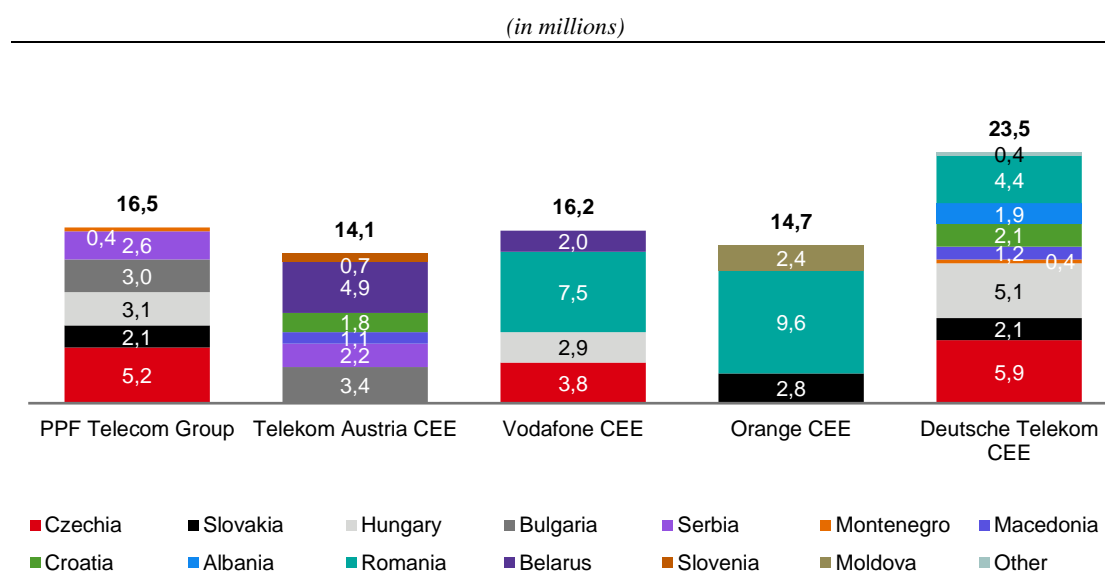
There are no existing or potential conflicts of interest between any duties owed to PPF Telco by the members of the PPF Telco Management Board and their private interests and/or other duties.

## INDUSTRY

### The Group's Countries of Presence

The existing telecommunication assets of the PPF Group are located in six markets constituted by the following countries: the Czech Republic, Slovakia, Hungary, Bulgaria, and Serbia and Montenegro. The Group occupies number one and two market positions in terms of mobile revenue across all its countries of presence except Slovakia through its three major brands O2, CETIN and Telenor, as of 2019 (source: Company estimates). The Group is the second largest player in the CEE region (excluding Poland) in terms of subscribers after Deutsche Telekom that is present in eight countries, as of 2019 (source: Analysys Mason, Company estimates).

The chart below set out the subscriber composition by country of the five key players in the CEE region:



Source: Analysys Mason (excluding Albania, Belarus, Macedonia and Moldova), Company estimates; 2018 numbers are stated where Q2 2019 is unavailable

### Czech Republic

#### Mobile market

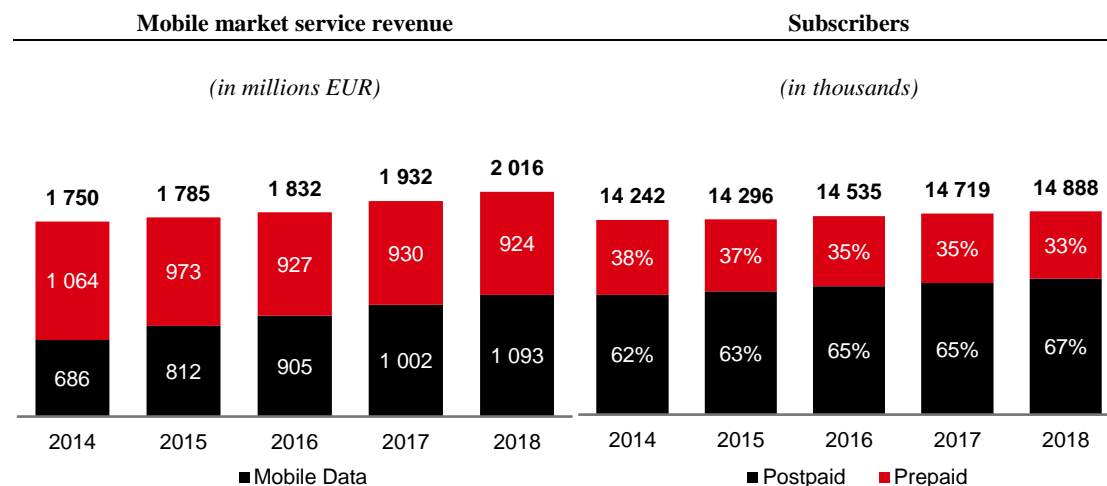
Nominal GDP in the Czech Republic grew 5.4 per cent per annum, on average, between 2014 and 2018. In 2018, the mobile market in the Czech Republic was estimated to have an aggregate annual service revenue of EUR 2.0 billion (including machine-to-machine services ("M2M")), representing 0.9 per cent. of GDP (source: Analysys Mason). The Czech mobile market is mature, with a penetration rate of 141 per cent. (excluding M2M) and an estimated 15.1 million subscribers as of Q3 2019 (source: Analysys Mason).

The main drivers for mobile market growth include the following:

- Increased adoption of 4G services across all three main operators and expanded LTE coverage reaching 99 per cent. of the population (source: Analysys Mason);
- Increasing smartphone adoption driven by subsidised handset plans offered by operators (source: Analysys Mason); and

- The migration of customers from prepaid to postpaid (contract-based) services, with postpaid customers constituting approximately 67.2 per cent. of all mobile customers as of 2018, up from 61.6 per cent. in 2014 (source: Analysys Mason).

The charts below set out the size of the mobile telecommunications market in the Czech Republic in terms of revenue and subscribers for the period between 2014 and 2018:



Source: Analysys Mason

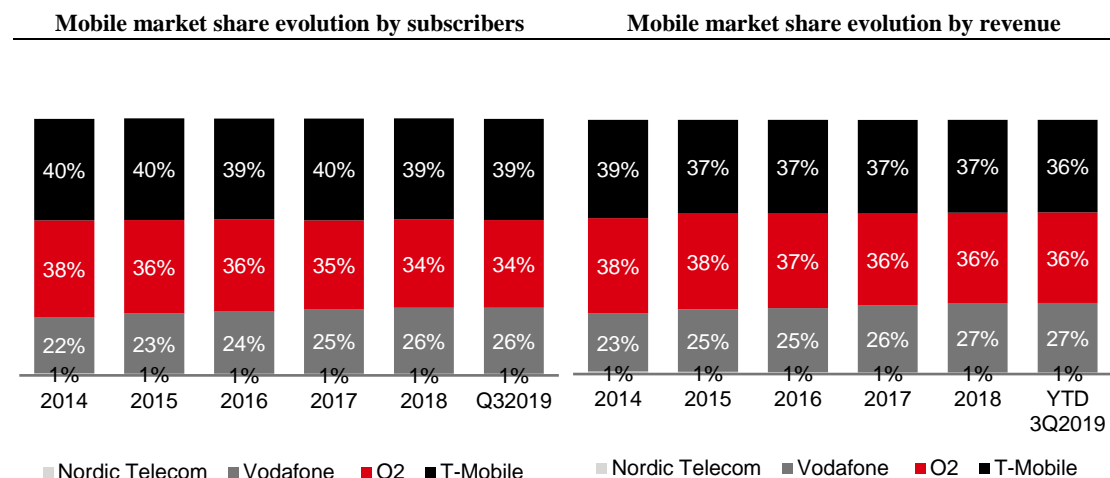
### Key players

The table below sets out the key players in the telecommunications market in the Czech Republic:

| Operator          | Ownership                                                                                                                        | Services                  |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| T-Mobile          | Deutsche Telekom (100%)                                                                                                          | Fixed and mobile services |
| O2 Czech Republic | PPF Telecom Group (formerly known as PPF Arena 1 Group) (81.06%), free float (16.14%), Treasury shares (2.8%, non-voting shares) | Fixed and mobile services |
| Vodafone          | Vodafone (100%)                                                                                                                  | Fixed and mobile services |
| Nordic Telecom    | Nordic Investors (100%)                                                                                                          | Mobile                    |

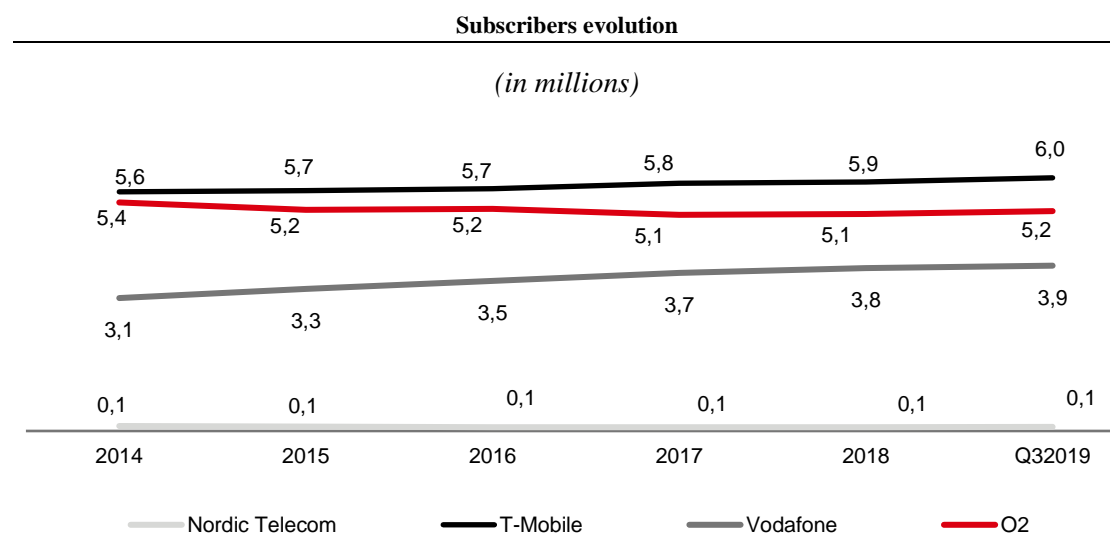
Source: Company information, Factset

The charts below set out the subscriber and revenue market share of the key players in the mobile telecommunications market in the Czech Republic for the period between 2014 and Q3 2019:



Source: Analysys Mason

The charts below set out the subscriber evolution of the key players in the mobile telecommunications market in the Czech Republic for the period between 2014 and Q3 2019:



Source: Analysys Mason

The Czech mobile market comprises three long-term physical network operators (“**MNOs**”) organised in a stable equilibrium: T-Mobile, O2 and Vodafone with a market share in terms of subscribers of 39.4 per cent., 34.2 per cent., and 25.7 per cent., respectively, as of Q3 2019 (source: Analysys Mason). In the past, other mobile operators have tried to penetrate this market but without much success. For instance, Nordic Telecom (formerly Ufon), with a low cost positioning and non-standard incompatible CDMA network, has only managed to reach a market share in terms of subscribers of less than 1 per cent. as of Q3 2019 (source: Analysys Mason). Given the mature position of the market, the existing operators are expected to target further market share increase in terms of revenue by launching larger data packages and bundled products. Furthermore, operators have been rolling-out LTE as a broadband alternative in a heavily mobile-dominated market, alongside offering LTE as a fixed wireless

service in areas with poor fixed broadband coverage. This development leveraging the widespread mobile network offers a further source of growth in the market.

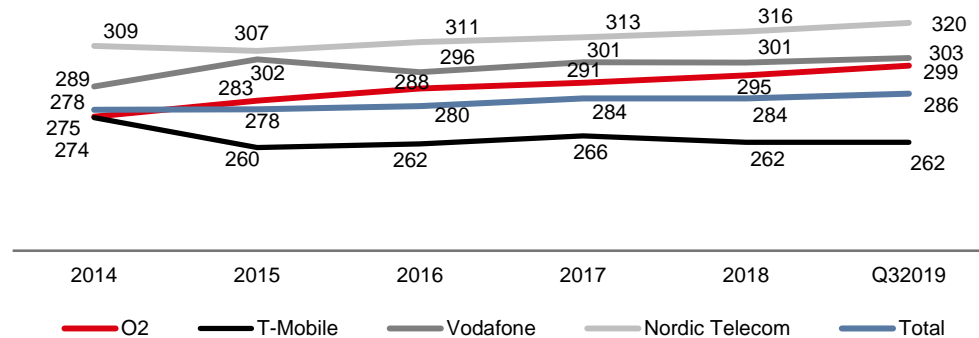
Mobile virtual network operators (“MVNOs”) are providers of wireless communications services that do not own or directly operate the wireless network infrastructure over which they provide their services. They typically purchase access in bulk from the MNOs at wholesale rates and sell access at retail prices to customers. The Czech MVNOs market was first launched in 2012 and, as of 2018, had more than 70 competing MVNOs (source: Analysys Mason). Many MVNOs including OpenCall, Sazkamobile, Vinatel and Tesco Mobile are starting to offer 4G speeds, especially after O2 had granted access to its LTE network.

### ARPU

The chart below sets out the ARPU of the key players in the mobile telecommunications market in the Czech Republic for the period between 2014 and Q3 2019:

#### ARPU by operator

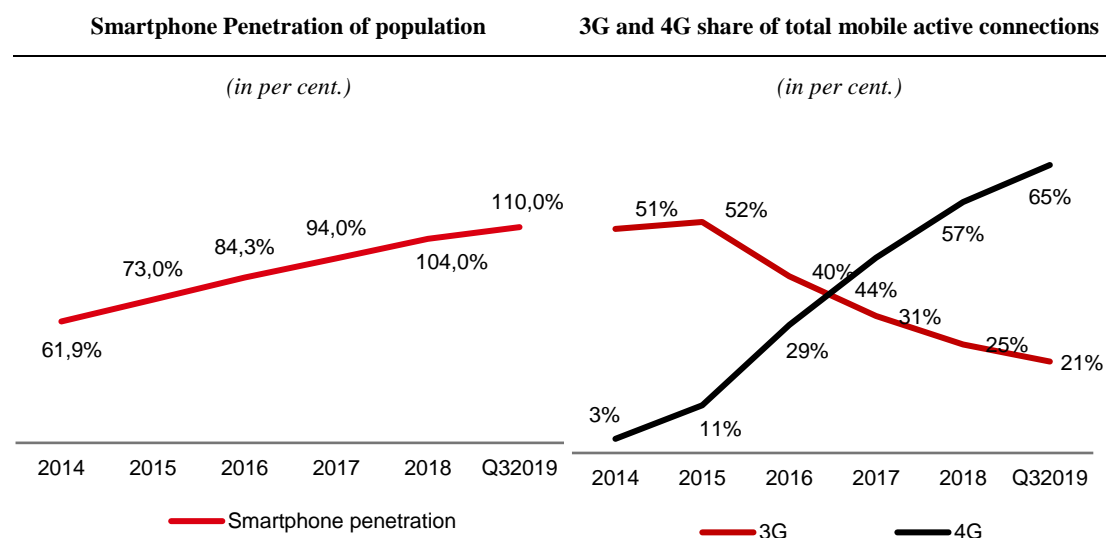
(in CZK)



Source: Analysys Mason

As of Q3 2019, the blended market ARPU was EUR 11.4 (source: Analysys Mason). The offering of convergent services as well as the bundling of fixed lines with broadband, pay-TV and mobile have helped the operators to increase ARPU, reduce churn and maintain a stable and loyal customer base. This has also been driven by the increasing smartphone penetration rate reaching 110 per cent. in Q3 2019 and the accelerating 4G take-up, as demonstrated in the charts below (source: Analysys Mason).

The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in the Czech Republic for the period between 2014 and Q3 2019:

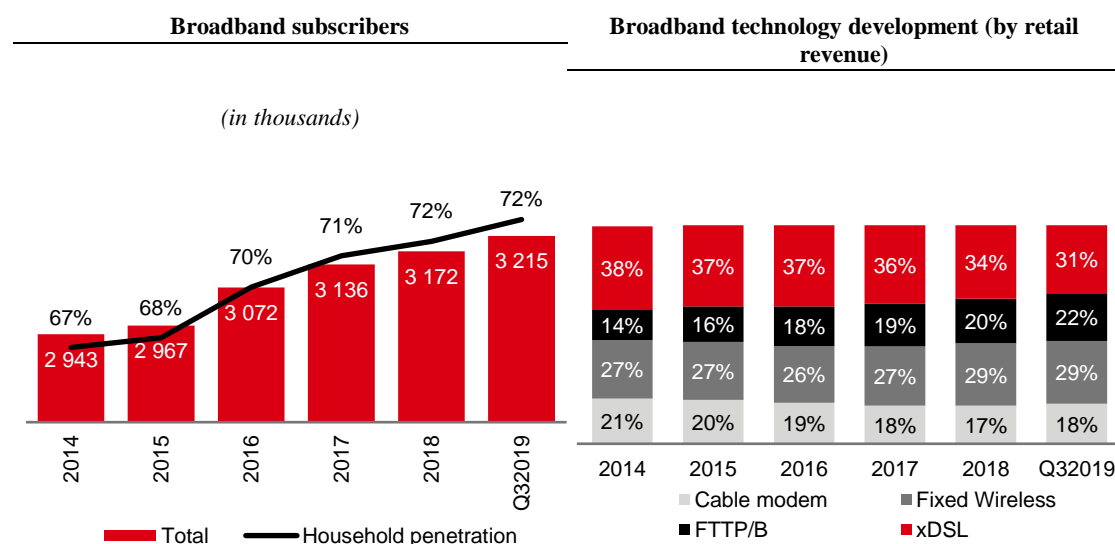


Source: Analysys Mason

With regards to the availability of 4G, Czech Republic was named among the top 10 countries in the world offering the best access to network (source: OpenSignal).

### Fixed line market

The charts below set out the number of broadband subscribers and broadband technology development in the Czech Republic for the period between 2014 and Q3 2019:



Source: Analysys Mason

In 2018, the Czech fixed market represented 0.8 per cent. of GDP. The market has been steadily expanding over the recent period, reaching 3.2 million subscribers and a 72.4 per cent. household penetration rate, as of Q3 2019 (source: Analysys Mason). In Q3 2019, the main technology in use was xDSL with a 31.1 per cent. market share in terms of revenue, followed by Fixed Wireless and FTTP/B with a 28.7 and 21.9 per cent. market share in terms



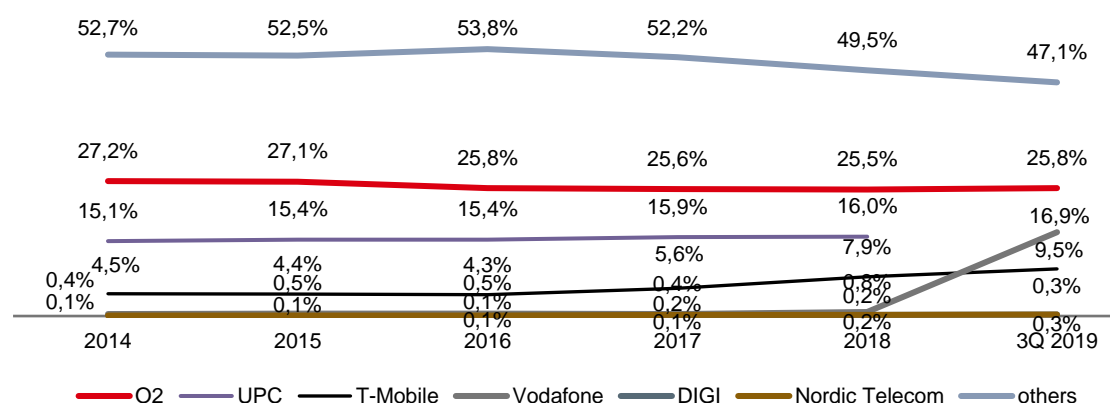
of revenue, respectively. As of Q3 2019, the fixed voice market was estimated to have 1.3 million subscribers and a penetration rate of 30.0 per cent. The Pay-TV market had 2.3 million subscribers as of Q3 2019 and a penetration rate of 50.9% (source: Analysys Mason).

As captured in the chart below, in the broadband market, as of Q3 2019, O2 has the largest presence in terms of subscribers with a 25.8 per cent. market share, followed by Vodafone holding 16.9 per cent. market share following its 2019 acquisition of UPC, and a number of local players holding the remaining 47.1 per cent. market share (source: Analysys Mason). Similarly in the fixed voice market, O2 is the market leader with a 41.8 per cent. market share, followed by T-Mobile with a 30.7 per cent. market share in terms of subscribers and Vodafone with 16.6 per cent market share, as of Q3 2019 (source: Analysys Mason). Historically, pay-TV market had been dominated by UPC (acquired by Vodafone). However, O2 has had significant success with the introduction of IPTV, holding 16.1 per cent. of the pay-TV market share in terms of subscribers, as of Q3 2019. T-Mobile launched its IPTV offering in April 2016 and as of Q3 2019 had a 8.3 per cent. Pay-TV market share in terms of subscribers (source: Analysys Mason). A recently announced completion of the acquisition of certain European operations of Liberty Global by the Vodafone Group is likely to lead to a wider offering provided by the combined businesses and an increased competition in the broadband, fixed voice and pay-TV markets.

The chart below sets out the market share of key players in the broadband market in the Czech Republic for the period between 2014 and Q3 2019:

#### Broadband operators market share

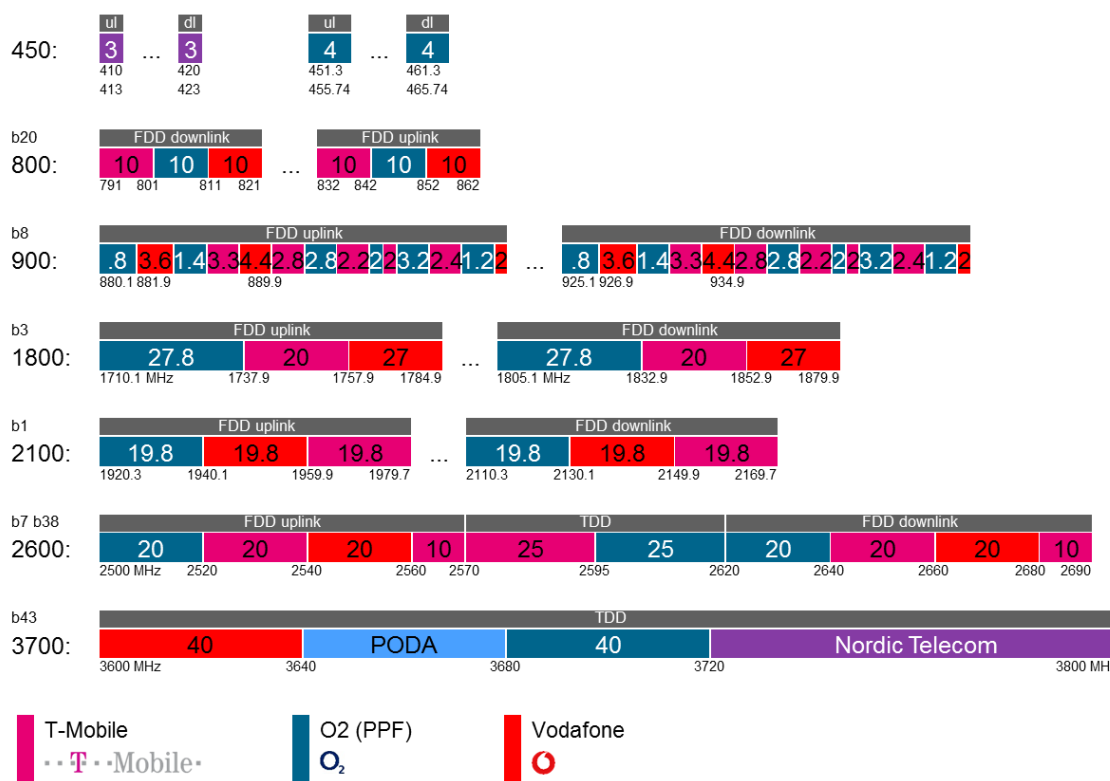
(subscribers)



Source: Analysys Mason

#### Spectrum

The chart below sets out the allocation of spectrum in the Czech Republic as of the date of these Base Listing Particulars:



Source: [spectrummonitoring.com](http://spectrummonitoring.com)

Czech Republic's telecom market is characterised by a well balanced portfolio of frequencies between the 3 MNOs, with T-Mobile holding more in the 2,600 MHz band than O2 but less in the 1,800 MHz band. CETIN (on behalf of O2) and T-Mobile are sharing their network everywhere but in Prague and Brno.

Furthermore, in August 2017 the CTU assigned frequencies in the 3,700 MHz band to O2, Vodafone, Nordic Telecom and newcomer PODA following an auction (T-Mobile did not gain access to this band). The spectrum in the 3,700 MHz band is used for very high speed wireless data networks and the development of 5G, hence it might be used for future technological developments. Nordic Telecom, the successor to Air Telecom (Ufon), currently operates a CDMA network in the band 420 MHz and as an MVNO on the GSM network. Nordic's Telecom existing customers will be gradually migrated to LTE as the network will provide a faster and more stable internet connection. Nordic Telecom has currently limited spectrum holdings, but could expand if it wins further auctions.

In June 2016, the CTU completed the auction for seven blocks of spectrum in the 1,800 MHz and 2,600 MHz bands which were left over from the previous auction. The country's three existing mobile network operators bid CZK 2.6 billion (EUR 96 million) in total. The spectrum is expected to be used to expand capacity and coverage, especially in locations with high network load.

In preparation for 4.5G upgrades and ultimately the first 5G launch, the CTU is expected to auction the 3,500 MHz spectrum as soon as 2020. This spectrum may help O2 and Vodafone augment their 3,700MHz. blocks acquired in 2017. As of the date of these Base Listing Particulars, the timing of the auction and conditions under which the frequencies are to be auctioned are not yet known.

## Slovakia

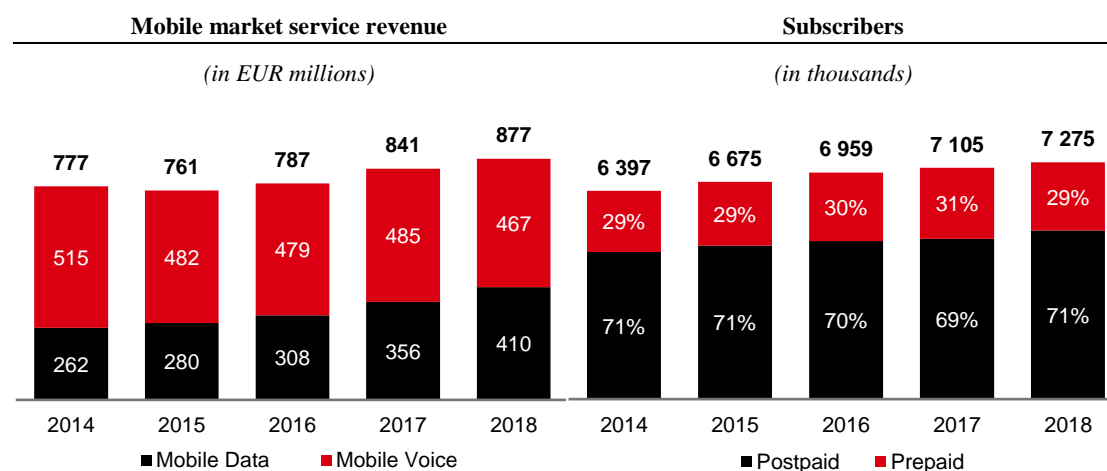
### Telecommunications market

With nominal GDP in Slovakia growing at an average of 5.0 per cent. per annum between 2014 and 2018, the mobile market in Slovakia was estimated to have an aggregate annual service revenue of EUR 0.88 billion in 2018, (including M2M), representing 1.0 per cent of GDP (source: Analysys Mason). As of Q3 2019, the number of subscribers was 7.4 million, reaching a penetration rate of 136 per cent. – in line with the Central European average (source: Analysys Mason).

Growth in the mobile market is supported by a positive economic outlook, which is expected to increase the demand for high value data services. Other drivers of growth include:

- Smartphone adoption with the number of smartphones increasing at 14.7 per cent. per year since 2014, compensating for the decline in basic phones (15.6 per cent. per year over the same period).
- Growing contract penetration of population reaching 99.5 per cent. in Q3 2019 (source: Analysys Mason).
- Steady growth in data traffic per subscriber that has doubled in the past year reaching just under 1GB per subscriber per month in Q3 2019; this has been accelerated by strong growth in 4G connections that, as of Q3 2019, account for 67.9 per cent. of all connections (source: Analysys Mason).

The chart below sets out the size of the mobile telecommunications market in Slovakia in terms of US revenue and subscribers for the period between 2014 and 2018:



Source: Analysys Mason

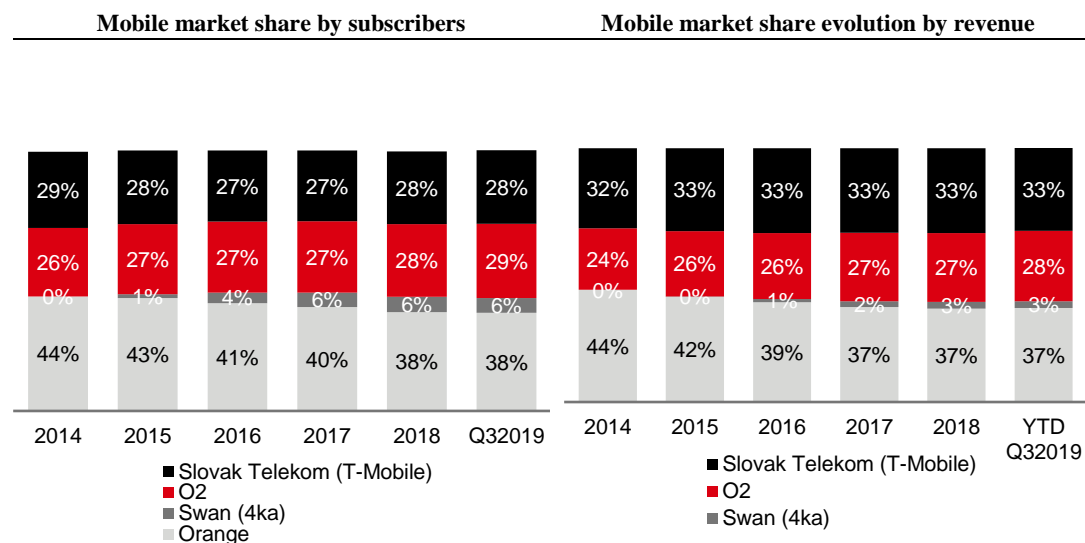
### Key players

The table below sets out the key players in the telecommunications market in Slovakia:

| Operator                  | Ownership                 | Services            |
|---------------------------|---------------------------|---------------------|
| Slovak Telekom (T-Mobile) | Deutsche Telekom (100%)   | Mobile + Fixed + TV |
| Orange                    | Orange (100%)             | Mobile + Fixed + TV |
| O2                        | O2 Czech Republic (100%)  | Mobile              |
| Swan (4ka)                | Controlled by Danubai Tel | Mobile              |

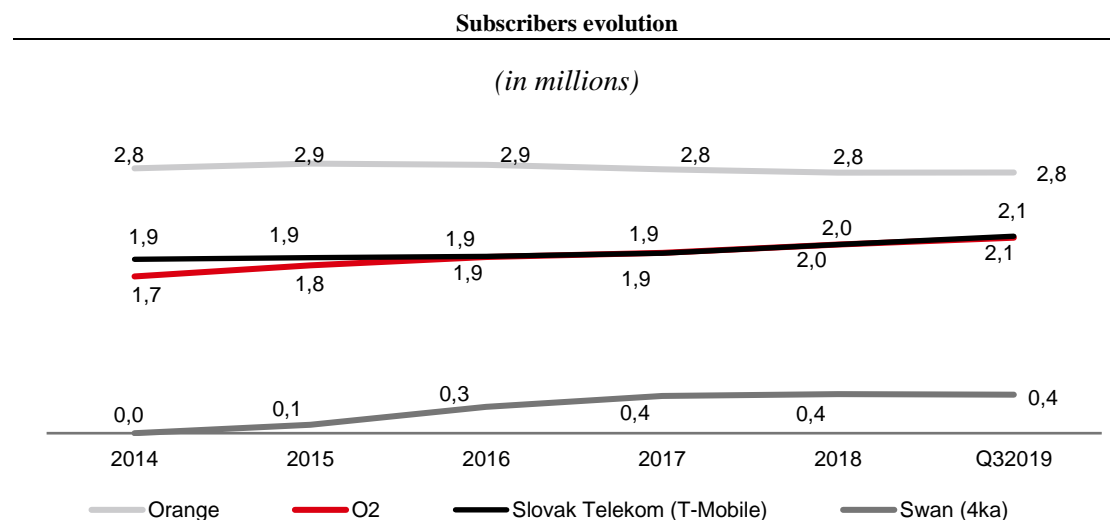
Source: Companies, BMI

The charts below set out the subscriber and revenue market share of the key players in the mobile telecommunications market in Slovakia for the period between 2014 and Q3 2019:



Source: Analysys Mason

The charts below set out the subscriber evolution of the key players in the mobile telecommunications market in Slovakia for the period between 2014 and 2018:



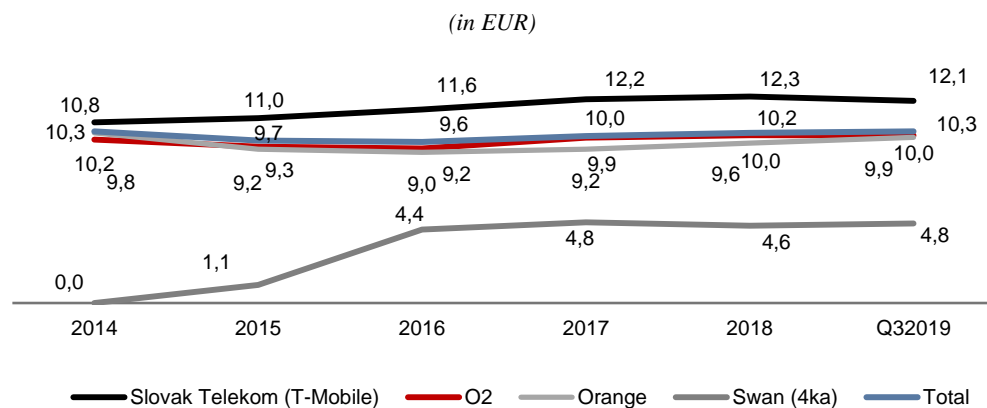
Source: Analysys Mason

The Slovak telecommunications market is dominated by three MNOs: Orange, Slovak Telekom (T-Mobile) and O2, with a market share in terms of subscribers of 37.7 per cent., 28.2 per cent., and 28.6 per cent., respectively, as of Q3 2019. In 2015, Swan Telecom entered the market as the fourth player under the brand 4ka and has added approximately 0.4 million total subscribers by Q3 2019 (source: Analysys Mason). In general, new entrants such as MVNOs, resellers, sub-brands and niche market brands have had limited success in Slovakia due to their inability to match the service propositions of the entrenched players.

## ARPU

The chart below sets out the ARPU of the key players in the mobile telecommunications market in Slovakia for the period between 2014 and Q3 2019:

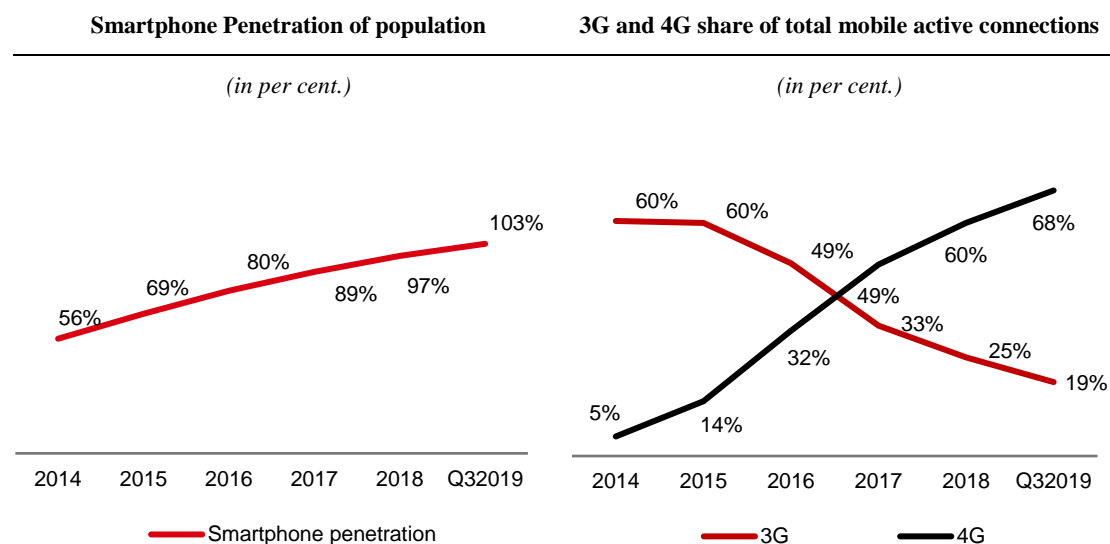
### ARPU by operator



Source: Analysys Mason

As of Q3 2019, the blended market ARPU was EUR 10.3 (source: Analysys Mason), and was supported by complex multi-play service packages that enabled the MNOs to charge a modest premium to the current offering. The launch of a fourth mobile network by Swan Telecom has had little effect on the long term trend as prepaid ARPU had historically been declining and the launch of 4ka did not accelerate this decline (source: Analysys Mason). Across operators, the ARPU is sustained by the increase in smartphone penetration rate, which reached 103.1 per cent. as of Q3 2019, and the uptake of 4G reaching 68 per cent. in Q3 2019, as demonstrated in the charts below (source: Analysys Mason).

The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in Slovakia for the period between 2014 and 2018:



Source: Analysys Mason

## Spectrum

The chart below sets out the allocation of spectrum in Slovakia as of the date of these Base Listing Particulars:



Source: spectrummonitoring.com

Spectrum allocation is largely equally divided across the three MNOs from the 800 MHz to the 2,100 MHz bands. In 2013, a spectrum auction in the 800 MHz and 2,600 MHz bands was completed. Although Swan (4ka) acquired the majority of the 1,800 MHz spectrum, the other three MNOs had already had tranches of this spectrum prior to the auction and thus focused on acquiring spectrum in the 800 MHz and 2,600 MHz bands instead. As such, the fourth mobile operator strongly lags behind the other ones in terms of spectrum ownership.

In July 2019 4ka conducted Slovakia's first 5G trial in the 3.5–3.7GHz band. Telekom and 4ka plan to launch their 5G networks in 2020 (source: Analysys Mason).

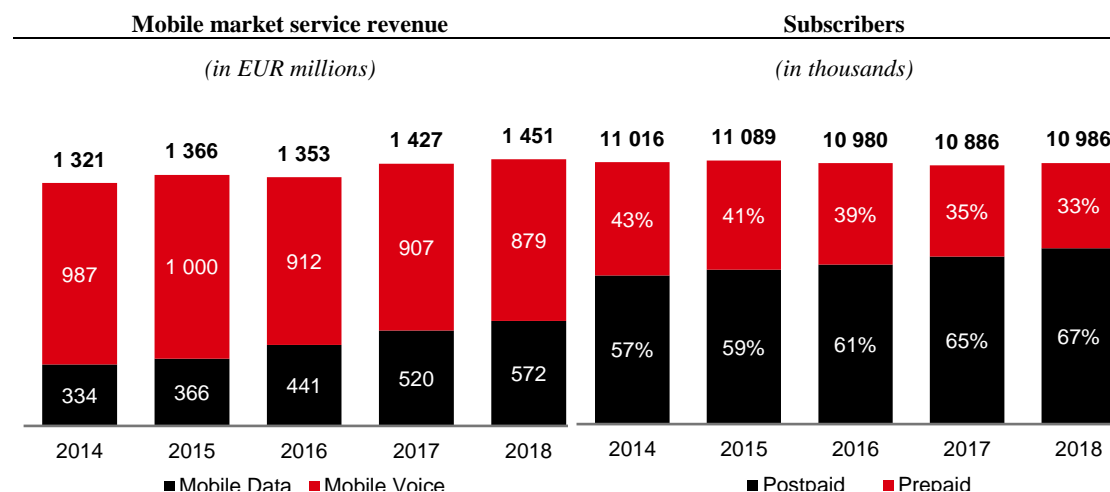
## Hungary

### Telecommunications Market

Nominal GDP in Hungary grew 6.6 per cent per annum, on average, between 2014 and 2018. In 2018, the mobile market in Hungary was estimated to have an aggregate annual service revenue of EUR 1.45 billion (including M2M), representing 1.1 per cent. of GDP (source: Analysys Mason). As of Q3 2019, the number of subscribers was 11.1 million, reaching a penetration rate of 115 per cent. (source: Analysys Mason).

The mobile market in Hungary has remained fairly stable over the past five years, with the share of postpaid subscribers who are also the core data customers steadily increasing to reach 69.9 per cent. as of 2018 (source: Analysys Mason). The share of revenue coming from data services has also been increasing and reached 39.4 per cent. in 2019 (source: Analysys Mason).

The chart below sets out the size of the mobile telecommunications market in Hungary in terms of revenue and subscribers for the period between 2014 and 2018:



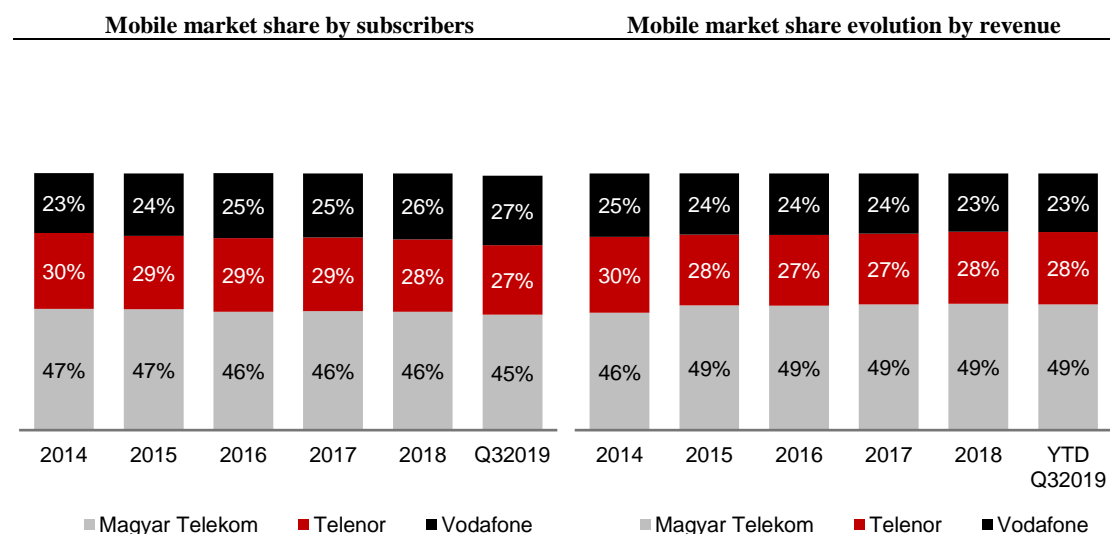
Source: Analysys Mason

### Key players

The table below sets out the key players in the telecommunications market in Hungary:

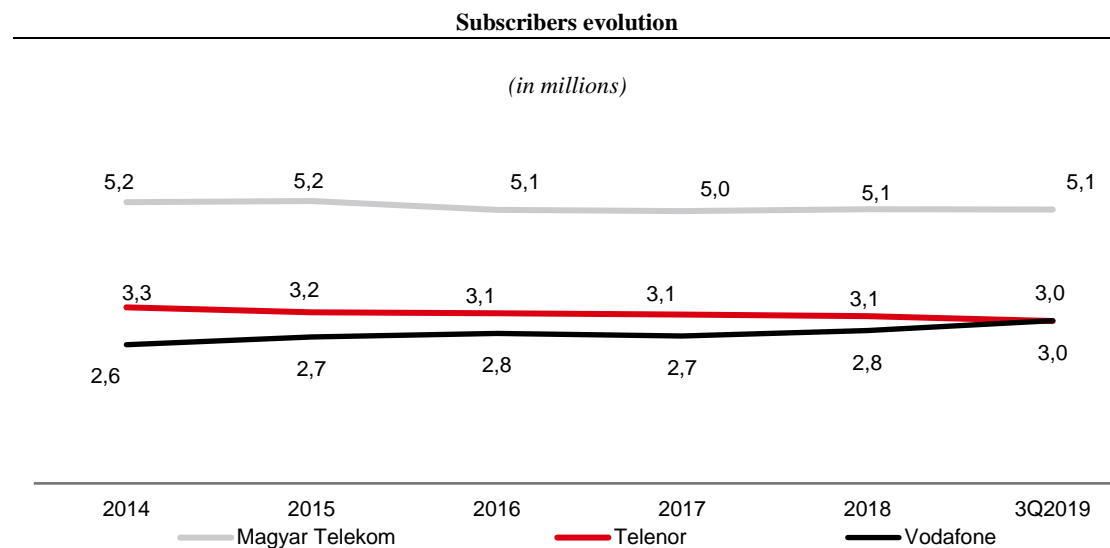
| Operator       | Ownership                       | Services                                                                             |
|----------------|---------------------------------|--------------------------------------------------------------------------------------|
| Magyar Telekom | Magyar (Deutsche Telekom c.59%) | Mobile, fixed-line telephony (local, long distance, international), broadband        |
| Telenor        | PPF Telecom Group (100%)        | Mobile                                                                               |
| Vodafone       | Vodafone (100%)                 | Mobile                                                                               |
| UPC            | Liberty Global Inc (100%)       | Fixed-line telephony (local, long distance, international), broadband, mobile (MVNO) |

The charts below set out the subscriber and revenue market share of the key players in the mobile telecommunications market in Hungary for the period between 2014 and Q3 2019:



Source: Analysys Mason

The charts below set out the subscriber evolution of the key players in the mobile telecommunications market in Hungary for the period between 2014 and 3Q 2019:



Source: Analysys Mason

There are three main MNOs in Hungary: Magyar Telekom (T-Mobile), Telenor and Vodafone, with a market share in terms of subscribers of 45.5 per cent., 27.0 per cent., and 27.1 per cent., respectively, as of Q3 2019 (source: Analysys Mason). Magyar Telekom (T-Mobile) has the highest market share in terms of subscribers, reflecting the popular bundled services offered that include mobile connectivity, wireline voice, broadband and pay-TV markets. Telenor is the second largest player in terms of subscriber market share. Vodafone has been trying to gain subscribers market share through higher data packages and aggressive pricing, with some mixed success over the past four years. UPC, the largest MNVO in the market, has not managed to capture a significant subscriber base and subsequently announced the sale of its Hungarian operations to Vodafone Group, in May 2018 (completed in 2019) (source: Analysys Mason). In early 2017, Digi—a subsidiary of a Romanian telecom company RCS&RDS owned by Dutch company Digi Communications—announced its intention to launch its own mobile network. Digi launched mobile services in 2019.

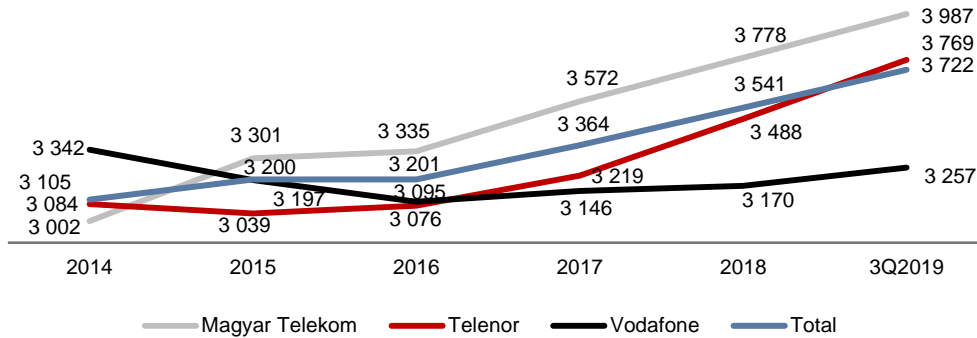


## ARPU

The chart below sets out the ARPU of the key players in the mobile telecommunications market in Hungary for the period between 2014 and Q3 2019:

### ARPU by operator

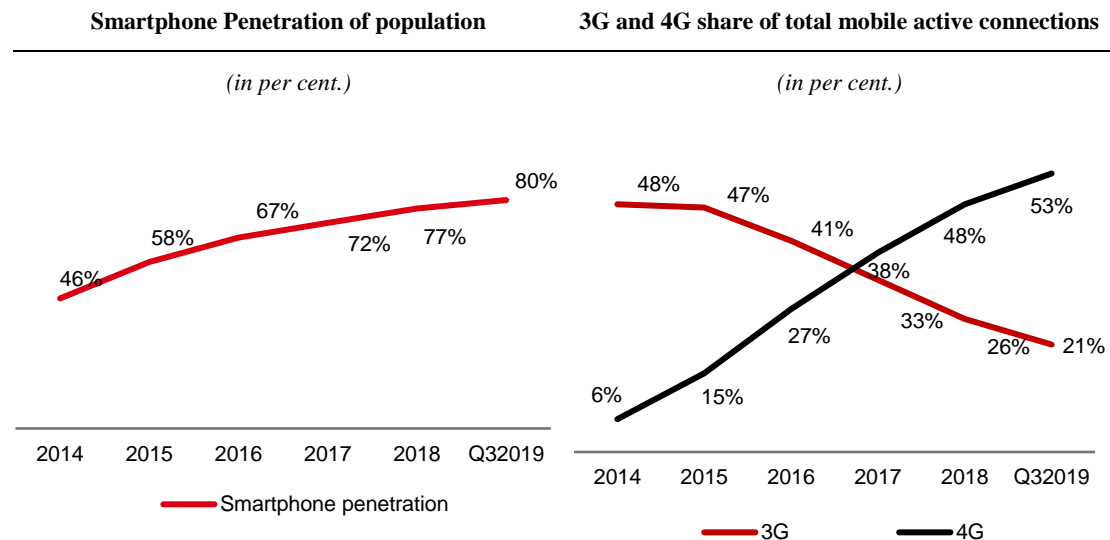
(in HUF)



Source: Analysys Mason

As of Q3 2019, the blended market ARPU was EUR 11.3 (source: Analysys Mason). This was supported by uptake of premium services, greater usage of data services, as well as churn stabilisation, ease in price competition and a rapid increase in smartphone and 4G penetration reaching 80.1 per cent. and 53.4 per cent., respectively, as of Q3 2019 (source: Analysys Mason).

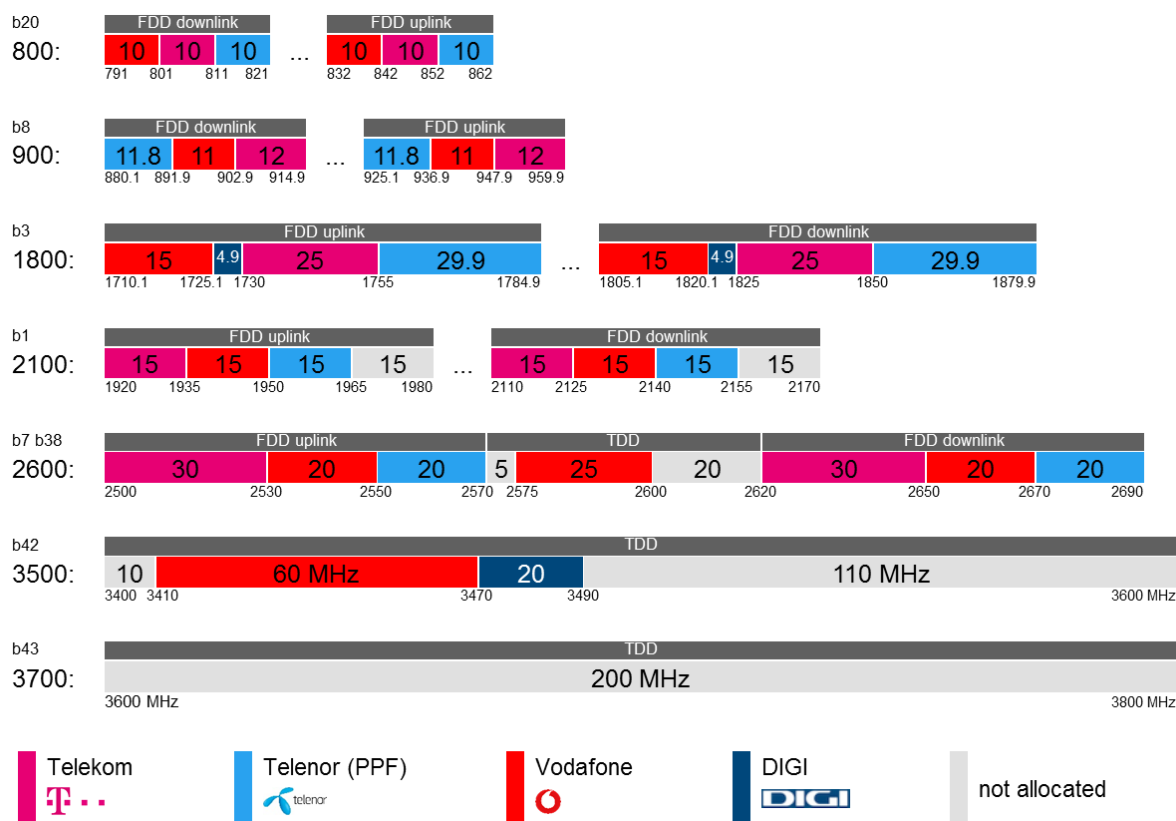
The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in Hungary for the period between 2014 and Q3 2019:



Source: Analysys Mason

## Spectrum

The chart below sets out the allocation of spectrum in Hungary as of the date of these Base Listing Particulars:



Source: spectrummonitoring.com

The majority of frequencies are already occupied by Magyar Telekom (T-Mobile), Telenor and Vodafone Hungary, with a number of 2G/3G supporting spectrum holdings having been renewed in January 2019. Telenor has the largest proportion in the 1800 MHz band, while the 800 MHz and 900 MHz are relatively equally split. The 2,100 MHz is also evenly split with just 2x 15 MHz available. Digi's spectrum is limited to 2x 5 MHz in 1,800 MHz and 20 MHz TDD in the 3,700 MHz range. The regulator is planning to make the 700 MHz spectrum available for mobile use in 2019 (source: Analysys Mason). In the last auction in 2014, licenses were awarded on the basis of set scoring criteria, which included factors such as population coverage. If maintained, this approach could give the existing MNOs a competitive advantage in future auctions, limiting opportunities for new entrants. In Hungary, spectrum trading is permitted across operators. National roaming is also allowed. Operators are also permitted to share their network and their spectrum. Magyar Telekom (T-Mobile) and Telenor are sharing their network and spectrum in 800 MHz everywhere but in Budapest to achieve better coverage and faster LTE speeds.

Regulator announced in 2019 it will open procedures for providing frequencies in the 700 MHz and 3.6GHz bands by the middle of 2020.

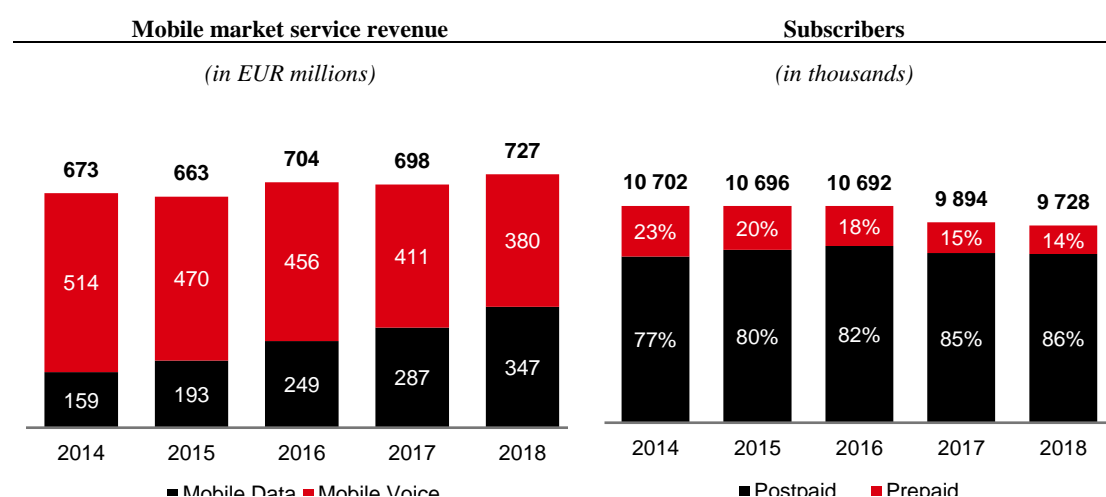
## Bulgaria

### Telecommunications market

With nominal GDP in Bulgaria growing at an average of 6.5 per cent. per annum between 2014 and 2018, the Bulgarian mobile market was estimated to have an aggregate annual service revenue of EUR 0.73 billion in 2018 (including M2M), representing 1.3 per cent of

GDP (source: Analysys Mason). In July 2017, a new national regulation came in effect, limiting the number of prepaid card activations per person. This has caused mobile penetration to fall to 140 per cent. in Q3 2019 – down from a high of 151 per cent. in Q3 2019 (source: Analysys Mason). The absolute number of contract subscriptions has remained fairly stable, while the share of contract customers increased due to decrease in the number of prepaid subscriptions. Overall, the market has remained robust over the recent period, with 9.8 million mobile subscribers as of Q3 2019 (source: Analysys Mason).

The chart below sets out the size of the mobile telecommunications market in Bulgaria in terms of revenue and subscribers for the period between 2014 and 2018:



Source: Analysys Mason

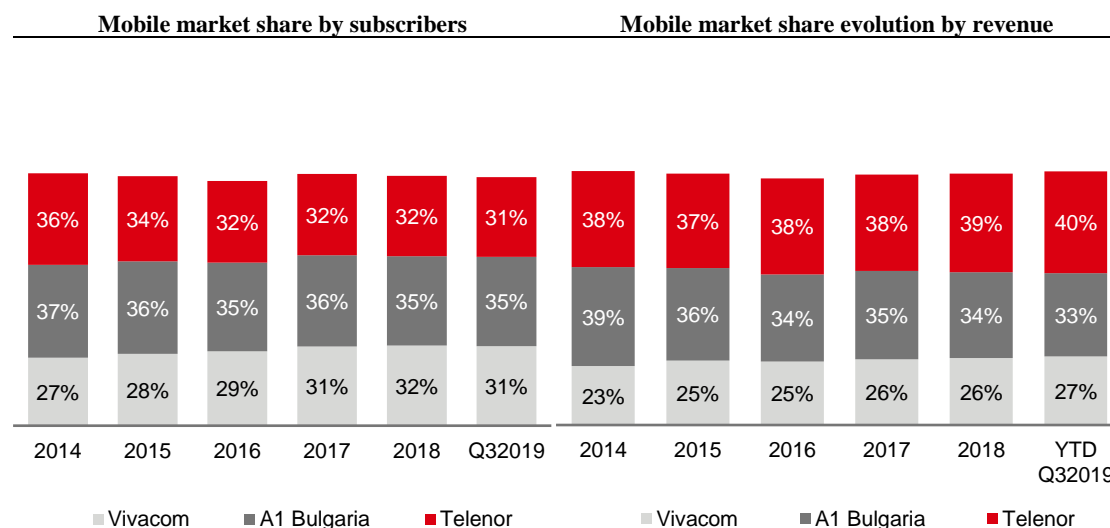
### Key players

The table below sets out the key players in the telecommunications market in the Bulgaria:

| Operator    | Ownership                  | Services                                                                |
|-------------|----------------------------|-------------------------------------------------------------------------|
| Vivacom     | Controlled by Spas Roussev | Local, long distance and international telephony, data internet, mobile |
| A1 Bulgaria | Telekom Austria (100%)     | Mobile, fixed telephony, cable, TV, broadband internet                  |
| Telenor     | PPF Telecom Group (100%)   | Mobile                                                                  |
| Bulsatcom   | Privately owned            | TV, broadband internet, fixed telephony                                 |
| T.com       | Privately owned            | Wireless broadband (migrated from WiiMAX to LTE in 2016)                |

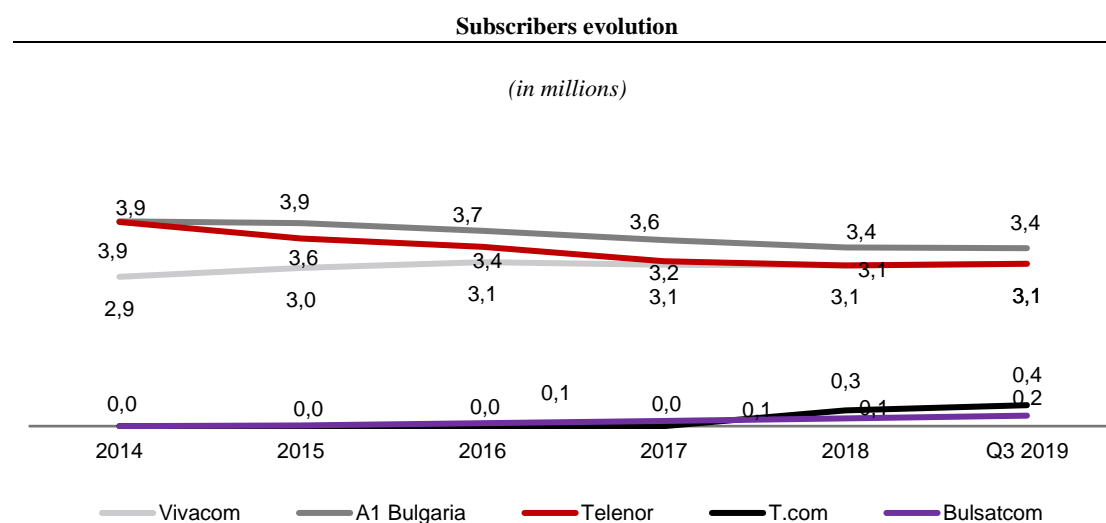
Source: Company information, BMI

The charts below set out the subscriber and revenue market share of the key players in the mobile telecommunications market in Bulgaria for the period between 2014 and Q3 2019:



Source: Analysys Mason

The charts below set out the subscriber evolution of the key players in the mobile telecommunications market in Bulgaria for the period between 2014 and Q3 2019:

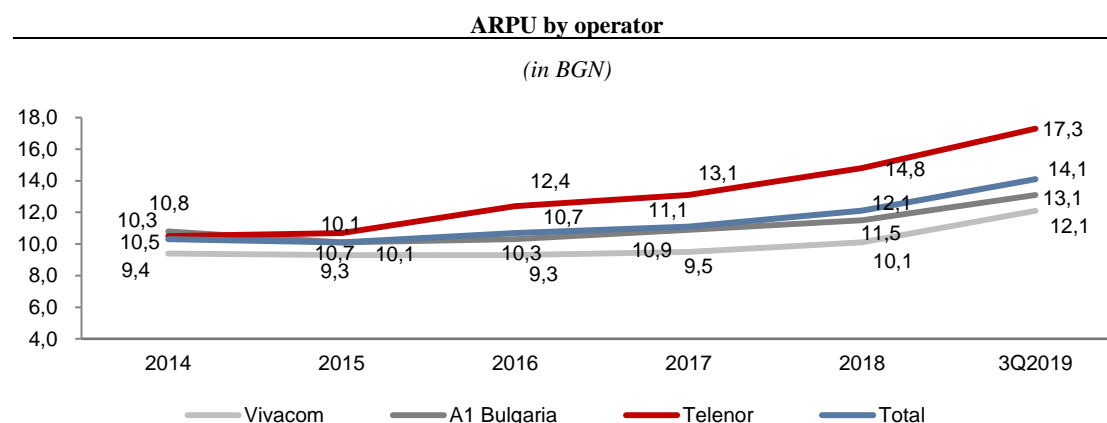


Source: Analysys Mason

The Bulgarian telecommunications market is dominated by three MNOs: A1 Bulgaria (formerly M-Tel – Telekom Austria) with a 35.1 per cent. subscriber market share, followed by Telenor (PPF Telecom Group, as of August 2018) and Vivacom, with 31.4 and 31.3 per cent. market share, respectively, as of Q3 2019 (source: Analysys Mason). The remaining market share is held by T.com, which acquired Max Telecom's operating license and spectrum and began commercial service in early 2018 after Max Telecom (originally entered the market as an MVNO in 2014) was declared insolvent in 2018. T.com's impact on the market has been relatively limited, with little subscriber market share gained over the four years since its entrance (source: Analysys Mason). Whilst A1 Bulgaria and Vivacom offer bundled services, Telenor is viewed as the premium provider in the market, allowing it to

sustain above-average ARPUs. Further, Telenor has the scope to widen its product offering in bundled services through new partnerships, including NOVA TV TB. In early 2016, A1 Bulgaria acquired Blizoo, a broadband and pay-TV service operator, in an attempt to expand its product offering into bundled services. Throughout 2018, A1 Bulgaria rolled out LTE-A across a major part of its LTE network in a bid to increase the quality of its offered services. It was announced in January 2018 that a consortium of 5 regional pay-TV and broadband providers were to launch an MVNO service. The consortium formed a joint venture and were claimed to be in talks with Vivacom, A1 and Telenor for potential network sharing (source: Analysys Mason). No further announcement has been made as of the date of these Base Listing Particulars.

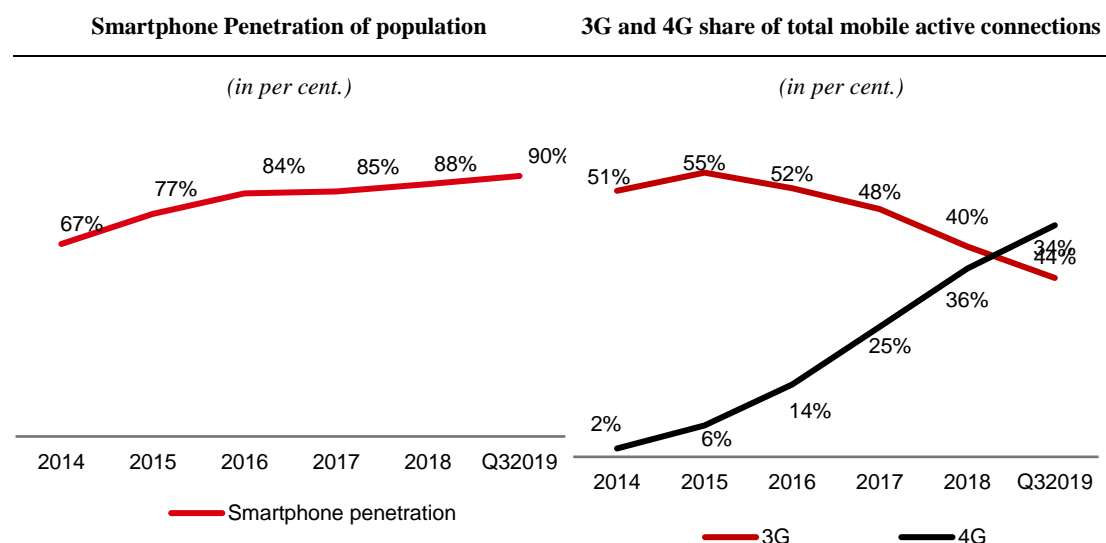
The chart below sets out the ARPU of the key players in the mobile telecommunications market in Bulgaria for the period between 2014 and Q3 2019:



Source: Analysys Mason

As of Q3 2018, the blended market ARPU was EUR 7.2 (source: Analysys Mason), supported by a significant increase in data consumption leading to price hikes for data packages. LTE services have historically helped operators to counter ARPU decreases by selling higher value wireless data services. This, however, was slightly counterbalanced by the decline in chargeable traffic driven by competition leading to an increase in the number of minutes included in subscription plans (source: Analysys Mason). The smartphone penetration in Bulgaria has been increasing steadily reaching 90.4 per cent. in Q3 2019, with 4G reaching 44.4 per cent. in the same year (source: Analysys Mason).

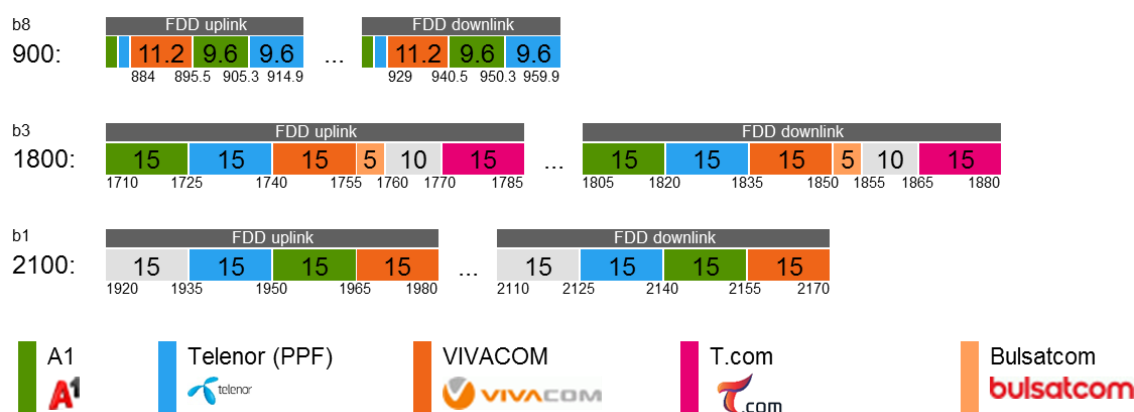
The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in Bulgaria for the period between 2014 and Q3 2019:



Source: Analysys Mason

### Spectrum

The chart below sets out the allocation of spectrum in Bulgaria as of the date of these Base Listing Particulars:



Source: spectrummonitoring.com

Spectrum in Bulgaria is characterised by relatively limited available frequencies, which are split almost evenly across the MNOs. As of the date of these Base Listing Particulars, the 800 MHz band is used for military purposes and digital video broadcasting, although the regulator has reportedly considered making some of the band available to network providers. The 700 MHz band is also used for military purposes, but some part may be allocated to network operators in the future. Licences are issued initially for 20 years, with 10-year extension options. There is a 20 per cent. discount on licence fees (against price list) when renewed.

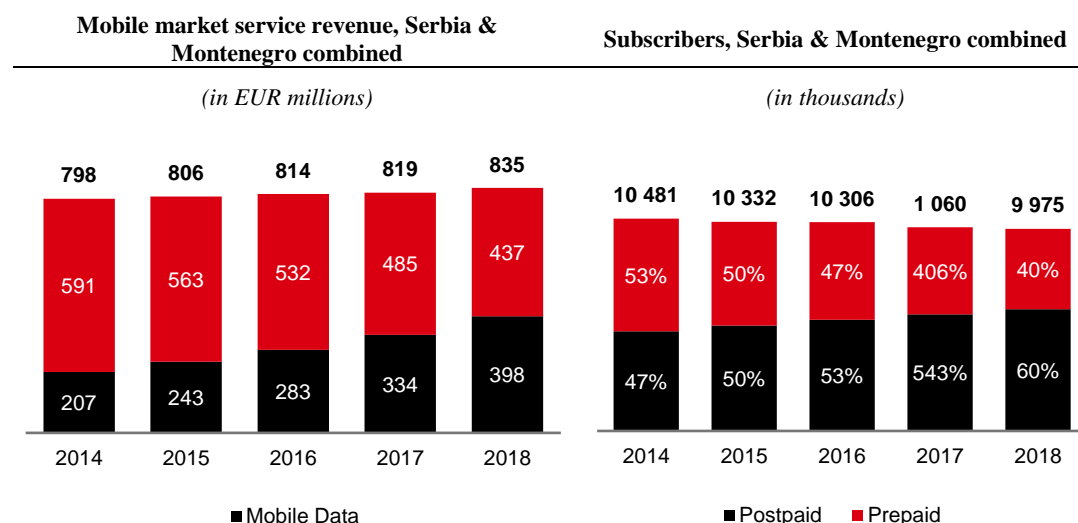
In August 2017, the CRC opened a consultation on the proposed allocation of spectrum at 1,500 MHz, 2,000 MHz, 2,600 MHz and 3,600 MHz. The consultation was open for comment for 30 days, but the regulator had not made any further announcements about the auction as of the date of these Base Listing Particulars (source: BMI).

## Serbia and Montenegro

### Telecommunications market

Nominal GDP growth in Serbia and Montenegro was 5.0 and 7.5 per cent. per annum on average, respectively, over the period of 2014-2018. In 2018, the mobile market in Serbia and Montenegro was estimated to have a combined annual service revenue of EUR 0.83 billion (including M2M), representing 1.7 per cent of GDP in Serbia and 2.6 per cent. in Montenegro (source: Analysys Mason). As of Q3 2019, the number of subscribers was 8.9 million in Serbia and 1.3 million in Montenegro (source: Analysys Mason). The market in Serbia and Montenegro is relatively mature, with a mobile penetration rate of 130 and 206 per cent. as of Q2 2018, respectively (source: Analysys Mason). The high penetration rate in Montenegro is seasonal – it declines in the first quarters and peaks in the summer tourist season. Further, a new Electronic Communications Law is expected to be adopted during 2020, while implementation of prepaid registration is expected to start in 2021. That will make prepaid SIM registration mandatory and is expected to encourage a higher degree of competition, improved network resource allocation and efficiencies in the telecommunications sector. The share of postpaid subscribers is growing in both countries while remaining historically higher in Serbia with 62.7 per cent. postpaid customers versus 46.4 per cent. in Montenegro as of Q3 2019 (source: Analysys Mason).

The chart below sets out the size of the mobile telecommunications market in Serbia and Montenegro in terms of revenue and subscribers for the period between 2014 and 2018:



Source: Analysys Mason

### ***Key players***

#### **Serbia telecom sector**

The table below sets out the key players in the telecommunications market in Serbia:

| <b>Operator</b> | <b>Ownership</b>         | <b>Services</b>     |
|-----------------|--------------------------|---------------------|
| mts             | Telekom Srbija (100%)    | Mobile + Fixed + TV |
| Telenor         | PPF Telecom Group (100%) | Mobile + Fixed      |
| Vip mobile      | Telekom Austria (100%)   | Mobile              |

#### **Montenegro telecom sector**

The table below sets out the key players in the telecommunications market in Montenegro:

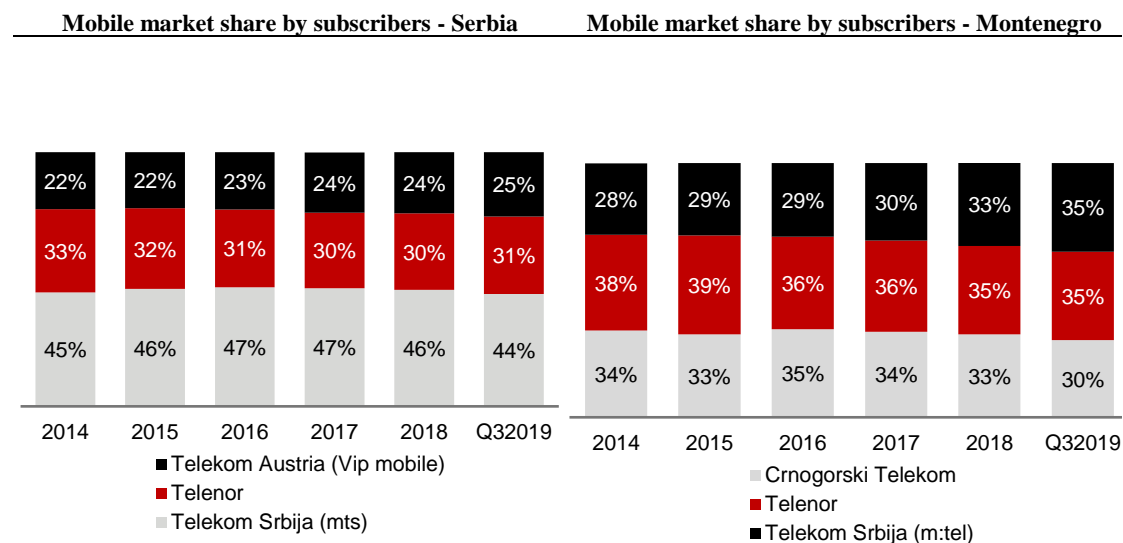
| <b>Operator</b>    | <b>Ownership</b>                           | <b>Services</b>     |
|--------------------|--------------------------------------------|---------------------|
| Telenor            | PPF Telecom Group (100%)                   | Mobile + Fixed      |
| Crnogorski Telekom | Deutsche Telekom (100%)                    | Mobile + Fixed + TV |
| m:tel              | Telekom Srbija (51%), Telekom Srpske (49%) | Mobile + Fixed + TV |

There are three main MNOs in Serbia: Telekom Srbija (mts) is the market leader in terms of subscriber market share at 44.2 per cent., followed by Telenor (PPF Telecom Group, as of March 2018) and Vip mobile with 30.5 per cent. and 25.3 per cent. subscriber market share, respectively, as of Q3 2019 (source: Analysys Mason). Although the state-owned operator Telekom Srbija has been earmarked for privatisation, the process has failed several times due to reluctance on the part of the potential bidders to meet the state's minimum investment requirements, directed at LTE-advanced services and advanced mobile data that support network improvement and increase in customer uptake. Given the reduced interest of potential bidders in making these investments, Telekom Srbija's ability to increase or maintain its market share over the short term is constrained.

Montenegro, too, has three main MNOs: m:tel with a 34.9 per cent. subscriber market share, followed by Telenor and Crnogorski Telekom with 34.7 per cent. and 30.4 per cent., respectively, as of Q3 2019 (source: Analysys Mason, Company information). MVNOs are permitted in both Serbia and Montenegro but they remain relatively marginal.

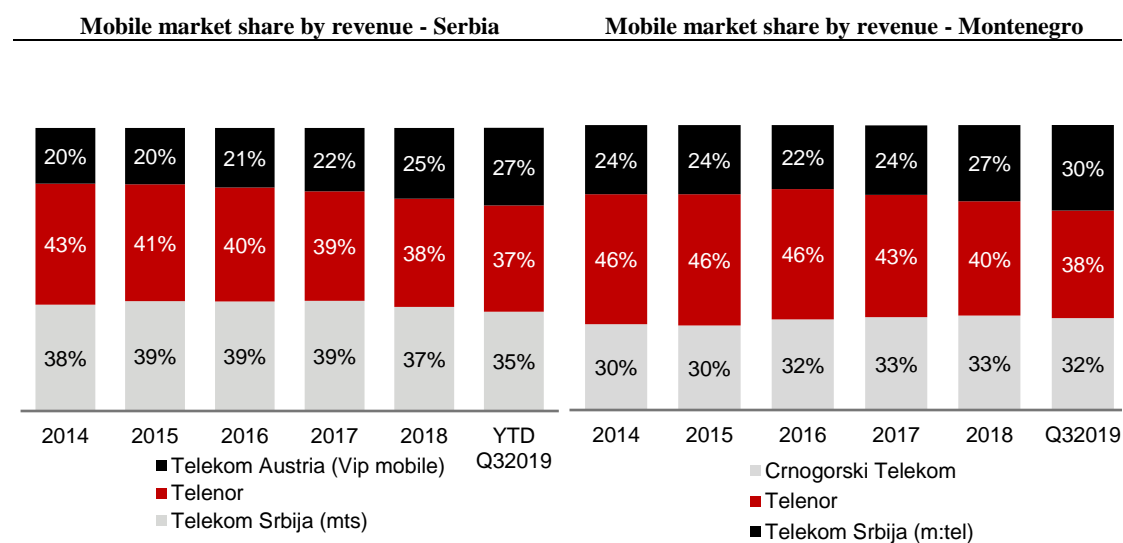


The charts below set out the subscriber market share of the key players in the mobile telecommunications market in Serbia and Montenegro for the period between 2014 and Q3 2019:



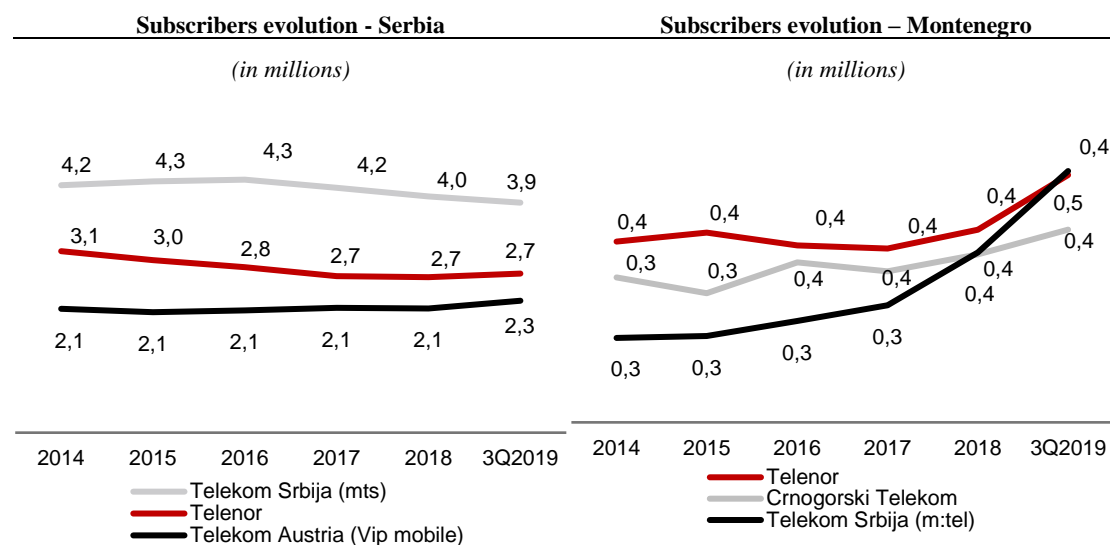
Source: Analysys Mason

The charts below set out the revenue market share of the key players in the mobile telecommunications market in Serbia and Montenegro for the period between 2014 and Q3 2019:



Source: Analysys Mason

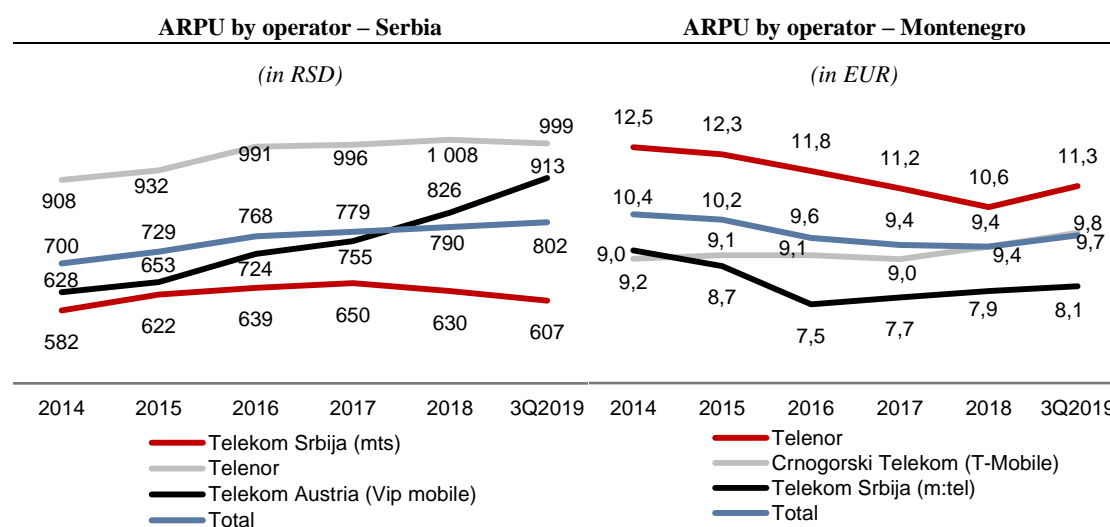
The charts below set out the share and number of subscribers of the key players in the mobile telecommunications market in in Serbia and Montenegro for the period between 2014 and Q3 2019:



Source: Analysys Mason

## ARPU

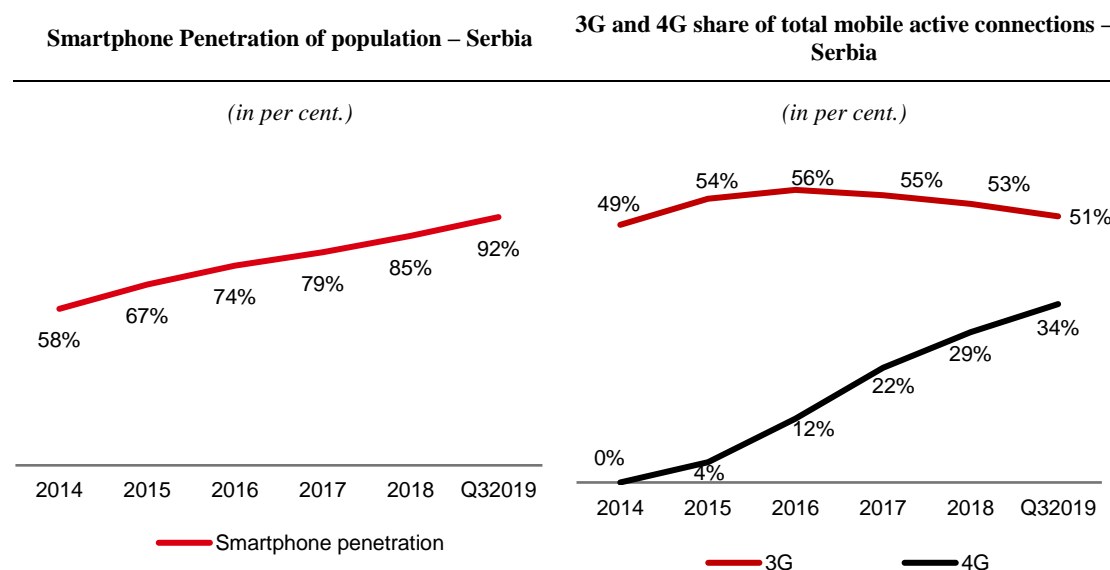
The charts below sets out the ARPU of the key players in the mobile telecommunications market in Serbia and Montenegro for the period between 2014 and Q3 2019:



Source: Analysys Mason

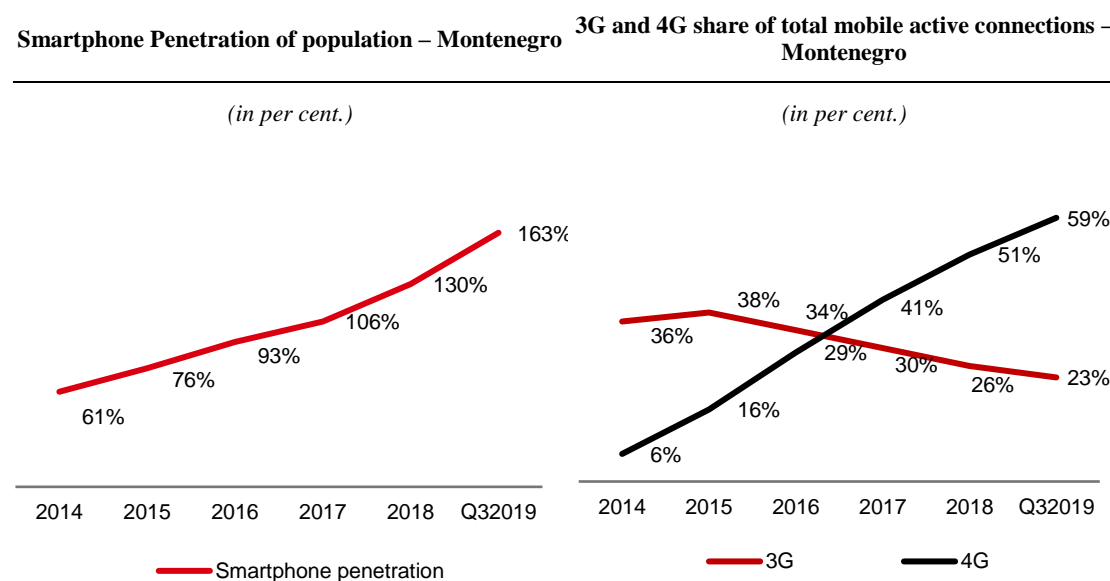
As of Q3 2019, the blended market ARPU was EUR 6.8 in Serbia and EUR 9.7 in Montenegro (source: Analysys Mason). In Montenegro, competition has been driving the ARPU down with Telenor having the highest ARPU among the competitors in both Serbia and Montenegro due to a unique mix of premium and free digital services driving customer loyalty. Counterbalancing the effect of competition, the smartphone penetration in both Serbia and Montenegro has been increasing steadily reaching 93.3 per cent. and 161.6 per cent., respectively, in Q3 2019, with 4G reaching 34.2 per cent. and 59.3 per cent., respectively, in the same year, as outlined in the charts below (source: Analysys Mason).

The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in Serbia for the period between 2014 and Q3 2019:



Source: Analysys Mason

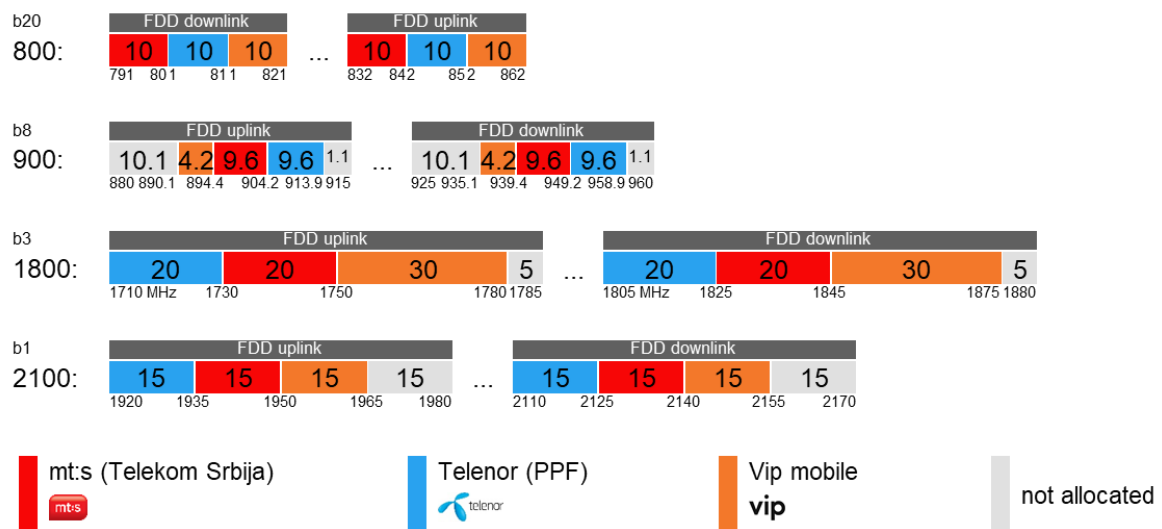
The charts below set out the smartphone penetration and 3G and 4G share of total mobile active connections in Montenegro for the period between 2014 and Q3 2019:



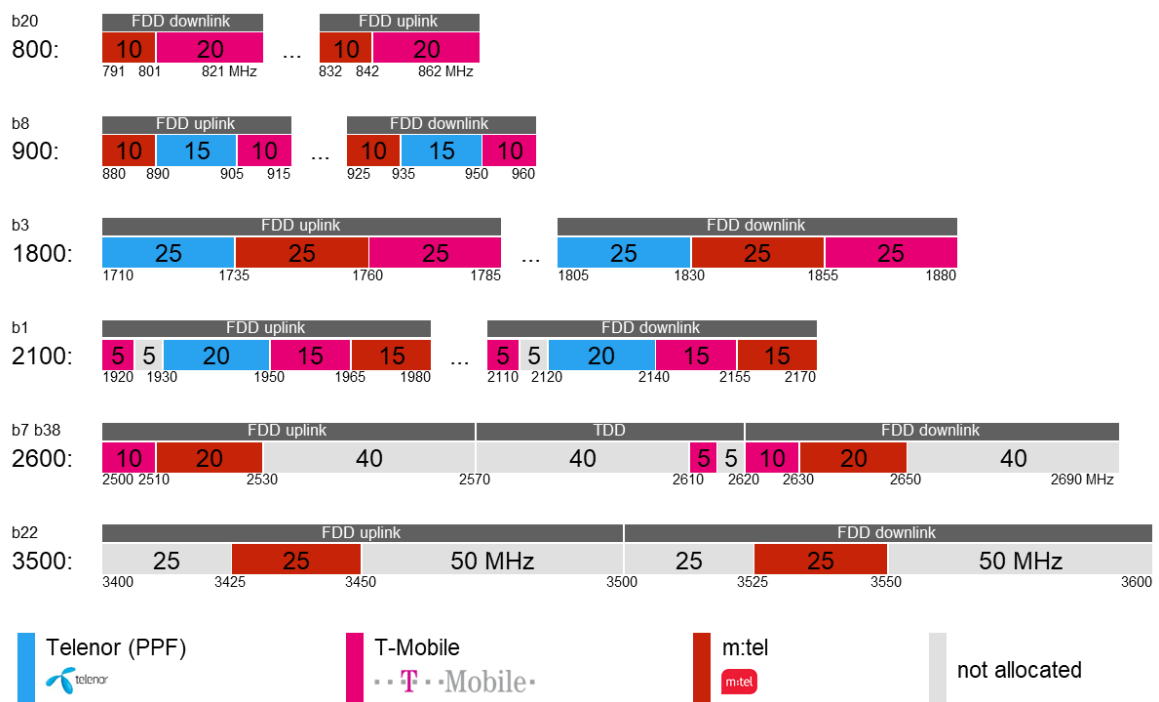
Source: Analysys Mason

## Spectrum

The chart below sets out the allocation of spectrum in Serbia as of the date of these Base Listing Particulars:



The chart below sets out the allocation of spectrum in Montenegro as of the date of these Base Listing Particulars:



Source: [spectrummonitoring.com](http://spectrummonitoring.com)

Spectrum licenses in Serbia are largely equally allocated across the three MNOs. The 2,600 MHz, 3,500 MHz and 3,700 MHz spectrum bands remain unused by mobile services as of the date of these Base Listing Particulars. Licenses are awarded for 10 years, with the most recent auction held in 2016. This distribution is fixed, and spectrum trading between operators is not permitted. The existing MNOs have a competitive advantage in spectrum auctions with licences historically being awarded based on minimum customer numbers. National roaming is permitted in the country. Potential upcoming auctions include the 700 MHz spectrum. As of

the date of these Base Listing Particulars, the regulator is also evaluating the future use of the 2,600 MHz spectrum.

The majority of the frequency bands in Montenegro are utilised, creating a strong barrier against new entrants into the market. The 800 MHz band is fully occupied by m:tel and Crnogorski Telekom (T-Mobile), while Telenor has a competitive advantage in the 900 MHz and 2,100 MHz band. Unallocated spectrum remains in the 2,600 MHz and 3,700 MHz bands. In 2016 and 2017, there were a number of auctions and prolongations for 15-year periods. More auctions are anticipated post the announcement of Strategy on the introduction of 5G (work commenced in 2020) with regards to deployment of 700MHz, 3400-3800MHz and 2.6GHz bands. Spectrum trading among operators is permitted.

## REGULATION

### Introduction

The Group's operations are subject to sector-specific telecommunications regulations and general competition law, as well as a variety of other regulations. The following sections provide a summary of EU, Czech, Slovak, Hungarian, Bulgarian, Serbian and Montenegrin legislation regulating telecommunications that is applicable to the business activities of the Group in the relevant countries. The extent to which telecommunications legislation applies to the Group depends largely on the nature of activities in a particular country, with the provision of traditional fixed network services usually being subject to the most extensive regulation.

### The EU Regulatory Framework for Electronic Communications

#### *General*

EU Member States are required to follow EU legislation and to take EU legislation into account when applying domestic law. In each EU Member State, a national regulatory authority (the “**NRA**”) is primarily responsible for enforcing national telecommunications laws that are based on the EU law. The EU candidate states' (including Serbian and Montenegro) legislation is expected to gradually further converge with the EU legislation.

The NRAs generally have significant powers under their relevant telecommunications laws, including the authority to impose universal service obligations, assign rights to use radio spectrum or frequencies (often in cooperation with the relevant national ministry or government department), and supervise the efficient use of radio frequencies and compliance with the imposed obligations.

Since much of the Group's business is undertaken in the European Union, a significant portion of Group's operations is subject to the EU law and related telecommunications regulations.

The European Commission's Initiative on a Digital Agenda for Europe sets out the European Commission's priorities in the field of the digital economy and highlighted the creation of the so-called Digital Single Market (DSM). Strategy for the DSM includes, most notably, a complete review of the applicable EU legal framework for telecommunications and creation of reliable, high-speed networks and services that safeguard consumers' fundamental rights to privacy and personal data protection while also encouraging innovation. A first essential step towards this initiative resulted in Regulation (EU) 2015/2120 (the “**Regulation (EU) 2120**”), which was adopted in November 2015 by the EU Parliament and the Council. Regulation (EU) 2120 contains provisions on open internet access (net neutrality) and roaming within the EU. The Regulation (EU) 2120 was amended in December 2018 to include rules on retail charges on regulated intra-EU international communications (calls and SMS messages) whereas the caps on retail charges introduced by the amendment applied from 15 May 2019.

Under Regulation (EU) 2120, the providers of internet access services (the “**IAS**”) must treat all types of internet traffic equally when providing these services, with the exception of their right to implement in limited cases reasonable traffic management measures subject to such measures being transparent, non-discriminatory and proportionate.

In order to comply with the Regulation (EU) 2120, the providers of IAS shall ensure that any contract concerning IAS sets forth, among other things, normally available minimum, maximum and advertised download and upload speed of the IAS in the case of mobile or fixed networks and impact of significant deviations from these speeds on the rights of end-users. Any significant discrepancy between the contractual information and the individually measured actual performance may trigger remedies for end-users, depending on the enforcement in relevant EU Member States. On August 2016, the Body of European

Regulators for Electronic Communications (the “**BEREC**”) published Guidelines on the implementation of net neutrality provisions (the “**Guidelines**”), which are designed to facilitate NRAs’ tasks under Regulation (EU) 2120 by providing a number of clarifications on a concrete application of its provisions. The Guidelines are under review by the BEREC and it is expected that the updated Guidelines will be issued in 2020. Depending on the outcome of the update of the Guidelines and the application of the Guidelines by different NRAs, some NRAs may in the future potentially set certain limitations on the prices charged by the Group and on the provision of specialised services or new service offers over 5G network.

As a result of Regulation (EU) 2120, with effect from 15 June 2017, surcharges for roaming services within the EU were eliminated (commonly known as “**Roam like at Home**”), subject to operator’s fair use policies providing safeguards for operators and allowing them to detect and address potential abuses by end-users.

To support Roam like at Home, the EU has further decreased wholesale roaming charges with effect from 15 June 2017, so called IOTs (Inter-Operators tariffs), which network operators charge to other network operators when their roaming customers use the other operator’s network. The wholesale regulation adopted substantial cuts in the regulated wholesale roaming rates for data as well as more moderate cuts for the prices of voice and SMS wholesale roaming services. The adoption of Roam like at Home and a general reduction in regulated IOTs had or may have in the future a negative impact on the Group’s revenues and increased costs of offered domestic tariffs, including roaming services. Moreover, the adoption of Roam like at Home also gives rise to specific risks, such as arbitrage risks - i.e., risks from the misuse of the international roaming mechanism to circumvent national terms and conditions.

On 17 May 2017 the European Parliament and the Council adopted Decision (EU) 2017/899 based on which the EU Member States shall allow the use of the 700 MHz frequency band in favour of terrestrial systems capable of providing wireless broadband electronic communications services. The release of 700 MHz should be allowed by the EU Member States by 30 June 2020.

Additionally, in September 2016, the European Commission presented legislative proposals aiming at the revision of the existing EU framework for telecommunications, i.e. proposal of the European Electronic Communications Code Directive (the “**EECC**”) replacing the present EU Directives on telecommunications and a revision of the Regulation on the Body of European Regulators for Electronic Communications (Regulation (EC) 1211/2009). The EECC was adopted in December 2018 with a transposition period of two years and EU Member States are required to adopt legislation necessary to comply with the EECC within this timeframe.

The EECC in the field of radio spectrum includes more harmonised rules to support more consistent and coordinated spectrum assignments, including rules relating to general authorisation for the provision of electronic communications networks or services, granting of individual rights of use for radio spectrum, duration, renewal and transfer thereof, conditions attached thereto and charges or fees for rights of use of radio spectrum. The EECC contains provisions targeting key aspects of spectrum assignment with a view to enhancing consistency in EU Member States practice. This has the potential to increase legal certainty for the Group’s mobile operations.

The EECC will allow NRAs to impose symmetrical access at reasonable terms on fixed network providers without significant market power (the “**SMP**”) at a given distribution point in case, subject to other conditions, high and non-transitory entry barriers require regulatory intervention. Depending on the local market conditions and application of the measures implementing the EECC by the relevant NRAs, the impact of strengthening of NRAs’ powers

to intervene without the necessity of determining the SMP could vary from jurisdiction to jurisdiction.

For the first time in the field of end-users' rights, over-the-top (or OTT) services such as WhatsApp and Skype (which are in general regulated only in relation to consumers) are in principle included in the legislation. However, numerous exemptions for such number-independent interpersonal communications services apply. The EECC stipulates certain additional obligations with respect to end-users' rights, such as interoperability obligations in connection with service bundles, which would be regulated by the EECC in their entirety, even if only some elements of the bundle constitute an electronic communications service. In addition, certain provisions of the EECC are envisaged to address better readability of the customer contracts through a short-form summarizing the essential contract information.

In addition to the non-exhaustive overview of matters regulated by the EECC outlined above, the EECC also deals with a number of other areas such as further end-user rights, wholesale markets, access to civil engineering and co-investments into networks.

On 17 December 2019, the European Commission adopted the first implementing regulation (Regulation (EU) 2019/2243) under the EECC establishing a template for the contract summary that electronic communications services operators should provide to consumers in the EU. The summary will be required as of 21 December 2020.

#### ***Special Requirements Applicable to Providers with SMP – EU Framework***

The most significant regulatory impact on the Group's business comes from the EU Framework's special requirements applicable to providers with SMP. The European Commission's guidelines on market analysis and the assessment of SMP state that single dominance concerns may arise in the case of undertakings with market share of over 40 per cent. Specific obligations may be imposed on operators of electronic communications in case they are designated by the relevant NRA as having SMP in a specific electronic communications market based on the analysis that should be performed by NRAs on regular basis. The maximum period between such market analysis is currently set at three years. However, in case of adopting the EECC, the maximum analysis period might be extended to five years, securing greater stability and predictability of regulatory measures while allowing operators longer term planning. Certain of the Group's subsidiaries have been designated as having SMP and the relevant NRA has thus subjected them to specific obligations as set out below in the section "*Special Requirements Applicable to Providers with Significant Market Power*".

#### ***Fixed and Mobile Termination Rate Recommendation***

In 2009, the European Commission issued the Recommendation on Termination Rates in the EU (Recommendation 2009/396/EC) (the "**Recommendation**") that defines details for the cost calculation of termination rates ("**TRR**") by the NRAs. TRR represents the rates, which telecommunications networks operators charge to each other to deliver calls between networks. The Recommendation's goal is to set lower and more consistent TRR across the EU. The cost methodology recommended for the TRR has since been included in the EECC, which requires the Commission to set a single maximum EU-wide mobile and fixed TRR. In the meantime some NRAs applied the cost methodology set out in the Recommendation and in these markets the TRR decreased significantly.

#### ***Data Protection***

The European General Data Protection Regulation (Regulation (EU) 2016/679) (the "**GDPR**") entered into force on 25 May 2018. These new data protection laws close a gap in the regulation of service providers outside of the EU and generally impose uniform rules for all market participants operating within the EU. GDPR is designed to ensure a high level of data protection in Europe and, at the same time, to level the playing field for new digital



business models. In order to preserve such level, it is important that the EU Member States do not go beyond the freedom granted to them by the GDPR to implement additional dedicated provisions by means of national adaptation laws, unless allowed or envisaged by the GDPR. In addition, telecommunications providers are subject to strict sector-specific rules under the e-Privacy Directive (Directive 2002/58/EC). The directive is currently being revised at EU level with the objective to extend its scope beyond telecommunications providers to OTT service providers. Until the e-Privacy Directive has been revised, data processed by telecommunications providers will remain subject to stricter rules.

### **Czech Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in the Czech Republic, including the O2 CZ Group's Czech activities and activities of CETIN. Czech telecommunications regulation has a particularly significant impact on the Group's business due to the significant share of its operations being based or conducted in the Czech Republic.

#### ***Relevant Legislation***

In addition to the EU regulatory framework, the Czech regulatory framework is set forth particularly in Act No. 127/2005 Coll., the Electronic Communications Act, as amended (the "**Czech Electronic Communications Act**"), which sets forth conditions for providing telecommunications services, together with secondary legislation and decisions of the main Czech governmental authority in the field of telecommunications - Czech Telecommunications Office (the "**Czech NRA**"). The aim of the Czech Electronic Communications Act is, among other things, to regulate the telecommunications sector in order to provide for any absent effects of competition, create a competitive environment and ensure customer protection.

In addition, Czech consumer protection regulations, such as limiting maximum sanctions for early contract termination, is directly relevant for the O2 CZ Group's Czech activities; however, it is not directly relevant for wholesale only providers, such as CETIN.

#### ***Regulatory Authority***

The Czech NRA is an independent regulatory body that regulates electronic communications and postal services in the Czech Republic. Pursuant to the Czech Electronic Communications Act, the Czech NRA, among other things, performs analysis of the relevant markets to determine whether they are sufficiently competitive and may impose obligations on the individual market providers with SMP in order to promote competition. In addition, the Czech NRA is responsible for the administration of frequency spectrum in the Czech Republic, including its allocation (which is relevant for O2 CZ Group), consumer protection in the telecommunications sector and deciding disputes between providers and recipients of telecommunications services. When carrying out its powers, the Czech NRA co-operates with the Ministry of Industry and Trade (the "**Ministry**"). In compliance with the provisions of the Czech Electronic Communications Act, the Ministry and Czech NRA should, among other things, ensure the efficient management and use of radio frequencies.

#### ***Authorisation***

The Czech NRA issues a general authorisation which lays down the conditions for carrying out a performance of communications activities relating to all or specific types of electronic communications networks and services. The Czech NRA by this general authorisation sets out specific conditions concerning, among other things, the interoperability of services and connection of networks, protection of personal data and privacy, the consumer protection and the use of radio frequencies. Any person or entity wishing to conduct any electronic communications business in the Czech Republic, including provision of public communications network or mobile telecommunications services, should notify the Czech

NRA thereof and must meet general conditions set out in the general authorisation issued by the Czech NRA. The Czech NRA subsequently issues a certificate confirming the receipt of the notification (the “**Certificate**”), including the extent of the services to be provided.

Some radio frequencies cannot be used under a general authorisation and may be used only on the basis of an individual authorisation granted by the Czech NRA for the use of individual radio frequencies specified in such individual authorisation (the “**Individual Authorisation**”). Individual Authorisation sets forth specific terms and conditions for the use of the relevant radio frequencies and carrying out of telecommunications activities using such frequencies. Individual Authorisations are issued for five-year time periods. Under specific conditions set forth in the Czech Electronic Communications Act, the Czech NRA may change, extend or renew and also revoke Individual Authorisations. Among conditions under which the Czech NRA may revoke Individual Authorisations belong, for example, situations when the holder of the relevant Individual Authorisation ceased to meet one of the conditions based on which the Individual Authorisation was granted, or the holder of the Individual Authorisation did not use the allocated frequencies for six months or repeatedly interrupted the use of allocated frequencies for a total period of twelve months over two years.

Where the number of rights to use radio frequencies is limited by the so-called Radio Spectrum Utilisation Plan, in order to use the relevant frequencies, an allocation of radio frequencies (the “**Frequency Allocation**”) needs to be granted by the Czech NRA to the relevant telecommunications operator. The Frequency Allocations are granted on the basis of public tenders. The Czech NRA may change Frequency Allocations based on an application of the holder or under other conditions stipulated in the Czech Electronic Communications Act. Furthermore, the Czech NRA may revoke a Frequency Allocation, among other things, when the holder of such Frequency Allocation ceased to meet one of the conditions based on which the Frequency Allocation was granted or the holder of the Frequency Allocation did not fulfil obligations stipulated by the Czech Electronic Communications Act or by the decision on granting of the Frequency Allocation. As the Frequency Allocation does not in itself provide for an authorisation for the use of individual radio frequencies, the holder of the Frequency Allocation has to obtain in addition to the Frequency Allocation a so-called Individual Authorisation in respect of specific radio frequencies allocated under a particular Frequency Allocation.

O2 Czech Republic is a holder of Individual Authorisations as well as Frequency Allocations, which enable O2 Czech Republic to use radio frequencies in the spectrums as specified above in section “*Description of the Group – Czech Republic (O2) – Network*”. CETIN is also a holder of Individual Authorisations for frequency usage of, for example, microwave point-to-point connectivity. Both O2 Czech Republic and CETIN are holders of the relevant Certificates issued by the Czech NRA under the Czech Electronic Communications Act, including the general extent of the respective services to be provided by O2 Czech Republic and CETIN respectively.

### **Competition**

Competition in the telecommunications sector is monitored at the European level by the European Commission and in the Czech Republic by the Czech Office for the Protection of Competition (the “**Czech Competition Commission**”) and, to a certain extent, the Czech NRA. Generally, the Czech NRA performs ex ante regulation, while the Czech Competition Commission performs ex post regulation. Pursuant to the Czech Electronic Communications Act, the Czech Competition Commission and the Czech NRA co-operate on monitoring the rights of entities using telecommunications services, as well as counteracting restrictive practices and anticompetitive concentrations of telecommunications operators. The Czech Competition Commission has broad regulatory powers in the area of competition and the Czech Competition Commission also presents its opinions on each of the Czech NRA’s relevant market analysis (as described below).

### ***Special Requirements Applicable to Providers with Significant Market Power***

As indicated above, the Czech NRA supervises the electronic communications sector in the Czech Republic and every one to three years, depending on market conditions, performs an analysis of the individual relevant markets under its supervision to determine whether these are effectively competitive, while taking into account any decisions, recommendations and instructions of the European Commission. Depending on the result of its relevant market analysis, which are notified to the European Commission, the Czech NRA may conclude that one or more market participants have SMP within a relevant market and impose certain obligations on such market participants to promote competition. Such obligations may include transparency obligations, non-discriminatory access, separate accounting for costs and revenues, provision of access to specific network elements and associated facilities or the obligation to publish a reference offer for access to, or interconnection of, electronic communications networks.

The Czech NRA's list of relevant markets is based on a recommendation of the European Commission. However, the Czech NRA may perform tests of other telecommunications markets, a so-called Test of Three Criteria, to determine whether these markets are sufficiently competitive. In case the Czech NRA determines the Test of Three Criteria is fulfilled, it consults its findings with the Czech Competition Commission and notifies them to the European Commission. In case these authorities approve Czech NRA's findings, the Czech NRA may define a new relevant market, perform its analysis and regulate it, particularly impose obligations on market participants with SMP (see “– *Recent and Upcoming Regulation*” below).

In addition, under the Czech Electronic Communications Act, tariffs for telecommunications access services offered by providers with SMP and their affiliates can be subject to price regulation, insofar as the tariffs relate to a market in which SMP has been determined to exist. The Czech NRA may issue binding pricing decisions applicable to wholesale markets, whose aim is to promote competition and enable alternative operators to provide communications services by ensuring access to affordable wholesale products. O2 Czech Republic and CETIN are subject to maximum price regulation in several instances (see table below) and regulation of maximal price gaps of related services, such as xFBB.

The Czech NRA completed the latest market analysis, a so-called ‘fourth round relevant market analysis’, between 2016 and 2018, and commenced a new round, a so-called ‘fifth round relevant market analysis’, in 2019 and 2020 with respect to relevant markets 1 and 2 and the newly established relevant market 5 (see “– *Recent and Upcoming Regulation*” below). The Czech NRA announced that it would take into account anticipated changes stemming from the EEEEC, whose transposition period is 21 December 2020.

In the ‘fourth round relevant market analysis’, the Czech NRA determined a new set of five relevant markets, whereas O2 Czech Republic and CETIN were defined as an entity with SMP in one and four, respectively, of these relevant markets. As of the date of these Base Listing Particulars, the Group's management believes that, for the near future, the Czech NRA is likely to view O2 Czech Republic and CETIN as the providers with SMP in their respective markets. Considering that in some markets the Group's competitors are unlikely to gain SMP status in the near future, the Group's management expects that the Group, particularly CETIN, will have to compete in certain markets with providers not subject to those regulatory obligations. Therefore, these competitors may have more flexibility than the Group has in terms of the selection of services offered and customers served, pricing and the granting of network access.

CETIN, as a wholesale-only provider, offers with respect to a small part of its wholesale lines unbundled local loop (the “ULL”) access, a regulatory forced wholesale model allowing other telecommunications operators to utilise existing copper or fibre connections from the

telephone exchange to the subscriber's premises. CETIN is obligated to publish a reference offer for access to the ULL whereas prices for ULL access are subject to so-called wholesale price squeeze test. By allowing competitors to connect to customer access lines within CETIN's local networks, unbundling of the local loop allows its competitors to gain direct access to customers without having to build local networks of their own. Therefore, with respect to a small part of CETIN's wholesale lines, this allows competitors to use CETIN's customer access lines to offer local services directly to customer.

The following table sets out the overview of the relevant markets where O2 Czech Republic or CETIN have SMP status as of the date of these Base Listing Particulars:

| <b>Relevant Market</b>                                                                                        | <b>Significant Market Power</b>            |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Market No. 1: Wholesale call termination on individual public telephone networks provided at a fixed location | CETIN and 22 other entities                |
| Market No. 2: Wholesale voice call termination on individual mobile networks                                  | O2 Czech Republic and three other entities |
| Market No. 3a: Wholesale local access provided at a fixed location                                            | CETIN                                      |
| Market No. 3b: Wholesale central access provided at a fixed location for mass-market products                 | CETIN                                      |
| Market No. 4: Wholesale high-quality access provided at a fixed location                                      | CETIN                                      |

In each market, the Czech NRA imposed on CETIN or O2 Czech Republic, as applicable, the following obligations: (i) enable access to specific network elements and associated facilities related to the particular market (such as call termination service in its fixed-line network, ULL or wholesale broadband service), (ii) transparency obligation, specifically to publish information relating to access and interconnection; (iii) non-discrimination obligation, specifically to grant equal conditions in equal circumstances and to all entrepreneurs and to provide equal services and information in the same quality as it provides to its own services; and (iv) to maintain separate accounting for costs and revenues: (a) in respect of markets 1 and 2, in such a manner, which proves that there is no cross financing between wholesale and retail level and that there is documentation of costs and revenues available for every service on the wholesale and retail market; (b) in respect of market 3a, in such a manner, which proves that there is no cross financing between related markets 3a and 3b; (c) in respect of markets 3b and 4, with respect to each individual type of service provided in these markets. In relation to market 4, stipulated in the table above, these obligations are related only to a sub-market of the wholesale terminating segments of leased lines with speeds not exceeding 6 Mbit/s.

In addition, in relation to markets 1 and 2, stipulated in the table above, the Czech NRA also imposed on CETIN or O2 Czech Republic, as applicable, pricing regulation in the form of setting maximum prices the provider may charge its customers.

O2 Czech Republic as a mobile network operator is obliged to provide regulated access to their LTE networks at wholesale prices, which enable replicability of its retail services. In 2016, the Czech NRA requested compliance with the regulated wholesale prices through notification sent to the mobile network operators.

### ***Consumer Protection***

In recent years, the Czech Electronic Communications Act was amended to strengthen consumer protection in the area of electronic communications. In particular, with respect to specific areas: (i) amendment of the mandatory parts of the customer contracts, which newly have to include also the scope of possible unilateral changes of the contracts and the method of notification thereof to the subscriber, including the possibility to withdraw from the

contract; (ii) new regulation of the conditions for extension of the contract term; (iii) new regulation of telephone number portability; (iv) new regulation regarding penalties. Further, in 2020, the Czech NRA is to commence operation of a free independent tool comparing the price and quality of electronic communication services.

### ***Recent and Upcoming Regulation***

In December 2019, the Czech NRA defined the wholesale market of mobile services as a new relevant market, and in February 2020 it announced that it would perform an SMP analysis with respect to this market. Based on the outcome of this analysis, the Czech NRA may impose relevant regulations on the operators of telecommunications services in this market. Moreover, as mentioned above the recent process of release of the 700 MHz frequency band in favour of terrestrial systems capable of providing wireless broadband electronic communications services is being implemented in the Czech Republic.

### **Slovak Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in Slovakia, including O2 Slovakia's activities.

#### ***Relevant Legislation and Regulatory Authority***

In addition to the EU regulatory framework, the Slovak regulatory framework is set forth particularly in Act No. 351/2011 Coll., on Electronic Communications, as amended (the Slovak Electronic Communications Act), which sets forth conditions for providing electronic communication services including telecommunications services. The legal framework is also based on the applicable secondary legislation and decisions of the main Slovak governmental authority in the field of telecommunications, the Regulatory Authority for Electronic Communications and Postal Services (the Slovak NRA).

#### ***Authorisation***

The Slovak NRA issues a general authorisation which stipulates the conditions for carrying out communications activities related to all or selected types of electronic communications networks and services. These conditions relate to, among other things, the interoperability of services and the connection of networks, the protection of personal data and privacy, consumer protection, the use of frequencies and the payment of administrative fees. Any person or entity wishing to conduct electronic communications business activities in Slovakia must notify the Slovak NRA and comply with the general conditions set out in the general authorisation.

The frequencies may be used under a general authorisation or on the basis of an individual authorisation granted by the Slovak NRA for the use of individual frequencies specified in such individual authorisation. An individual authorisation is issued for a period of up to ten years; however, if justified by the expected period for the return of the investment, the individual authorisation may be issued for a longer period. Under the specific conditions set forth in the Slovak Electronic Communications Act, the Slovak NRA may change, renew and revoke individual authorisations. The Slovak NRA may revoke individual authorisations for instance if the holder of the relevant individual authorisation fails to meet the conditions of the individual authorisation or fails to use the allocated frequencies for more than six months. In case usage of some frequencies is limited by the 'Frequency Utilisation Plan', the frequency allocations are granted by the Slovak NRA on the basis of public tenders.

#### ***Competition***

Competition in the telecommunications sector at national level is monitored primarily by the Antimonopoly Office of Slovakia and, to a certain extent, the Slovak NRA. Within its regulatory powers the Antimonopoly Office of Slovakia also presents its opinions on the Slovak NRA's relevant market analysis.

### ***Special Requirements Applicable to Providers with Significant Market Power***

The Slovak NRA supervises the electronic communications sector in Slovakia, and except for certain exemptions, it performs analyses of the individual markets under its supervision every three years to determine whether they are competitive, while taking into account any decisions, recommendations and instructions of the European Commission. Depending on the results of its market analyses, the Slovak NRA may conclude that one or more market participants have SMP within a market and it may impose certain obligations on them to promote competition.

Under the Slovak NRA's 2016 market analysis and 2018 market analysis, O2 Slovakia was identified as a provider with SMP status on market No. 1 (wholesale call termination on individual public telephone networks provided at a fixed location) and market No. 2 (wholesale voice call termination on individual mobile networks). As a result, O2 Slovakia is obliged to comply with certain additional specific obligations imposed on it by Slovak NRA. These obligations include the obligation to enable access to specific network elements, the non-discrimination obligation (specifically, to grant equal conditions under equal circumstances to all entrepreneurs and to provide equal services and information of the same quality that it provides to its own services) and the transparency obligation (specifically, to publish information related to interconnection).

### **Hungarian Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in Hungary, including Telenor Hungary's activities.

#### ***Relevant Legislation and Regulatory Authority***

In addition to the EU regulatory framework, the Hungarian regulatory framework is set forth particularly in Act C of 2003 on Electronic Communications, as amended (the "**Hungarian Electronic Communications Act**"), which sets forth conditions for providing electronic communications activities performed in or directed towards the territory of Hungary, and for all other activities and communications services provided or used that result in or generate radio frequency signals. The legal framework is also based on secondary legislation and decisions of the Hungarian NRA.

#### ***Authorisation***

Generally, any person is entitled to operate an electronic communications network and to provide services through an electronic communications network in Hungary, subject to compliance with the conditions laid down in the Hungarian Electronic Communications Act and other applicable legislation. Any person wishing to conduct any electronic communications business in Hungary must notify the Hungarian NRA as the conduct of electronic communications business in Hungary is subject to the registration by the Hungarian NRA. The rights to use radio frequencies are subject to decisions of the Hungarian NRA including frequency allocation and radio licence (the "**Individual Licences**"). In specific cases, frequency allocation and radio licences may be requested exclusively on the basis of frequency use rights obtained through a competitive procedure, i.e. auction or tender.

#### ***Competition***

Competition in the telecommunications sector is monitored at the European level by the European Commission and the Hungarian Competition Authority (the "**Hungarian Competition Commission**") and, to a certain extent, the Hungarian NRA. Generally, the Hungarian NRA performs ex ante regulation, while the Hungarian Competition Commission performs ex post regulation. The Hungarian Competition Commission is currently investigating the network and frequency sharing arrangements between Telenor Hungary and

Magyar Telekom including with respect to the frequency band tenders published by the Hungarian NRA in 2014.

### ***Special Requirements Applicable to Providers with Significant Market Power***

The Hungarian NRA supervises the electronic communications sector in Hungary and generally every one to three years, depending on market conditions, performs an analysis of the individual relevant markets under its supervision to determine whether these are effectively competitive, while taking into account any decisions, recommendations and instructions of the European Commission. Depending on the result of its relevant market analysis, which are notified to the European Commission, the Hungarian NRA may conclude that one or more market participants have SMP within a relevant market and impose certain so-called asymmetrical obligations on such market participants to promote competition. As of the date of these Base Listing Particulars, Telenor Hungary has SMP status on the relevant market no. 2: Voice call termination on mobile radiotelephone networks. The SMP status means that Telenor Hungary is subject to obligations concerning transparency, equal treatment, cost orientation and controllability of rates, access and interconnection and accounting separation. As of the date of these Base Listing Particulars, the Hungarian NRA is conducting a review of relevant market no. 2 and a new decision regarding SMP status in this market is expected by mid-2020 which may potentially impose different obligations.

### **Bulgarian Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in Bulgaria, including Telenor Bulgaria's activities.

#### ***Relevant Legislation and Regulatory Authority***

In addition to applicable EU Regulatory Framework, the Bulgarian regulatory framework with respect to telecommunication networks and the provision of telecommunication services is set forth in the Bulgarian Electronic Communications Act (the “**Bulgarian Electronic Communications Act**”), which is complemented by a number of other statutory instruments, as well as the related secondary legislation issued by the Bulgarian Communications Regulation Commission (the “**Bulgarian NRA**”), the Bulgarian national regulatory authority. These main pieces of legislation are supported also by a number of sector-specific legislative instruments with respect to personal data, e-commerce, consumer and competition protection, etc.

#### ***Authorisation***

Telecommunication networks and/or services, except where the use of scarce resources is needed, are provided freely subject to prior notification of the Bulgarian NRA. The use and allocation of scarce resource (ex: spectrum, positions on geostationary orbit and numbers from the National Numbering Plan) require the issuance of a permit (licence) by the Bulgarian NRA. Permit for use spectrum is awarded either as a result of competitive tender or where the number of applicants is lower or equal to the number of entities that may be granted a permit for the available spectrum or in case of carrying out electronic communications through the use of analogue electronic communications networks for terrestrial analogue radio broadcasting – on the basis of direct awards.

The permit for use of scarce resource is granted for initial period of up to 20 years, which may be extended up to 20 more years. The permits specify the allocated resource, the service for which such resource is to be used, the terms and conditions for transfer and for efficient and effective use of the resource, the fee payable for the use of the resource, territorial scope and the obligations undertaken by the provider during the award procedure. The permits can be amended and supplemented by the Bulgarian NRA only in case of amendment of the applicable legislation, reasons related to national security and public interest in respect of the efficient use of scarce resources, consumer protection or universal service provision.

### ***Competition***

The Bulgarian Commission for Protection of Competition (the “**Bulgarian Competition Commission**”) is the authority responsible for monitoring of the competition on the Bulgarian market, including in the telecommunication sector. The Bulgarian Competition Commission has powers to perform ex post control with regards to any potential violation of the antitrust rules, while the Bulgarian NRA is vested with the power to enforce special rules aiming to promote effective competition in the telecommunications sector. For the purpose the Bulgarian NRA regularly conducts ex ante analysis of the telecommunication markets and in case it identifies undertaking/s with SMP imposes specific obligations. The Bulgarian Competition Commission and the Bulgarian NRA co-operate by consulting and sharing information about the telecommunication markets. Each year, the Bulgarian Competition Commission reviews and approves the yearly report of the Bulgarian NRA on the development and the status of the telecommunication markets.

### ***Special Requirements Applicable to Providers with Significant Market Power***

With respect to different antitrust and merger control proceedings the Bulgarian Competition Commission periodically analyses the markets for mobile telecommunication services and until now, it has never established that there is an undertaking with dominant position on these markets. However, the Bulgarian NRA has determined that most of the telecommunication companies possess SMP in respect of their networks and has imposed specific obligations. As of the date of these Base Listing Particulars, Telenor Bulgaria is considered to have SMP in the following markets: market No.1 (call termination on individual public telephone networks provided at a fixed location) and market No. 2 (wholesale voice call termination on individual mobile networks). With respect to those markets, the Bulgarian NRA has imposed on Telenor Bulgaria the following obligations, among others: (i) to enable access to specific network elements and associated facilities related to the particular market; (ii) transparency obligation; (iii) non-discrimination obligation; (iv) to maintain separate accounting for costs and revenues in such a manner, which proves that there is no cross financing between wholesale and retail level (only in regard to Market 2); and (v) obligation for price limitations.

### ***Recent and Upcoming Regulation***

In November 2018, the Bulgarian NRA started public consultations regarding the allocation of new frequency bands in the 2 GHz and 2.6 GHz range. All mobile services providers showed interest in allocation of spectrum in such bands and as of January 2020 all of them obtained temporary permits for a period of six months for testing of new services or networks in the aforementioned frequency bands, as well as in the 3.6 GHz range. Further, the Bulgarian “National Roadmap” for the release of the 700 MHz band was adopted in 2018 outlining a plan for freeing of 2x20 MHz, from a total of 2x30 MHz, in the 700 MHz by June 2020. In addition, 2x10 MHz, from a total of 2x30 MHz, in the 800 MHz band are freed and the Bulgarian authorities are considering their allocation and utilisation depending on the technical test for interoperability to be conducted with the Bulgarian Air Force. With respect to the new European Electronic Communications Code, the Bulgarian authorities have committed to transposing the Code and bringing the subsidiary legislation in line with such code by 21 December 2020.

### **Serbian Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in Serbia, including Telenor Serbia’s activities.

### ***Relevant Legislation and Regulatory Authority***

The Serbian regulatory framework is set forth particularly in the Electronic Communications Law (the “**Serbian Electronic Communications Act**”), which sets forth conditions for



providing telecommunications services, together with secondary legislation. The aim of the Serbian Electronic Communications Act is, among other things, to regulate the telecommunications sector in order to provide a specific regulatory framework for electronic communication services and networks, create a competitive environment and ensure consumer protection. The Serbian national regulatory authority is the Regulatory Agency for Electronic Communications and Postal Services (the “**Serbian NRA**”). In accordance with the Cooperation Agreement on the decrease of roaming services and international MTR for roaming calls in public mobile communication network, the prices for roaming services and MTR for roaming calls by Serbian mobile telephone operators are capped in relation to Montenegro, Bosnia and Herzegovina, Northern Macedonia, Albania and Kosovo. With effect from 1 July 2019, the Cooperation Agreement imposed RLAH+ implementation as a transitional phase towards full regional RLAH implementation, which is to take place by July 2021. RLAH+ decreased roaming prices and regulated maximum mobile termination rates for regulated roaming calls originated and terminated in the WB6 region. In addition, ongoing discussions among regional NRAs and the European Commission may result in a decrease of international mobile termination rates for international direct dialling calls within the WB4 region from July 2020 and the introduction of new roaming regulation from mid-2021 for the roaming traffic between the WB6 region and the EU.

### **Authorisation**

Each operator intending to provide telecommunications services in Serbia must notify the Serbian NRA 15 days before starting operations (general authorisation) and meet general conditions (both technical and legal) set out in the Serbian Electronic Communications Act. The Serbian NRA subsequently issues a certificate confirming the receipt of the notification, including the extent of the services to be provided.

Radio frequencies that mobile operators use for access and transport network may not be used under a general authorisation and require an individual authorisation from the Serbian NRA. Such frequencies are encompassed by the so-called Radio-frequency Allotment Plan (the “**Serbian Allotment Plan**”), which limits the number of persons that may use radio frequencies. The Serbian Allotment Plan defines the range and distribution of radio-frequencies, terms, manner of use and manner of allocation of radio-frequencies. Depending on the Serbian Allotment Plan, the right to use radio frequency may be granted as an individual authorisation provided upon request of the holder of a licence (such as radio frequency for transport network), or via a public tender (such as radio frequency for access network). Individual Authorisation sets forth specific terms and conditions for the use of the relevant radio frequencies and carrying out of telecommunications activities using such frequencies. Individual Authorisations are issued for ten-year time periods. The Serbian NRA may change, extend or renew and also revoke Individual Authorisations if, among other things, the radio frequency is not used in accordance with the Serbian Allotment Plan and Serbian Electronic Communications Act, holder of a licence ceases to exist, the radio frequency was allocated based on false data, or the holder of a licence does not start to use the radio frequency within the provided deadline. Additionally, the Serbian NRA manages and assigns numbers and addresses in accordance with the national numbering plan. The Numbering Plan defines the purpose and manner of use of number for access to public electronic communication networks and services and their duration, type and structure. Operators may use numbers upon obtaining the licence for the use of numbers from the Serbian NRA, issued for a term of ten-years. An operator may transfer the licence upon the Serbian NRA’s approval.

### **Competition**

Competition in the telecommunications sector is monitored by the Serbian Commission for Protection of Competition (the “**Serbian Competition Commission**”) and, to a certain extent, the Serbian NRA. In principle, the Serbian NRA is in charge of *ex ante* regulation, including

determination of SMP operators and imposing corresponding obligations, while the Serbian Competition Commission performs *ex post* competition law enforcement. Pursuant to the Serbian Electronic Communications Act and a Cooperation Protocol, the Serbian Competition Commission and the Serbian NRA co-operate on monitoring the rights and obligations of undertakings providing telecommunications services, as well as counteracting restrictive practices, abuse of dominance and/or concentrations of telecommunications operators that may have negative effects on market competition. The Serbian Competition Commission regularly presents its opinions on the Serbian NRA's relevant market analysis.

### ***Special Requirements Applicable to Providers with Significant Market Power***

Should the Serbian NRA find that an operator has SMP following a market analysis, it can impose regulatory obligations on its operations, including the following: (i) publication of relevant data; (ii) non-discriminatory actions; (iii) accounting separation; (iv) provision of access and use of parts of the network infrastructure and associated facilities; (v) price control and cost-based accounting; (vi) provision of minimum set of leased lines; (vii) provision of operator selection and operator pre-selection services; (viii) offering retail services under certain conditions. Telenor Serbia has the status of SMP operator on two markets: (i) wholesale market for termination of calls in the public telephone network; and (ii) wholesale market for termination of calls in mobile network, with specific regulatory obligations (including publication of standard offer, prohibition of discrimination, providing access and right to use the network and ancillary assets and price control).

### ***Consumer Protection***

The Serbian Electronic Communications Act contain specific consumer protection provisions, which provide additional protection to consumers on the telecommunication market (apart from the general consumer protection framework). Such provisions include (i) mandatory contents of the agreement between consumer and an operator including also the scope of possible unilateral changes and the notification thereof to the subscriber, including the possibility to withdraw from the contract; (ii) number portability etc.

### ***Data Protection***

The new Serbian Law on Personal Data Protection was adopted in November 2018 and became effective on 21 August 2019, replacing the previous law in light of the new European data protection regime under the GDPR. As a result, the law presents to a large extent a copy of GDPR and should therefore result in substantially the same data protection obligations for telecommunications providers as in the EU. Nevertheless, certain important differences are present: the GDPR recitals were not copied or otherwise implemented in the new law (potentially creating a number of issues in its future interpretation), the new law failed to regulate certain important data protection aspects (such as video surveillance), and the regime for data transfers to countries not ensuring adequate protection does not fully correspond to the one set forth by the GDPR. In addition, telecommunications providers are subject to certain additional sector-specific rules under the Serbian Electronic Communications Act.

## **Montenegrin Telecommunications Regulation**

The following sub-section provides an overview of the legislation relevant to the business activities of the Group in Montenegro, including Telenor Montenegro's activities.

### ***Relevant Legislation and Regulatory Authority***

The Montenegrin regulatory framework is set forth particularly in the Electronic Communications Law (the "**Montenegrin Electronic Communications Act**"), which sets forth conditions for providing telecommunications services, together with secondary legislation. The aim of the Montenegrin Electronic Communications Act is, among other things, to regulate the telecommunications sector in order to provide a specific regulatory

framework for electronic communication services and networks, create a competitive environment and ensure consumer protection. The Montenegrin regulatory authority is the Agency for Electronic Communications and Postal Services (the “**Montenegrin NRA**”). In accordance with the Cooperation Agreement on the decrease of roaming services and international MTR for roaming calls in public mobile communication network, the prices for roaming services and MTR for roaming calls by Montenegrin mobile telephone operators are capped in relation to Serbia, Bosnia and Herzegovina, Northern Macedonia, Albania and Kosovo. With effect from 1 July 2019, the Cooperation Agreement imposed RLAH+ implementation as a transitional phase towards full regional RLAH implementation, which is to take place by July 2021. RLAH+ decreased roaming prices and regulated maximum mobile termination rates for regulated roaming calls originated and terminated in the WB6 region.

### **Authorisation**

Each operator intending to provide telecommunications services in Montenegro must notify the Montenegrin NRA 15 days before starting operations (general authorisation) and meet general conditions (both technical and legal) set out in the Montenegrin Electronic Communications Act. The Montenegrin NRA subsequently issues a certificate confirming the receipt of the notification, including the extent of the services to be provided.

Frequencies are encompassed by the so-called Radio-frequency Allotment Plan (the “**Montenegrin Allotment Plan**”), issued by the Montenegrin NRA, which may limit the number of persons that may use radio frequencies. Depending on the Montenegrin Allotment Plan, right to use radio frequency may be granted as an individual authorisation provided upon request, or, exceptionally, via a public tender, if it is determined by the appropriate Montenegrin Allotment Plan that those shall be granted on an exclusive basis on the territory of Montenegro for the realisation of public electronic communications network or if it is determined that expressed interest surpasses the availability of radio-frequency resources. The Montenegrin Allotment Plan defines the range and distribution of radio frequencies, terms, manner of use and manner of allocation of radio frequencies, in accordance with the Radio Frequency Allocation Plan issued by the Government of Montenegro. Individual Authorisation sets forth specific terms and conditions for the use of the relevant radio frequencies and carrying out of telecommunications activities using such frequencies. Individual Authorisations are issued for up to five-year time periods, while exclusive use of radio-frequencies can be granted for up to fifteen-year time periods. The Montenegrin NRA may change, extend or renew and also revoke Individual Authorisations if, among other things, the radio frequency is not used in accordance with the Montenegrin Allotment Plan, the radio frequency was allocated based on false data, the operator does not start to use the radio frequency within the provided deadline, the holder of the authorisation is prohibited from conducting business activity in accordance with the law, the fees for use of radio-frequency are not paid after the Montenegrin NRA warning and in case of harmful interference that cannot be avoided in any other manner. Additionally, the Montenegrin NRA manages and assigns numbers and addresses in accordance with the national numbering plan. The Numbering Plan defines the purpose and manner of use of number for access to public electronic communication networks and services and their duration, type and structure. Operators may use numbers upon obtaining an approval from the Montenegrin NRA, for a term of up to ten years. Operator may transfer the mentioned approval upon the Montenegrin NRA’s consent.

### **Competition**

Competition in the telecommunications sector is monitored in Montenegro by the Montenegrin Competition Agency (the “**Montenegrin Competition Commission**”) and, to a certain extent, the Montenegrin NRA. In principle, the Montenegrin NRA is in charge of *ex ante* regulation, including determination of SMP operators and imposing corresponding obligations, while the Montenegrin Competition Commission performs *ex post* competition

law enforcement. Pursuant to the Montenegrin Electronic Communications Act and a Cooperation Agreement, the Montenegrin Competition Commission and the Montenegrin NRA co-operate on monitoring the rights and obligations of undertakings providing telecommunications services, as well as counteracting restrictive practices, abuse of dominance and/or concentrations of telecommunications operators that may have negative effects on market competition. The Montenegrin Competition Commission regularly presents its opinions on the Montenegrin NRA's relevant market analysis.

### ***Special Requirements Applicable to Providers with Significant Market Power***

Should the Montenegrin NRA find that an operator has SMP, it can impose the following obligations: (i) publishing certain data in the form of standard offer; (ii) non-discriminatory practices; (iii) accounting separation; (iv) enabling of access and use of elements of the network and associated assets; (v) price control and use of cost accounting; (vi) regulation of retail prices. Telenor Montenegro has the status of SMP operator on three markets: (1) wholesale market on access and origination of calls in public mobile telephone networks (with specific obligations including access to and use of specific network facilities, carrier selection, national roaming, non-discrimination, publishing of data (Referent Access Offer), separate accounting, cost accounting and price supervision); (2) wholesale call termination on individual public telephone networks provided at a fixed location (with specific obligations including publishing of data, non-discrimination and access to the network elements, price supervision) and (3) wholesale call termination on individual mobile networks (with specific obligations including publishing of data (RIO), non-discrimination and access to the network elements, separate accounting and cost accounting and price supervision).

### ***Consumer Protection***

The Montenegrin Electronic Communications Act contain specific consumer protection provisions, which provide additional protection and further clarification to consumers on the telecommunication market (apart from the general consumer protection framework). Such provisions include (i) mandatory contents of the agreement between consumer and an operator including also the scope of possible unilateral changes and the notification thereof to the subscriber, including the possibility to withdraw from the contract; (ii) number portability; (iii) service quality; (iv) maintaining integrity and safety of electronic communication networks and services; (v) notification to the Montenegrin NRA in case of personal data breaches etc.

### ***Data Protection***

The Montenegrin Law on Personal Data Protection was enacted in 2008, and generally follows the key principles of EU data protection legislation in force at the time – as envisaged in the previously applicable EU Data Protection Directive (Directive 95/46/EC). It regulates the collection and processing of personal data on the territory of Montenegro (including the conditions for the transfer of personal data abroad), and therefore principally applies to local telecommunication providers. In addition, its provisions are also applicable to foreign data controllers if their data processing equipment is located in Montenegro (unless it is used only for data transit over Montenegro), in which case they are required to determine a local representative responsible for the compliance with the law. The law is outdated now and significantly deviates from the GDPR. It is therefore expected that Montenegro will enact a new law on personal data protection in 2020 in order to implement the GDPR. In addition, telecommunications providers are subject to certain additional sector-specific rules under the Montenegrin Electronic Communications Act.

## TAXATION

### The Netherlands

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of these Base Listing Particulars, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (a) investment institutions (fiscale beleggingsinstellingen);
- (b) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (c) holders of Notes holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (d) persons to whom the Notes and the income therefrom are attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001);
- (e) entities which are a resident of Aruba, Curacao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and
- (f) individuals to whom the Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom of the Netherlands.

## ***Dutch Withholding Tax***

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

However, as of 1 January 2021 Dutch withholding tax may apply on certain (deemed) payments of interest made by the Issuer to an affiliated (*gelieerde*) entity or permanent establishment of such entity (i) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) (the “**Regulation**”), or (ii) in certain abusive situations involving a hybrid or conduit entity within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). The Regulation includes jurisdictions that, according to the Dutch Ministry of Finance, in the previous year had no profits tax or a profits tax rate that was lower than 9 per cent. and jurisdictions that were included in the EU list of non-cooperative jurisdictions for tax purposes of the previous year.

## ***Corporate and Individual Income Tax***

### *Residents of the Netherlands*

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.50 per cent.) under the Dutch Income Tax Act 2001, if:

- (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual’s yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual’s yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual’s yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual’s yield basis. The deemed return percentage to be applied to the individual’s yield basis increases progressively depending on the amount of the individual’s yield basis. The deemed return on savings and investments is taxed at a rate of 30 per cent.

### *Non-residents of the Netherlands*

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the redemption or disposal of the Notes, unless:

- (a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Notes are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25 per cent.

- (b) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Notes that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50 per cent. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under “*Residents of the Netherlands*”).

### ***Gift and Inheritance tax***

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Notes by way of gift by, or on the death of, a holder of Notes, unless:

- (a) the holder of Notes is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### ***Value Added Tax***

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

### ***Other Taxes and Duties***

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in

connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

## **FATCA Disclosure**

### ***Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and, in addition, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under “*Terms and Conditions—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Estonia, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating



Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in an Amended and Restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 9 March 2020, agreed with the Issuer and the Original Guarantors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer (failing which, the Original Guarantors) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **Selling Restrictions**

#### ***United States***

The Notes and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. and in accordance with all applicable securities laws of any state or other jurisdiction of the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Prohibition of sales to EEA and UK Retail Investors***

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by these Base

Listing Particulars as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA and the United Kingdom (each, a “**Relevant State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree it has not made and will not make an offer of Notes which are the subject of the offering contemplated by these Base Listing Particulars as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression “**an offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

#### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Original Guarantors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### ***The Netherlands***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Zero Coupon Notes (as defined below) in definitive form of any Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. As used herein “**Zero Coupon Notes**” are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

#### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration

requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Belgium***

Other than in respect of Notes for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a Belgian Consumer) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### ***General***

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes these Base Listing Particulars and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Original Guarantors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Original Guarantors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 13 March 2019. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of each Original Guarantor dated 13 March 2019. The update of the Programme has been duly authorised by a resolution of the Board of Directors of each of the Issuer and the Guarantors dated 6 March 2020.

### **Listing of Notes**

Application has been made to Euronext Dublin for the Notes to be admitted to trading on Euronext Dublin's Global Exchange Market and to be listed on the Official List of Euronext Dublin.

### **Documents Available**

For as long as the securities are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will, when published, be available for inspection in physical form from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in London:

- (1) the constitutional documents of the Issuer and each of the Original Guarantors;
- (2) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2019 and 31 December 2018, in each case together with the audit reports prepared in connection therewith;
- (3) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith). The Issuer currently prepares unaudited consolidated interim accounts on a semi-annual basis;
- (4) the Trust Deed, the Agency Agreement, the Intercreditor Agreement, the Security Documents and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (5) a copy of these Base Listing Particulars; and
- (6) any future offering circulars, prospectuses, information memoranda, supplements and Pricing Supplements (save that Pricing Supplements relating to a Tranche of Notes which is not admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent as to its holding of Notes and identity) to these Base Listing Particulars and any other documents incorporated herein or therein by reference.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional

or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2019 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2019.

There has been no significant change in the financial or trading position of each Original Guarantor since 31 December 2019 and there has been no material adverse change in the financial position or prospects of each Original Guarantor since 31 December 2019.

### **Litigation**

Save as disclosed in “*Description of the Group – Legal Proceedings*”, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of these Base Listing Particulars which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

None of the Original Guarantors is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Original Guarantors are aware) in the 12 months preceding the date of these Base Listing Particulars which may have or have in such period had a significant effect on the financial position or profitability of any Original Guarantor.

### **Auditors**

The auditors of the Issuer are KPMG Accountants N.V., with their address at Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands, a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*), who have audited and rendered an unqualified auditor's report on Issuer's accounts in accordance with IFRS EU for each of the two financial years ended on 31 December 2019 and 2018. The auditors of the Issuer have no material interest in the Issuer.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of these Base Listing Particulars.

### **Dealers transacting with the Issuer and the Original Guarantors**

The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. The Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging

strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

#### **Trustee's action**

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

#### **Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to Notes issued under the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.



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