

TERMS AND CONDITIONS OF THE NOTES

The following will be the text of the amended and restated Terms and Conditions (the "Conditions") of the Notes, which will be attached to the Global Certificate (as defined below) and will appear on the reverse of any definitive Notes. Notes in definitive form will not be issued except for in the limited circumstances described in the Global Certificate.

The €[●],000,000 7.00 per cent. Guaranteed Notes due 2019 the terms and conditions of which amend and restate the €73,051,230 Variable Rate Notes issued by Orco Property Group S.A. (the "**Issuer**") on 4 October 2012 (the "**Notes**"). The Notes are constituted by, are subject to and have the benefit of, a trust deed dated [●] 2014 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, GSG Group (formerly Orco Germany S.A.) (the "**Guarantor**") and [●] as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an amended and restated agency agreement dated [●] 2014 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes and, together with any other paying agent appointed under the Agency Agreement in connection with the Notes, the "**Paying Agents**", which expression includes any successor paying agents appointed from time to time in connection with the Notes), the registrar (the "**Registrar**") and the transfer agent (the "**Transfer Agent**" and collectively with the Principal Paying Agent, the Paying Agent and the Registrar being referred to as the "**Agents**") and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the specified office (as defined in the Agency Agreement) of the Principal Paying Agent.

Capitalised terms are defined in Condition 24 (*Definitions*).

1. FORM, DENOMINATION AND TITLE

- (a) **Form and Denomination:** The Notes are in registered form in denominations of €10 (each an "**authorised denomination**"). An individual registered certificate (each an "**Individual Registered Certificate**") will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Each Individual Registered Certificate will be numbered serially with an identifying number, which will be recorded in the register (the "**Register**"), which the Issuer shall procure to be kept by the Registrar.

Upon issue, the Notes will be represented by a global certificate (the "**Global Certificate**") deposited with a common depositary for, and representing Notes registered in the name of a nominee of such common depositary for, Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking S.A., Luxembourg ("**Clearstream, Luxembourg**"). These Conditions are modified by certain provisions contained in the Global Certificate.

The Issuer will also maintain a register of Noteholders at its registered office, in accordance with article 84 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the "**Companies Act 1915**"). The Issuer will ensure that, pursuant to the terms of the Agency Agreement, the Registrar promptly informs the Issuer of any amendment made to the Register and the Issuer will ensure that it maintains, at all times, at its registered office an up-to-date copy of its register.

- (b) **Title:** Title to the Notes passes by and upon registration in the Register. In these Conditions, "**Noteholder**" and "**holder**" means the Person in whose name a Note is registered in the Register. The holder of any Individual Registered Certificate will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on (other than the endorsed form of transfer), or theft or loss of, the Individual Registered Certificate issued in respect of it) and no Person will be liable

for so treating the holder. No Person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. TRANSFERS OF NOTES AND ISSUE OF INDIVIDUAL REGISTERED CERTIFICATES

- (a) **Transfer, Issue and Delivery:** A Note may be transferred in whole or in part in an authorised denomination upon the surrender of the Individual Registered Certificate issued in respect of that Note, together with the form of transfer endorsed on it duly completed and executed and any other documents as may be required, at the specified office of the Registrar or any Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are authorised denominations. In the case of a transfer of part only of a Noteholder's holding of Notes, a new Individual Registered Certificate in respect of the balance not transferred will be issued to the transferor within five business days (as defined in Condition 14(b) hereof) of receipt of such form of transfer and any other documents as may be required, by uninsured post at the risk of the holder to the address of the holder appearing in the Register. Within five business days (as defined in Condition 14(b)) of the surrender of an Individual Registered Certificate in accordance with this Condition 2 (*Transfers of Notes and Issue of Individual Registered Certificates*), the Registrar will register the transfer in question and deliver a new Individual Registered Certificate of a like principal amount to the Notes transferred to each relevant holder at its specified office or (as the case may be) the specified office of the Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder.
- (b) **Formalities Free of Charge:** Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.
- (c) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note or any mandatory prepayment under Condition 12 (*Mandatory Prepayment on a Zlota Disposal*) hereof.
- (d) **Regulations Concerning Transfer and Registration:** All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be posted by the Registrar to any Noteholder who asks for one.

3. STATUS AND GUARANTEE

- (a) *Status of the Notes:*

The Notes constitute unsecured, unsubordinated, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application and in the event of insolvency (including bankruptcy and voluntary or judicial liquidation) only to the extent permitted by applicable laws relating to creditors' rights.

- (b) *Guarantee of the Notes:*

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes and all other

moneys payable by the Issuer under or pursuant to the Trust Deed. The guarantee (the "**Guarantee of the Notes**") constitutes unsecured, unsubordinated, direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application and in the event of insolvency (including bankruptcy and voluntary or judicial liquidation) only to the extent permitted by applicable laws relating to creditors' rights.

4. **LIMITATION ON TRANSACTIONS WITH SHAREHOLDERS AND AFFILIATES**

The Issuer will not, and shall procure that the Guarantor or any of its Subsidiaries will not, directly or indirectly, enter into, renew, extend or permit to exist any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, employee compensation arrangements or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of five per cent. or more of any class of Capital Stock of the Issuer or the Guarantor or (y) any Affiliate of the Issuer or the Guarantor.

The foregoing limitation does not limit, and shall not apply to:

- (i) transactions undertaken solely between the Issuer and the Guarantor;
- (ii) any transaction involving the merger or consolidation of (A) the Issuer with the Guarantor or one of its Subsidiaries or (B) the Issuer with Czech Property Investments a.s. or one of its Subsidiaries provided that no such merger shall be permitted unless:
 - (A) immediately following such merger or consolidation no Event of Default would occur and be continuing;
 - (B) where the Issuer is the surviving company it remains responsible for and bound by all its obligations under the Notes and the Trust Deed;
 - (C) where the Issuer is not the surviving company, (x) it transfers all of its rights and obligations arising under or in connection with the Notes and the Trust Deed to the surviving company and such surviving company becomes the Issuer and (y) the Guarantee of the Notes remains in full force and effect save in the case where the merger is between the Issuer and the Guarantor and the Guarantor is the surviving entity;
 - (D) where the Guarantor is the surviving company, immediately prior to such merger or consolidation becoming effective, the Guarantor delivers to the Trustee an Officer's Certificate confirming that the combined EPRA NAV of the corporation formed by such merger or consolidation will be at least equal to the minimum EPRA NAV set out in Condition 6 (*EPRA NAV*);
 - (E) where the Guarantor is not the surviving company, immediately prior to such merger or consolidation becoming effective, the Guarantor delivers to the Trustee an Officer's Certificate confirming that the combined EPRA NAV of the corporation formed by such merger or consolidation will be at least equal to the minimum EPRA NAV set out in Condition 6 (*EPRA NAV*);
- (iii) transactions undertaken between the Issuer or the Guarantor on the one hand and an Affiliate of the Issuer or the Guarantor on the other where the aggregate value of such transaction or any series of transactions (whether related or not) is less than €5,000,000;
- (iv) transactions undertaken between the Issuer or the Guarantor on the one hand and an Affiliate of the Issuer or the Guarantor on the other where the aggregate value of such transaction or

any series of transactions (whether related or not) is greater than €5,000,000 but where the Issuer or the Guarantor (as the case may be) provides:

- (A) an Officer's Certificate confirming that the transaction has been undertaken on arms-length terms and the consideration for which represents Fair Market Value;
 - (B) an opinion of independent counsel confirming that the transaction has been undertaken on fair terms and on an arms-length basis; and
 - (C) a certified copy of the board resolution approving such transaction;
- (v) the payment of reasonable and customary regular fees to directors of the Issuer or the Guarantor who are not employees of the Issuer or the Guarantor;
 - (vi) any Restricted Payment of the type described in Condition 5(a)(i), (ii) and (iii) if permitted by that Condition; and
 - (vii) the payment of compensation to officers and directors of the Issuer or the Guarantor pursuant to an employee stock or share option scheme, provided they require a majority shareholder approval of any such scheme.

5. RESTRICTED PAYMENTS

- (a) The Issuer will not, and shall procure that the Guarantor or any of their respective Subsidiaries will not, directly or indirectly:
 - (i) declare or pay any dividend or make any other payment or distribution on account of the Guarantor's, the Issuer's or any of their respective Subsidiaries' Equity Interests (including, without limitation, any such payment or distribution made in connection with any merger or consolidation involving the Issuer, the Guarantor or any of their respective Subsidiaries) or to the direct or indirect holders of the Guarantor's, the Issuer's or any of their respective Subsidiaries' Equity Interests in their capacity as such provided always that nothing in this Condition (i) shall operate to restrict (A) the payment of dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or the Guarantor or (B) dividends or distributions payable by the Issuer, the Guarantor or any of their respective Subsidiaries in each case to the direct or indirect holder of the Equity Interests of the Issuer, the Guarantor or any of their respective Subsidiaries where such direct or indirect holder is the Issuer, the Guarantor or any of their respective Subsidiaries (as the case may be);
 - (ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, any such purchase, redemption, acquisition or retirement made in connection with any merger or consolidation involving the Issuer or the Guarantor) any Equity Interests of the Issuer or the Guarantor or any direct or indirect parent of the Issuer or the Guarantor (as the case may be); or
 - (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Financial Indebtedness of the Issuer or the Guarantor that is expressly contractually subordinated in right of payment to the Notes or to the Guarantee of the Notes, except (A) a payment of interest or principal at the stated maturity thereof or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Financial Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal instalment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement,

(all such payments and other actions set forth in paragraphs (i) to (iii) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment,

the conditions specified in Condition 5(b) are satisfied or the Restricted Payment is permitted under Condition 5(c).

- (b) The conditions referred to in Condition 5(a) are that at the relevant time:
- (i) no Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
 - (ii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer, the Guarantor and each Subsidiary since the Amendment Date (excluding Restricted Payments permitted by Condition 5(c)(ii), (iii), (v), (vi) and (vii)), is equal to or less than the sum, without duplication, of:
 - (A) 50 per cent. of the Consolidated Net Income of the Issuer and the Guarantor for the period (taken as one accounting period) from [●] 2014 to the end of the Issuer's or the Guarantor's (as the case may be) most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100 per cent. of such deficit); plus
 - (B) 100 per cent. of the aggregate net cash proceeds received and the Fair Market Value of marketable securities received by the Issuer and the Guarantor since the Amendment Date as a contribution to its common capital or from the issue or sale of Equity Interests of the Issuer or the Guarantor (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer or the Guarantor that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Issuer or the Guarantor).
- (c) Condition 5(a) will not prohibit:
- (i) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Trust Deed;
 - (ii) the repurchase, redemption, defeasance or other acquisition or retirement for value of indebtedness of the Issuer or the Guarantor that is contractually subordinated to the Notes or to the Guarantee of the Notes with the net cash proceeds from a substantially concurrent incurrence of similarly subordinated indebtedness for the purpose of such repurchase, redemption, defeasance or other acquisition or retirement for value;
 - (iii) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Subsidiary of the Issuer or the Guarantor to the holders of that Subsidiary's Equity Interests (other than the Issuer, the Guarantor or their respective Subsidiaries) on no more than a *pro rata* basis;
 - (iv) the defeasance, repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer, the Guarantor or any Subsidiary held by any of the Issuer's or the Guarantor's (or any of their respective Subsidiaries') current or former officers, directors, employees or consultants pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €5,000,000 in any calendar year (with unused amounts in any calendar year being permitted to be carried over into succeeding calendar years);

- (v) the repurchase, redemption or other acquisition for value of Capital Stock of the Issuer or the Guarantor representing fractional shares of such Capital Stock in connection with a merger, consolidation, amalgamation or other combination involving the Issuer or the Guarantor or any other transaction permitted by the Trust Deed;
 - (vi) repurchases of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;
 - (vii) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer, the Guarantor or any of their respective Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;
 - (viii) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer, the Guarantor or any of their respective Subsidiaries to pay for the purchase or other acquisition for value of Equity Interests of the Issuer or the Guarantor (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Issuer or the Guarantor (other than Disqualified Stock); provided that the total aggregate amount of Restricted Payments made under this paragraph (viii) does not exceed €5,000,000 in any calendar year; or
 - (ix) so long as no Event of Default has occurred and is continuing or would be caused thereby, other Restricted Payments in an aggregate amount not to exceed €5,000,000 since the Amendment Date.
- (d) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer, the Guarantor or such Subsidiary, as the case may be, pursuant to the Restricted Payment.

6. **EPRA NAV**

Throughout the life of the Notes the EPRA NAV of the Guarantor shall be not less than €150,000,000.

7. **LISTING OF THE NOTES**

The Issuer shall, and will procure that the Guarantor shall, make such filings, registrations or qualifications and take all other necessary action and will use its best efforts to obtain such consents, approvals and authorizations, if any, and satisfy all conditions that the Luxembourg Stock Exchange may require or impose in connection with the listing of the Notes and shall use its best efforts to maintain such listing until the Final Maturity Date.

8. **PROVISION OF FINANCIAL STATEMENTS AND REPORTS**

- (a) So long as any of the Notes remain outstanding, each of the Issuer and the Guarantor will file with the Trustee and furnish to the Noteholders:
 - (i) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Issuer and the Guarantor, copies of its financial statements (on a consolidated basis) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognised firm of independent accountants; and

- (ii) as soon as they are available, but in any event within 60 calendar days after the end of each six month period of the Issuer and the Guarantor, copies of its financial statements (on a consolidated basis) in respect of such six month period (including a statement of income, balance sheet and cash flow statement).
- (b) In addition, so long as any of the Notes remain outstanding, (1) the Guarantor will provide to the Trustee within 60 calendar days after the end of each six month period, an Officers' Certificate stating the EPRA NAV of the Guarantor with respect to the four most recent quarterly periods and showing in reasonable detail the calculation of the EPRA NAV, including the arithmetic computations of each component of the EPRA NAV; and (2) each of the Issuer and the Guarantor will, as soon as possible and in any event within 14 calendar days after the Issuer and the Guarantor becomes aware or should reasonably become aware of the occurrence of an Event of Default, an Officers' Certificate setting forth the details of the Event of Default, and the action which the Issuer and the Guarantor proposes to take with respect thereto.
- (c) The provisions of this Condition 8 shall apply irrespective of whether or not the Notes are listed on any stock exchange or the Issuer and/or the Guarantor has its Equity Interests listed on any stock exchange.

9. PAYMENT OF STAMP DUTIES AND OTHER TAXES

The Issuer and the Guarantor will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which are imposed by or on behalf of any jurisdiction in which the Issuer or the Guarantor is incorporated, resident or doing business for tax purposes in connection with the execution, delivery or registration of the Notes or any other document or instrument referred to in these Conditions.

10. SUSPENSION OF COVENANTS IN RESPECT OF THE GUARANTOR WHEN EPRA NAV IS MET

- (a) If on any date following the Amendment Date:
 - (i) the EPRA NAV of the Guarantor is at least equal to €500,000,000; and
 - (ii) no Event of Default has occurred and is continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the EPRA NAV of the Guarantor is less than €500,000,000 (such period, the "**Suspension Period**"), the following provisions shall apply with respect to the Guarantor only (but not, for the avoidance of doubt, with respect to the Issuer):

- (A) the covenants contained in Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) shall not be applicable to the Guarantor only and no Event of Default shall occur in respect of the Issuer or the Guarantor for any actions taken by the Guarantor in contravention of Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) during the Suspension Period.

The provisions of Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) will not be of any effect with regard to the actions of the Guarantor properly taken during the continuance of the Suspension Period provided that, with respect to any transaction made after any reinstatement of Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*), the aggregate value of any transactions (whether related or not) will be calculated as though the covenant described under Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) had been in effect prior to, but not during, the Suspension Period. Notwithstanding the provisions of the foregoing, the provisions of Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) will apply to any actions of the Guarantor undertaken under this Condition 10(a)(ii)(A) during the

Suspension Period where the completion of such action would cause the EPRA NAV of the Guarantor to be less than €500,000,000.

- (B) the covenants contained in Condition 5 (*Restricted Payments*) shall not be applicable to the Guarantor only and no Event of Default shall occur in respect of the Issuer or the Guarantor for any actions taken by the Guarantor in contravention of Condition 5 (*Restricted Payments*) during the Suspension Period.

The provisions of Condition 5 (*Restricted Payments*) will not be of any effect with regard to the actions of the Guarantor properly taken during the continuance of the Suspension Period provided that, with respect to the Restricted Payments made after any reinstatement of Condition 5 (*Restricted Payments*), the amount of Restricted Payments will be calculated as though the covenant described under Condition 5 (*Restricted Payments*) had been in effect prior to, but not during, the Suspension Period. Notwithstanding the provisions of the foregoing, the provisions of Condition 5 (*Restricted Payments*) will apply to any actions of the Guarantor undertaken under this Condition 10(a)(ii)(B) during the Suspension Period where the completion of such action would cause the EPRA NAV of the Guarantor to be less than €500,000,000.

- (b) In the event of a merger or consolidation between the Guarantor and the Issuer where the Guarantor is the surviving legal entity as described in Condition 4(ii), the terms of Condition 10(a) shall be applicable to the Guarantor in its capacity as legal successor and Issuer following such merger or consolidation provided that the provisions of Condition 4(ii) have been complied with.

11. INTEREST

The Notes bear interest from (and including) [●] 2014 (the "**Amendment Date**") at the rate of seven per cent. per annum (the "**Rate of Interest**"), payable semi-annually in arrear on [●] and [●] in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 14 (*Payments*). The first Interest Payment Date will be in respect of the period from (and including) the Amendment Date to (but excluding) [●] 2014 and the amount payable shall be €[●] per €10 in nominal amount of the Notes.

Each Note will cease to bear interest from and including the due date for redemption unless, after surrender of the Individual Registered Certificate, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The Calculation Agent shall calculate the amount of interest payable in respect of each Note for the respective Regular Period by multiplying the Outstanding Principal Amount per Note by the Rate of Interest (the "**Interest Amount**") and shall notify this amount as well as the Interest Payment Date, as applicable, to the Issuer, the Trustee and the Luxembourg Stock Exchange no later than the tenth Business Day of the relevant Regular Period.

All notifications, announcements, stipulations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Calculation Agent will (in the absence of negligence or wilful misconduct) be binding on the Issuer, the Trustee and the Noteholders and (in the absence of negligence or wilful misconduct) no liability shall be borne by the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 11.

If interest is required to be paid in respect of a Note on any date other than an Interest Payment Date, it shall be calculated by the Calculation Agent by applying the Rate of Interest divided by two to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable per Note of a given specified denomination will be the product (without any further roundings) of (i) the amount in euro calculated above per Calculation Amount and (ii) the applicable Outstanding Principal Amount Per Note of such Note divided by the Calculation Amount where:

"Calculation Agent" means the Principal Paying Agent or such other person appointed by the Principal Paying Agent as the party responsible for calculating the amount payable on each Interest Payment Date;

"Calculation Amount" means €10;

"Day Count Fraction" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"Regular Period" means each period from (and including) the Amendment Date or any Interest Payment Date to (but excluding) the next Interest Payment Date or, in the case of the last Regular Period, the Final Maturity Date.

12. MANDATORY PREPAYMENT ON A ZLOTA DISPOSAL

- (a) In the event that the Issuer makes a Zlota Disposal the Issuer will ensure that the proceeds of such disposal are paid solely in cash and ensure that such cash proceeds are utilised in the order set out below:
- (i) first, to pay any reasonable direct costs and expenses (including legal and accounting fees) incurred in consummating the relevant sale and any taxes payable in respect of such sale;
 - (ii) second, to (i) make payment of a settlement amount to INSO; (ii) escrow funds for the purpose of a settlement of claims of INSO; and/or (iii) subject to applicable laws, make any other payments which may resolve the dispute between the Issuer and/or its Affiliates and INSO, in each case up to an aggregate amount not exceeding €20,000,000;
 - (iii) third, to pay to the Noteholders (equally and on a pro rata basis according to the ratio that the number of Notes held by such Noteholder on the Record Date bears to the aggregate outstanding principal amount of the Notes on the Record Date) on or prior to the date falling ten Business Days following the date of receipt thereof an aggregate amount equal to the lesser of:
 - (A) 30 per cent. of the cash proceeds of the Zlota Disposal; and
 - (B) €15,000,000; and
 - (iv) fourth, the balance, if any, to the Issuer.
- (b) Promptly, and in any event within two Business Days of the signing of definitive documentation in respect thereof, the Issuer shall notify the Noteholders in accordance with Condition 22 (*Notices*) of the occurrence of a Zlota Disposal and the purchase price payable in respect thereof.
- (c) Immediately following payment by the Issuer in accordance with Condition 14 (*Payments*) of the amounts payable under Condition 12(a)(iii) above, the Outstanding Principal Amount Per Note of each Note shall be reduced by a corresponding amount.

13. **REDEMPTION AND PURCHASE**

(a) *Scheduled redemption:*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their then Outstanding Principal Amount on [●] 2019 (the "**Final Maturity Date**"), subject as provided in Condition 14 (*Payments*).

(b) *Redemption at the option of the Issuer:*

The Issuer may redeem on any one or more occasions all or a part of the Notes, at any time, upon not less than 30 nor more than 60 days' prior notice to the Noteholders in accordance with Condition 22 (*Notices*), at a redemption price equal to 100 per cent. of the Outstanding Principal Amount Per Note of the Notes to be redeemed and any accrued and unpaid interest on the Notes redeemed to the date of redemption.

(c) *Partial redemption:*

If the Notes are to be redeemed in part only on any date in accordance with Condition 13(b) (*Redemption at the option of the Issuer*) each Note shall be redeemed in part in the proportion that the Outstanding Principal Amount per Note bears to the Outstanding Principal Amount of all outstanding Notes on the date fixed for redemption.

(d) *No other redemption:*

The Issuer shall not be entitled to prepay or redeem the Notes (as the case may be) otherwise than as provided in Condition 12 (*Mandatory Prepayment on Zlota Disposal*), Condition 13(a) (*Scheduled redemption*), Condition 13(b) (*Redemption at the option of the Issuer*) or Condition 13(c) (*Partial Redemption*).

(e) *Purchase:*

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes shall be surrendered to any Paying Agent for cancellation. Notes purchased and held prior to cancellation by the Issuer, the Guarantor or any of their respective Subsidiaries shall not be deemed to be "outstanding" for purposes of any meeting of Noteholders or other action to be voted upon, or taken, by Noteholders.

(f) *Cancellation:*

All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be held, reissued or resold.

14. **PAYMENTS**

(a) *Method of Payment:*

Payments in respect of each Note will be made by transfer to a euro account (or other account to which euro may be credited or transferred) maintained by the payee. Payments of principal will be made conditional upon surrender of the relevant Individual Registered Certificate at the specified office of any of the Transfer Agents. Interest on Notes and payment of any prepayment amount due under Condition 12 (*Mandatory Prepayment on a Zlota Disposal*) will be paid to the Persons shown on the Register at the close of business on the fifteenth business day before the due date for the payment of interest or any prepayment amount (the "**Record Date**").

(b) *Payment Initiation:*

Payment instructions will be initiated for value on the due date, or if that is not a business day, for value the first following day which is a business day or, in the case of payments of principal (and any interest payable at the same time), if later, on the business day on which the relevant Individual Registered Certificate is surrendered at the specified office of any Transfer Agent. For the purposes of these Conditions, "**business day**" means (i) in the case of payment by transfer to a euro account or other account to which euro may be credited or transferred, as referred to above, any day which is a TARGET Settlement Day; and (ii) in the case of a surrender (or, in the case of a part payment only, endorsement) of an Individual Registered Certificate, any day on which banks in the place the Individual Registered Certificate is surrendered (or, as the case may be, endorsed) are open for business or not authorised to close.

(c) *Delay in Payment:*

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day or (ii) if the Noteholder is late in surrendering its Individual Registered Certificate (if required to do so).

(d) *Payment subject to fiscal laws:*

All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 16 (*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 16 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(e) *Payment not Made in Full:*

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid.

(f) *Agents:*

The initial Agents and their initial specified offices are listed in the Agency Agreement. The Issuer reserves the right subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, *provided that* the Issuer undertakes that it will maintain:

- (i) a Principal Paying Agent;
- (ii) a Registrar maintaining the Register outside of the United Kingdom;
- (iii) a Transfer Agent;
- (iv) so long as the Notes are listed on the Luxembourg Stock Exchange, at all times at least one Paying Agent which qualifies as a credit institution or a financial institution within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions, as amended, and which is capable of effecting the financial service of the Notes to holders in Luxembourg; and
- (v) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on

the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, any such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 22 (*Notices*).

(g) *Agency Role:*

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

15. **PRESCRIPTION**

Claims in respect of principal and interest shall be prescribed unless made within a period of 10 years in the case of principal and 5 years in the case of interest from the appropriate Relevant Date.

16. **TAXATION**

All payments of principal and interest or any mandatory prepayment under Condition 12 (*Mandatory Prepayment on a Zlota Disposal*) in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note presented for payment:

- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Relevant Jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (ii) where such withholding or deduction is imposed on a payment to a Person and is required to be made pursuant to European Council Directive 2003/48/EC or any Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, any such Directive; or
- (iii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or
- (iv) more than 30 days after the Relevant Date except to the extent that the holder of such Note would have been entitled to such additional amounts on presenting such Note for payment on the last day of such period of 30 days.

Any reference in these Conditions to principal, interest or mandatory prepayment amount shall be deemed to include any additional amounts in respect of principal, interest or mandatory prepayment amount (as the case may be) which may be payable under this Condition 16 or any undertaking given in addition to or substitution of this Condition 16 pursuant to the provisions of the Trust Deed.

17. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the then Outstanding Principal Amount of the Notes or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in Conditions 17(c), (f)(vi), (g) (other than the winding up, administration or dissolution of the Issuer or the Guarantor) and (h), only if the Trustee shall have certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give written notice to the Issuer and the Guarantor declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) *Non-payment:*

the Issuer fails to pay any amount of principal in respect of the Notes within five Business Days in London and Luxembourg of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven Business Days in London and Luxembourg of the due date for payment thereof or fails to pay any amount due under Condition 12 (*Mandatory Prepayment on a Zlota Disposal*) within five Business Days in London and Luxembourg thereof; or

(b) *Breach of EPRA NAV:*

the EPRA NAV of the Guarantor falls below the level required by Condition 6 (*EPRA NAV*); or

(c) *Obligations:*

the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or

(d) *Cross-acceleration of Issuer or Guarantor:*

- (i) any Financial Indebtedness of the Issuer or the Guarantor is not paid when due (including failure to make any payment due under any guarantee and/or indemnity given by the Issuer or the Guarantor in relation to any Financial Indebtedness of any other person) or (as the case may be) within any originally applicable grace period; or
- (ii) any such Financial Indebtedness becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described) otherwise than at the option of the Issuer or the Guarantor or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in paragraphs (d)(i) and/or (d)(ii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any currency); or

(e) *Security enforced:*

a secured party, pursuant to the enforcement of such security, takes possession of, or a receiver, manager or other similar officer is appointed over, the whole or any part of the undertaking, assets and revenues of the Issuer or the Guarantor, unless, in each case, the aggregate value of the assets, undertaking or revenues in relation to which the secured party has taken possession or receiver etc. has been appointed is less than €50,000,000 or its equivalent in any currency; or

(f) *Insolvency, etc.:*

in respect of the Issuer or the Guarantor:

- (i) it is unable to pay its debts as they fall due; or
- (ii) it admits in writing its inability to pay its debts as they fall due; or
- (iii) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling of a material part of its Financial Indebtedness or of any class of its Financial Indebtedness; or
- (iv) it suspends making payments on all or any class of or a substantial part of its debts or announces its intention to do so; or
- (v) a moratorium is declared in respect of all or a substantial part of its Financial Indebtedness; or
- (vi) the Issuer or the Guarantor ceases, or threatens to cease, to carry on all or part of its business which is substantial in relation to the business of the Group as a whole, except as part of a Permitted Transaction; or
- (vii) the occurrence of an Insolvency Event,

by way of exception to the above, the safeguard plan of the Issuer as it currently stands and as it may be modified by the Commercial Court of Paris in the future (provided any such modification does not amend the terms of the Notes), and its implementation and performance shall not be deemed an Event of Default; or

(g) *Winding up, etc.:*

an order is made for the winding-up, administration or dissolution of the Issuer or the Guarantor, *provided that* the following shall be deemed not to be an Event of Default under this Condition 17(g):

- (i) any step or procedure which is part of a Permitted Transaction; or
- (ii) a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 30 days; or

(h) *Unlawfulness:*

it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or these Conditions; or

(i) *Guarantee not in force:*

the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect, save for in the event of a merger or consolidation between the Issuer and the Guarantor undertaken in accordance with Condition 4(ii) only, provided always that the Guarantor has complied with the provisions of Condition 4(ii).

18. REPLACEMENT OF INDIVIDUAL REGISTERED CERTIFICATES

If any Individual Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Individual Registered Certificates must be surrendered before replacements will be issued.

19. **TRUSTEE AND PAYING AGENTS**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its fees, costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee will have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (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 be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 16 (*Taxation*).

Each of the Issuer and the Guarantor has undertaken in the Trust Deed to deliver to the Trustee from time to time a certificate as to there not having occurred an Event of Default since the date of the last such certificate, or, if such an event had occurred, as to the details of such event. The Trustee will be entitled to rely on any such certificate and shall not be obliged independently to monitor compliance by the Issuer or the Guarantor with the covenants set forth in Condition 4 (*Limitation on Transactions with Shareholders and Affiliates*) to Condition 9 (*Payment of Stamp Duties and other taxes*) need not enquire further as regards the circumstances existing on the date of such certificate.

20. **MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER; SUBSTITUTION**

(a) *Meetings of Noteholders:*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters affecting their interests, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if approved by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Issuer and the Guarantor upon the request in writing of Noteholders holding not less than one-tenth of the Outstanding Principal Amount of the Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing more than 50 per cent. of the Outstanding Principal Amount of the Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the Outstanding Principal Amount of the Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, (i) 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 Outstanding Principal Amount of the Notes for the time being or (ii) a resolution in writing signed by or on behalf of the holders of at least 90 per cent. of the Outstanding Principal Amount of the Notes,

will, in each case, take effect as if it were an Extraordinary Resolution of the Noteholders. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification and waiver:*

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such (*provided that*, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 22 (*Notices*).

(c) *Substitution:*

The Trust Deed contains provisions under which the Guarantor may, without the consent of the Noteholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes, subject to:

- (i) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and
- (ii) certain conditions specified in the Trust Deed are fulfilled.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder except to the extent provided for in Condition 16 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

21. **ENFORCEMENT**

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or take such other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or the Guarantor as it thinks fit to enforce the provisions of the Trust Deed, the Notes or otherwise, but it shall not be bound to institute such proceedings or take such other steps or action or to take any other action unless:

- (i) it has been so requested in writing by the holders of at least one quarter of the Outstanding Principal Amount of the Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

22. **NOTICES**

Notices to the Noteholders will be sent to them at their respective addresses in the Register. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being

listed. Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth day after being so sent.

So long as all the Notes are represented by the Global Certificate and the same is deposited with a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, notices to the Noteholders shall be given by delivery to Euroclear and Clearstream, Luxembourg or such additional or substitute clearing system nominated by the Issuer or the Company, for communication by them to entitled accountholders in substitution for mailing as required by the Conditions.

23. GOVERNING LAW AND JURISDICTION

(a) *Governing law:*

The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law. Articles 86 through 94-8 (inclusive) of the Luxembourg Law of 10 August 1915 concerning Commercial Companies, as amended, shall be expressly excluded.

(b) *Jurisdiction:*

Each of the Issuer and the Guarantor has, in the Trust Deed (i) agreed for the benefit of the Trustee and the Noteholders that the English courts shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes) and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

(c) *Appointment of process agent:*

Each of the Issuer and the Guarantor has, in these Conditions, irrevocably and unconditionally appointed [●] at [●] as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

24. DEFINITIONS

In these Conditions, the following terms have the following meanings:

"**Accounting Principles**" means, for the purposes of the preparation and/or audit of any financial statements of the Issuer, the Guarantor and the Group, IFRS.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" have correlative meanings.

"**Business Day**" means, in relation to any place, 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 that place.

"**Capital Stock**" means:

- (i) in the case of a corporation, corporate stock;
- (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or, membership interests; and
- (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

- (i) securities issued or directly and fully guaranteed or insured by the United States or a government or a state that is a member state of the Pre-Expansion European Union (each, a **"Member State"**), Switzerland or Canada or any agency or instrumentality of either thereof (provided that the full faith and credit of the United States or such Member State, Switzerland or Canada as the case may be, is pledged in support thereof) having maturities of not more than one year from the date of acquisition and any of a Fitch, Inc. rating of "BBB+" or better, a Moody's rating of "Baa1" or better or an S&P rating of "BBB+" or better;
- (ii) cash in hand (other than the subject of paragraph (i) above) or on deposit, certificates of deposit (and similar instruments) and time deposits with maturities not exceeding twelve months either with a commercial bank having capital and surplus in excess of €500,000,000 or any of a Fitch, Inc. rating of "BBB-" or better, a Moody's rating of "Baa3" or better or a S&P rating of "BBB-" or better;
- (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in paragraphs (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in paragraph (iii) above;
- (iv) commercial paper having a rating at the time of the investment of at least one of the two highest ratings obtainable from Moody's or S&P or, if no rating is available in respect of such commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating and in each case maturing within twelve months after the date of acquisition,

in each case, to which any member of the Group is beneficially entitled at that time and which is capable of being applied against Consolidated Total Borrowings.

"Consolidated Net Income" means, with respect to the Issuer or the Guarantor for any period the sum of the net income (loss) of the Issuer or the Guarantor and their respective Subsidiaries for such period, on a consolidated basis for the Issuer and its Subsidiaries or the Guarantor and its Subsidiaries, determined in accordance with the Accounting Standards provided that, without duplication:

- (i) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realised in connection with the disposition of any securities by the Issuer and its Subsidiaries or the Guarantor or its Subsidiaries or the extinguishment of any indebtedness of the Issuer and its Subsidiaries or the Guarantor or any of its Subsidiaries will be excluded;
- (ii) any extraordinary or non-recurring gain (but not loss), together with any related provision for taxes on such extraordinary or non-recurring gain (but not loss) will be excluded;
- (iii) the net income (but not loss), of any Person that is not a Subsidiary of the Issuer or a Subsidiary of the Guarantor (as the case may be) or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar

distributions paid in cash to the Issuer or one of its Subsidiaries or to the Guarantor or one of its Subsidiaries and the Issuer's or the Guarantor's equity in a net loss of any such Person for such period will be included only to the extent such loss has been funded with cash flow from the Issuer or one of its Subsidiaries or the Guarantor or one of its Subsidiaries during such period;

- (iv) any net income (loss) of any Subsidiary of the Issuer or any Subsidiary of the Guarantor will be excluded if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Subsidiary, directly or indirectly, to the Guarantor (or any other Subsidiary, as applicable) by operation of the terms of such Subsidiary's charter or any agreement, instrument, judgment, decree, order statute or governmental rule or regulation applicable to such Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Trust Deed, and (c) contractual restrictions in effect on the Amendment Date with respect to Subsidiary and other restrictions with respect to such Subsidiary that taken as a whole, are not materially less favourable to the holders of the Notes than such restrictions in effect on the Amendment Date;
- (v) the cumulative effect of a change in accounting principles will be excluded;
- (vi) any gain (or loss) realised upon the sale or other disposition of any property, plant or equipment of the Issuer or one of its Subsidiaries or of the Guarantor or one of its Subsidiaries or (including pursuant to any sale or leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by a responsible accounting or financial officer of the Issuer or the Guarantor, as the case may be) and any gain (loss) realised upon the sale or other disposition of any Capital Stock of the Issuer or the Guarantor will be excluded;
- (vii) any unrealised non-cash gains or losses in respect of hedging obligations or any ineffectiveness recognised in earning related to qualifying hedge transactions or the fair value or changes therein recognised in earning for derivatives that do not qualify as hedge transactions, in each case, in respect of hedging obligations will be excluded;
- (viii) any non-cash compensation charge or expense arising from any grant of stock, stock option or other equity based award will be excluded;
- (ix) to the extent deducted in the calculation of net income, any non-cash or non-recurring charges associated with any premium or penalty paid, write-off of deferred financing costs or other financial recapitalization charges in connection with redeeming or retiring any indebtedness prior to its stated maturity will be excluded; and
- (x) (a) extraordinary, exceptional or non-recurring gains, losses or charges (b) any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events) or (c) any non-cash charges or reserves in respect of any restructurings, redundancy, integration or severance, in each case will be excluded.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the Capital Stock, in whole or part, on or prior to the date that is 91 days after the date on which the Notes mature; provided, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is Disqualified Stock. For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which indebtedness shall be required to be

determined pursuant to the Trust Deed, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"**EPRA**" means the European Public Real Estate Association.

"**EPRA NAV**" means balance sheet net assets excluding the mark-to-market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations, intangible assets and diluting for the effect of those shares potentially issuable under employee share schemes.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free 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 the Issuer's or the Guarantor's board of directors.

"**Financial Indebtedness**" means (without double counting) any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any acceptance credit (including any dematerialised equivalent);
- (iii) any bond, note, debenture, loan stock or other similar instrument;
- (iv) any redeemable preference share;
- (v) any agreement treated as a finance or capital lease in accordance with the Accounting Principles;
- (vi) receivables sold or discounted (otherwise than on a non-recourse basis);
- (vii) the acquisition cost of any asset (other than a fixed asset) to the extent payable more than 90 days after the relevant determination date, where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (viii) the acquisition cost of any fixed asset to the extent payable more than 120 days after the relevant determination date;
- (ix) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
- (x) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (xi) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution, to the extent that such guarantee, indemnity, bond, letter of credit or any other instrument is issued in respect of another item of Financial Indebtedness falling within paragraphs (i) to (x) of this definition; or
- (xii) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

"**Fitch**" means Fitch Ratings Limited or any successor to its rating business.

"Group" means the Issuer, the Guarantor and each of their respective Subsidiaries from time to time.

"IFRS" means the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board together with the interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board (as amended, supplemented or re-issued from time to time).

"INSO" means Inso Sistemi per le Infrastrutture Sociali S.p.A. and Consorzio Cooperative Costruzioni – CCC Societa Cooperativa as general contractors of the Zlota Development, together with their respective sub-contractors.

"Insolvency Event" means that the Issuer or the Guarantor:

(i) is in cessation of payments (*cessation de paiements*) or is declared by a court of competent jurisdiction to be bankrupt (*en faillite*) or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments (*sursis de paiement*) or a moratorium of any indebtedness or enters into a composition with its creditors (*concordat préventif de la faillite*), or is declared in liquidation under compulsory liquidation procedure (*liquidation judiciaire*); or

(ii) takes any corporate decision to apply for, or is the subject of any proceeding commenced against it for (other than where the relevant proceeding is discharged or dismissed within 40 Business Days of filing), a suspension of payments, a moratorium of any indebtedness or implement a winding-up or dissolution (including solvent dissolution or liquidation but excluding dissolution as a result of a merger or similar corporate restructuring); or

(iii) in case of the appointment of a liquidator under compulsory liquidation procedure (*liquidateur judiciaire*), receiver (*curateur*), administrative receiver, administrator (*commissaire à la gestion contrôlée*), compulsory manager or other similar officer under any laws of any jurisdiction in respect of the Issuer or the Guarantor or all or a substantial part of its assets; or

(iv) any events occurs which under the laws of any relevant jurisdiction has an analogous effect to any foregoing events.

"Moody's" means Moody's Investors Service Limited or any successor to its rating business.

"Officer's Certificate" means a certificate signed by two officers of the Issuer or the Guarantor (as the case may be).

"Outstanding Principal Amount" means, at any time, the aggregate principal amount of the Notes on the Issue Date less (i) the aggregate of all amounts paid by the Issuer pursuant to Condition 12(a)(iii) (*Mandatory Prepayment on a Zlota Disposal*) and (ii) the aggregate amount of any Notes redeemed pursuant to Condition 13 (b) (*Redemption at the option of the Issuer*).

"Outstanding Principal Amount Per Note" means, at any time, the Outstanding Principal Amount divided by the number of Notes outstanding.

"Permitted Transaction" means:

(i) an intra-Group reconstruction, amalgamation, reorganisation, demerger, merger or consolidation or a transaction involving the transfer of shares or intra-Group loans of a member or members of the Group (other than the Issuer) on a solvent basis, provided that, to the extent involving the Guarantor:

(A) the Guarantor is the surviving legal entity and remains responsible for and bound by all its obligations under the Notes and the Trust Deed; or

- (B) where the Guarantor is not the surviving legal entity, it transfers all of its rights and obligations arising under or in connection with the Notes and the Trust Deed including, without limitation the Guarantee of the Notes to the surviving legal entity and such surviving legal entity becomes the Guarantor; and
 - (C) in the case of a Permitted Transaction under either (A) or (B) above, immediately prior to such Permitted Transaction completing, the Guarantor delivers to the Trustee an Officer's Certificate confirming that the combined EPRA NAV of the corporation formed by such Permitted Transaction will be at least equal to both (i) the EPRA NAV of the Guarantor immediately prior to such Permitted Transaction and (ii) the minimum EPRA NAV set out in Condition 6 (*EPRA NAV*); or
- (ii) any reconstruction, amalgamation, reorganisation, demerger, merger or consolidation or a transaction involving the transfer of shares on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"Pre-Expansion European Union" means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after 1 January 2004.

"Record Date" has the meaning given to such term in Condition 14(a).

"Relevant Jurisdiction" in respect of the Issuer or Guarantor or any of their successors (as the case may be) means any jurisdiction in which the Issuer or the Guarantor or any of their successors (as the case may be), is or becomes incorporated, organized or resident for tax purposes, or from or through which the Issuer or the Guarantor or any of their successors (as the case may be) makes any payment on the Notes, or any political subdivision or taxing authority in or of any of the foregoing.

"Relevant Jurisdiction" means any jurisdiction in which the Issuer, the Guarantor, or any of their successors, is or becomes incorporated, organized or resident for tax purposes, or from or through which any of the foregoing makes any payment on the Notes, or any political subdivision or taxing authority in or of any of the foregoing.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

"Security Interest" means any mortgage, pledge, lien, rights in rem, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

"Subsidiary" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro.

"Zlota Development" means the residential project known as ""Zlota 44" located on plots nos. 41 and 42 from the geodesic area 5-03-08, at 44 Zlota Street, Warsaw, Poland;

"Zlota Disposal" means the sale of the Zlota Development (whether such sale is structured as an asset or share sale transaction) for the payment of cash.