

TERMS OF THE ISSUE OF BONDS

AXON 0,00/20

CONTENTS

1. SUMMARY DESCRIPTION OF BONDS	4
2. IMPORTANT INFORMATION	6
3. DESCRIPTION OF THE BONDS	7
3.1 FORM AND NOMINAL VALUE OF THE BONDS	7
3.2 BOND OWNERS	7
3.3 TRANSFER OF THE BONDS	7
3.4 OTHER RIGHTS ASSOCIATED WITH THE BONDS	7
3.5 EQUAL TREATMENT OBLIGATION	8
3.6 RATING	8
4. GENERAL CHARACTERISTICS OF THE BOND ISSUE	8
4.1 ISSUE DATE	8
4.2 ISSUE PERIOD	8
4.3 TOTAL NOMINAL VALUE OF THE ISSUE	8
4.4 ISSUE PRICE	8
4.5 BONDS' SUBSCRIPTION METHOD AND PLACE	8
5. STATUS	9
6. YIELD	9
7. REPAYMENT AND REDEMPTION	9
7.1 BOND MATURITY	9
7.2 REDEMPTION OF BONDS	9
7.3 EXTINGUISHMENT OF BONDS	9
7.4 EARLY REPAYMENT BY THE ISSUER	10
7.5 DETERMINING THE AMOUNT OF THE CONSIDERATION IN CONNECTION WITH THE REPAYMENT OF THE BONDS AT THE DATE OF THE EARLY REPAYMENT BY THE ISSUER	10
7.6 FURTHER CONDITIONS OF THE EARLY REPAYMENT BY THE ISSUER	10
7.7 ASSUMED REPAYMENT	10
8. TERMS OF PAYMENT	11
8.1 CURRENCY OF PAYMENT	11
8.2 PAYMENT DATES	11
8.3 PERSONS ENTITLED TO RECEIVE PAYMENTS FROM THE BONDS	11
8.4 DISCHARGE OF PAYMENTS	11
8.5 TIMELY WIRE TRANSFERS	12
8.6 CHANGES TO THE PAYMENT METHOD	13
9. OBLIGATIONS AND DEBTS OF THE ISSUER	13
9.1 OBLIGATIONS OF THE ISSUER	13
9.2 EXCEPTIONS TO THE OBLIGATIONS OF THE ISSUER UNDER SECTION 9.1 IN THE EVENT OF AXON NEUROSCIENCE SE RESTRUCTURING	13
9.3 ADDITIONAL INDEBTEDNESS OF THE ISSUER AND AXON NEUROSCIENCE SE	14
9.4 VALUATION OF AXON NEUROSCIENCE SE AND DISCLOSURE OF FINANCIAL STATEMENTS	14
9.5 ISSUER'S OBLIGATIONS WITH RESPECT TO EXISTING PLEDGES	16
10. EARLY REPAYMENT OF BONDS IN EVENTS OF DEFAULT	17
10.1 EVENTS OF DEFAULT	17
10.2 DUE DATE OF BONDS WITH ACCELERATED MATURITY	18
10.3 OTHER CONDITIONS FOR EARLY REPAYMENT OF BONDS	18
11. STATUTE OF LIMITATIONS	18
12. MANAGER	18
12.1 THE MANAGER AND THE DESIGNATED OFFICE	18
12.2 ADDITIONAL AND OTHER MANAGER AND OTHER DESIGNATED OFFICE	18
12.3 RELATION BETWEEN THE MANAGER AND BOND OWNERS	18

13.	MEETING OF BOND OWNERS, AMENDMENTS TO THE TERMS OF ISSUE	19
13.1	POWERS AND CONVOCAION OF THE MEETING OF BOND OWNERS	19
13.2	PERSONS ENTITLED TO ATTEND AND VOTE AT THE MEETING; FURTHER ATTENDANTS.....	20
13.3	COURSE OF THE MEETING, DECISIONS OF THE MEETING	21
13.4	FURTHER RIGHTS OF THE BOND OWNERS	22
14.	NOTICES	24
15.	TAXATION OF THE YIELD FROM BONDS	24
16.	GOVERNING LAW, LANGUAGE AND RESOLUTION OF DISPUTES.....	25
17.	MISCELLANEOUS	25

AXON HOLDING SE
TERMS OF THE ISSUE OF BONDS
AXON 0,00/20

These terms of the issue of bonds ("**Terms of Issue**") set forth the rights and responsibilities of the Bond Issuer and the Bond Owner as well as more detailed information about the Issue and the Bonds.

These Terms of Issue were prepared in compliance with Act No. 190/2004 Coll., on Bonds, as amended ("**Act on Bonds**").

Unless stated otherwise in these Terms of Issue, words and phrases beginning with a capital letter shall have the meaning set forth in Section 1.

1. SUMMARY DESCRIPTION OF BONDS

Issuer:	AXON HOLDING SE Registration number: SE19 with its registered office at 4, Arch. Makariou & Kalograion, Nicolaides Sea View City, 5th floor, Flat. 506, Block C, 6016 Larnaca, Cyprus registered with the Ministry of Energy, Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver, Nicosia, Cyprus website: www.axonholdingse.eu
Designation of Bonds:	AXON 0,00/20
ISIN:	CZ00000000617
Nominal value per Bond:	EUR 1,000,000 (one million Euros)
Form of Bonds:	Book-entry bearer securities
Issue Price:	63.6389% of the nominal value of the Bonds as at the Issue Date. The Issue Price of any Bonds issued after the Issue Date during the Issue Period or Additional Issue Period shall always be determined by the Issuer so as to reflect the prevailing current market conditions.
Issue Date:	29 December 2015
Issue Period:	The Issue Period for Bond subscription shall begin on the Issue Date and shall expire after one calendar year from the Issue Date.
Additional Issue Period:	The Issuer may set one or more Additional Issue Periods pursuant to Section 4.3 of these Terms of Issue.
Anticipated Issue Amount:	EUR 550,000,000 (five hundred and fifty million Euros)

Yield:	Yield is determined as of the Issue Date by the difference between the nominal value of the Bond and its issue price.
Final Due Date:	29 December 2020
Issue:	The Issue of substitutable Bonds issued pursuant to these Terms of Issue
Bonds:	Individual bonds issued under this Issue
Manager:	J&T BANKA, a.s. website: https://www.jtbank.cz
Designated Office:	J&T BANKA, a.s. Pobřežní 297/14 Prague 8, Postal Code 186 00
Purpose of the Issue:	The Bonds are issued exclusively in order to finance an acquisition of 73.6 % shares issued by the company AXON Neuroscience SE, with its registered office at Dvořákovo nábřeží 10, Bratislava, Postal Code 811 02, Slovakia, identification no. 42 029 800, registered with the Commercial Register maintained by the District court in Bratislava I., file no. 1947/B (" AXON Neuroscience SE ") by the Issuer.

The Issuer undertakes to repay the nominal value of the Bonds in the manner and within the period set forth in these Terms of Issue.

The Manager shall secure the activities relating to the Bonds and repayment of the Bonds. The relationship between the Issuer and the Manager in connection with payments to the Beneficiaries (as defined below) and in connection with some other administrative acts relating to the Issue is governed by an agreement entered into by and between the Issuer and the Manager (the "**Management Agreement**"). One original of the Management Agreement is available for inspection to Bond Owners (as defined below) during regular business hours at the Designated Office.

REMAINDER OF THE PAGE IS LEFT BLANK INTENTIONALLY

2. IMPORTANT INFORMATION

These Terms of Issue are terms of issue for bonds as defined by the Czech Act No. 190/2004 Coll., on Bonds, as amended.

These Terms of Issue have not been approved by any state authority (particularly the Czech National Bank) or any other person. Any declaration to the contrary is untrue.

The Issuer has not prepared any securities prospect relating to the Bonds.

The Issuer has not applied and does not intend to apply for admission of the Bonds for trading on any regulated market or multi-lateral trading system.

The Issuer does not intend to publicly offer the Bonds in any way.

Any Bond offer that the Issuer has made or will make (including distribution of the Terms of Issue to selected investors) in the Czech Republic or other country, shall be made on the basis of Section 35(2)(c) of Act No. 256/2004 Coll., on Business Activities on the Capital Market ("**Act on Capital Market Activities**"), or on the basis of a similar exception in compliance with applicable foreign regulations, i.e. is a Bond offer where the minimum possible investment per investor is equal to or higher than the amount equivalent to the stipulated limit in EUR (the equivalent of EUR 100,000).

Delivery of these Terms of Issue does not constitute a public offer of the Bonds.

The Issuer has not authorised, and does not intend to authorise, any person to publicly offer the Bonds, or to offer the Bonds in any other way that would constitute a public offer. In addition, the Issuer has not granted its consent to any subscriber or any other third party to use these Terms of Issue for the purpose of the Bonds' public offering in the Czech Republic or in any other country.

Distribution of the Terms of Issue and the offer, sale or purchase of the Bonds is restricted by law in some countries. The Issuer has not applied for approval or recognition of these Terms of Issue in another country and the Bonds have not been listed, registered, permitted or approved by any administrative or other authority of any jurisdiction.

In particular the Bonds will not be registered under the US Securities Act of 1933, and thus may not be offered, sold or delivered on the territory of the United States of America or to US residents otherwise than under an exemption from the registration duty under the US Securities Act or within transactions that are not subject to this registration duty under the US Securities Act.

Persons who obtain these Terms of Issue are responsible for complying with the restrictions imposed in individual countries upon the offer, purchase or sale of the Bonds, or the disposal and distribution of any materials related to the Bonds.

REMAINDER OF THE PAGE IS LEFT BLANK INTENTIONALLY

3. DESCRIPTION OF THE BONDS

3.1 FORM AND NOMINAL VALUE OF THE BONDS

The Bonds have been issued in the form set forth in Section 1 of these Terms of Issue.

Each Bond has the nominal value set forth in Section 1 of these Terms of Issue.

3.2 BOND OWNERS

Bond owner ("**Bond Owner**") is a person for whose account the Bond is registered (a) in the central register kept by Centrální depozitář cenných papírů, a.s., with its registered office at Rybná 14, 110 05 Prague 1, Czech Republic, Id. No. (IČO): 250 81 489 ("**CDCP**"), or (b) in the records kept by another person authorised or empowered to keep a register (or its part) of book entry securities in compliance with Czech laws or, as the case may be, in any other register of book entry securities holders in the Czech Republic stipulated by law that would substitute such registers and records (CDCP, any successor in title, or any other person authorised or empowered to keep a register (or its part) of book entry securities in compliance with Czech laws, jointly the "**Central Depository**").

The register of book entry securities kept by the Central Depository constitutes the Issuer's Register of Bond Owners (the "**Register of Owners**").

Unless the law or a judgement of the court delivered to the Issuer at the address of the Designated Office stipulates otherwise, the Issuer and the Manager will consider each Bond Owner as the lawful owner in all respects and for all purposes, and will make payments to such Bond Owner in compliance with these Terms of Issue.

Any persons who are owners of any Bonds but fail for any reason whatsoever to be entered in the Central Depository's register are obligated to immediately inform the Issuer of this fact and of the acquisition title relating to the Bonds by a notice to be delivered to the Designated Office.

The Issuer will maintain a duplicate Register of Owners in the place of the Issuer's registered office in Cyprus. For the avoidance of doubt, the deciding register of Bond Owners is always the Register of Owners kept by the Central Depository.

In respect of the Bonds, as book-entry securities, the Issuer will not issue any documents or other certificates to the Bond Owners.

3.3 TRANSFER OF THE BONDS

Any Bond is deemed transferred upon registration of such transfer in the owner's account kept by the Central Depository in compliance with applicable laws and the Central Depository's regulations.

In respect of Bonds registered with the Central Depository in the client's account, the transfer of such Bonds will take effect upon registration of such transfer in the client's account in compliance with applicable laws and the Central Depository's regulations; provided, however, that the holder of the client's account is required to promptly register such transfer in the owner's account as of the time of registration in the client's account.

Unless contrary to applicable laws, transfers of the Bonds may be suspended in accordance with Section 8.3 of these Terms of Issue as of the day immediately following the Decisive Date for Nominal Value Repayment (as defined below). The Issuer will not give an instruction to deregister the issue in the Central Depository's register until final settlement of all the financial liabilities and obligations ensuing from the Issue.

3.4 OTHER RIGHTS ASSOCIATED WITH THE BONDS

There are no pre-emptive rights associated with the Bonds.

There are no restrictions on transferability of the Bonds.

3.5 EQUAL TREATMENT OBLIGATION

The Issuer undertakes to treat all Bond Owners equally under unchanged conditions.

3.6 RATING

The Issuer has not been rated. The Issue has not been rated separately, either; therefore, the Issue does not have a separate rating.

4. GENERAL CHARACTERISTICS OF THE BOND ISSUE

4.1 ISSUE DATE

The Issue Date is set forth in Section 1 of these Terms of Issue.

4.2 ISSUE PERIOD

The period for subscription of the Bond Issue is set forth in Section 1 of these Terms of Issue.

4.3 TOTAL NOMINAL VALUE OF THE ISSUE

The Issuer intends to issue Bonds in the Anticipated Issue Amount as stated in Section 1 of these Terms of Issue.

If the Issuer does not issue all the Bonds as at the Issue Date, the Issuer may issue the remaining Bonds at any time during the Issue Period and, as the case may be, also after the expiry of the Issue Period during an Additional Issue Period as the Issuer may set and publish information thereof in compliance with applicable laws.

The Issuer may issue Bonds in an Issue amount lower than the Anticipated Issue Amount if the Anticipated Issue Amount fails to be subscribed by the end of the Issue Period.

The Issuer may not issue Bonds in an amount greater than the Anticipated Issue Amount.

The Bonds may be issued at once as at the Issue Date and/or in tranches after the Issue Date during the Issue Period and/or the Additional Issue Period. The Issuer may set the starting date and the ending date for subscription of Bonds in any tranche, provided that the subscription of the first tranche will start at the Issue Date.

The Issuer shall publicise notices of individual tranches in the same manner as these Terms of Issue.

The Issuer may set Additional Issue Periods on a recurring basis.

Without undue delay upon the expiry of the Issue Period and/or an Additional Issue Period, the Issuer shall inform the Bond Owners of the total nominal value of all Bonds issued; however, this only applies in case that the total nominal value of all Bonds issues is lower than the Anticipated Issue Amount. The Issuer shall publicise this information in the same manner as these Terms of Issue.

4.4 ISSUE PRICE

The Issue Price of the Bonds is set forth in Section 1 of these Terms of Issue.

4.5 BONDS' SUBSCRIPTION METHOD AND PLACE

The issue(s) of the Bonds shall be organised by the Manager.

The Issuer does not intend to publicly offer the Bonds as of the Issue Date as defined by applicable legal regulations. The Issuer has not authorised, and does not intend to authorise, any person to publicly offer the Bonds, or to offer the Bonds in another way that would constitute a public offer. In addition, the Issuer has not granted its consent to any subscriber or another third party to use

these Terms of Issue for the purpose of the Bonds' public offering in the Czech Republic or in another country.

The Bonds may be subscribed at the Designated Office.

The Issuer shall conclude a Bond subscription and purchase agreement with the Bond subscribers. The subject-matter of said agreement shall be the Issuer's obligation to issue the Bonds and the potential investors' obligation to purchase the Bonds under the terms set forth in the Bond subscription and purchase agreement ("**Subscription Agreement**").

The Bonds will be deemed issued at the time when registered in the subscriber's account within the relevant register kept by the Central Depository, or in a register linked to the register of the Central Depository (under the Subscription Agreement or subscriber's instruction, no later than the last day of the Issue Period, provided that Bonds may only be issued in consideration of the payment of the Issue Price. As the Bonds are issued as book entry securities, they will not be delivered to subscribers in the form of certificates, but instead the subscribers will receive (primarily via distance communication means) a notice that the securities have been registered in the relevant subscriber's asset account within the register kept by the Central Depository or (based on an instruction from the subscriber) in a register linked to the register of the Central Depository. The Manager will deliver this notice to each subscriber without undue delay upon registration of the relevant amount of Bonds in the subscriber's asset account with the Central Depository, but in any case no later than ten (10) Business Days of such registration.

The Issue Price shall be paid by wire transfer under the terms set forth in the Subscription Agreement.

5. STATUS

The Bonds give rise to direct, unconditional and unsubordinated obligations and debts of the Issuer that will rank *pari passu* with each other and at least *pari passu* with all other existing and future unsubordinated and unsecured obligations and debts of the Issuer in terms of satisfaction, save for the Issuer's obligations and debts where the mandatory provisions of the applicable legal rules and regulations stipulate otherwise or these Terms of Issue.

6. YIELD

Yield is determined as of the Issue Date by the difference between the nominal value of the Bond and its issue price.

7. REPAYMENT AND REDEMPTION

7.1 BOND MATURITY

Unless all the issued and non-repaid Bonds are redeemed by the Issuer and cease to exist under Sections 7.2 and 7.3 of these Terms of Issue or the Bonds are repaid by the Issuer in advance in accordance with Section 7.4, 10, 13.4.2 or 13.4.3, the Bonds' nominal shall be repaid in a single payment on the Final Due Date.

Bond Owners may not apply for early repayment of the Bonds prior to the Final Due Date, save for early repayment of Bonds under Sections 10, 13.4.2 and 13.4.3 of these Terms of Issue.

7.2 REDEMPTION OF BONDS

The Issuer may redeem the Bonds on the market or otherwise at any price and at any time.

7.3 EXTINGUISHMENT OF BONDS

Bonds redeemed by the Issuer will not cease to exist and it is up to the Issuer whether it will hold the Bonds as its property or whether it will sell them again or decide to make them extinguished.

If the Issuer decides on the extinguishment of the redeemed Bonds, the rights and obligations ensuing from such Bonds shall automatically cease to exist on the ground of the fusion of rights and obligations in the same person.

Information on the extinguishment of any redeemed Bonds will be published in the manner described in Section 14 of these Terms of Issue.

7.4 EARLY REPAYMENT BY THE ISSUER

After no less than two (2) years from the Issue Date the Issuer may, at its own discretion, repay all the Bonds in advance, provided that such decision of the Issuer, including the determination of the day when the Beneficiaries will be entitled to receive the repayment of the Bonds ("**Date of the Early Repayment by the Issuer**") notify the Bond Owners in accordance with Section 14 of these Terms of Issue no later than sixty (60) days prior to the Date of the Early Repayment by the Issuer.

7.5 DETERMINING THE AMOUNT OF THE CONSIDERATION IN CONNECTION WITH THE REPAYMENT OF THE BONDS AT THE DATE OF THE EARLY REPAYMENT BY THE ISSUER

In case of the early repayment of the Bonds pursuant to Section 7.4, the Issuer will pay the consideration, which shall be calculated as of the Date of the Early Repayment by the Issuer as a price corresponding to the yield of Bond to maturity (*YTM*) of 9.46% p.a., ("**Consideration**") and calculated as follows:

$$P = \left[\frac{1}{(1,0946)^{\left(\frac{DSC}{360}\right)}} \right] \times 1\,000\,000$$

where:

"**P**" is the amount of the Consideration per one Bond;

"**DSC**" is the number of days from the Date of the Early Repayment by the Issuer to the Final Due Date calculated by using a day count convention (30E / 360 - where one year contains 360 (three hundred sixty) days divided into 12 (twelve) months after the 30 (thirty) days, and in case of incomplete month, it will be based on the actual number of days elapsed).

For the purpose of calculating of the Consideration, it is considered that the maturity date of the Bonds is the Final Due Date as defined in these Terms of Issue.

It is considered that the payment of the Consideration is a repayment of the full nominal value of the Bonds as of such date and the Bonds shall be deemed fully repaid.

The total amount of the Consideration payable to each Bond Owner rounded according to mathematical rules to two decimal places.

7.6 FURTHER CONDITIONS OF THE EARLY REPAYMENT BY THE ISSUER

If not stated otherwise the Section 8 of the Terms of Issue will apply mutatis mutandis to early repayment by the Issuer pursuant to 7.4.

7.7 ASSUMED REPAYMENT

For the purposes of these Terms of Issue, if the Issuer pays the Manager the full amount of the Bonds' nominal value due in connection with the repayment of the Bonds in compliance with these Terms of Issue, all the Issuer's obligations and debts ensuing from the Bonds shall be assumed to have been fully paid on the day on which the relevant amounts are credited to the relevant account of the Manager.

8. TERMS OF PAYMENT

8.1 CURRENCY OF PAYMENT

The Issuer undertakes to repay the Bonds' nominal value exclusively in Euro (EUR).

If Cyprus introduces other currency than Euro (EUR) as the legal currency, the amounts in Euro (EUR) will not be replaced with amounts in such other currency. The Issuer shall make payments of any amounts payable under these Terms of Issue solely in Euro (EUR). The introduction of other currency as the legal currency of Cyprus shall not constitute any change of these Terms of Issue or affect the obligations of the Issuer under these Terms of Issue and it shall not establish the right of the Bond Owner to the early repayment of the Bonds.

The nominal value of the Bonds shall be repaid to the Beneficiaries (as defined below) under the terms and conditions set forth by these Terms of Issue and the tax, foreign exchange and other applicable legal rules and regulations of the Czech Republic in force when the relevant payment is made, and in compliance therewith.

8.2 PAYMENT DATES

The repayment of the nominal value of all the Bonds will be made as at the date stated in these Terms of Issue (each such date, the "**Payment Date**").

If the Payment Date falls on a day that is not a Business Day, the Issuer shall pay the relevant amounts on the immediately following Business Day without being obliged to pay interest or any additional amounts for this delay. To avoid any doubts, the relevant Decisive Date shall not be postponed if a payment is postponed to the immediately following Business Day under the previous sentence.

For the purposes of these Terms of Issue, "**Business Day**" is any day (save for Saturdays and Sundays) on which banks in the Czech Republic are open and on which inter-bank payments in Euro (EUR).

8.3 PERSONS ENTITLED TO RECEIVE PAYMENTS FROM THE BONDS

Unless stipulated otherwise in these Terms of Issue, the persons authorised to receive repayment of the Bonds' nominal value or the Payment from the Issuer are persons who will be registered as Bond Owners in the Register of Owners at the end of the calendar day that falls thirty (30) calendar days prior to the Bonds' repayment date, the Date of the Early Repayment by the Issuer or the Early Repayment Date (the "**Decisive Date for Nominal Value Repayment**"), and each such person, the "**Beneficiary**").

The "**Ex-principal Date**" is the date immediately following the Decisive Date for Nominal Value Repayment.

For the purposes of determining the recipient of the Bonds' nominal value both the Issuer and the Manager will disregard any transfers of the Bonds effected on or at any time after the calendar day which is the Ex-principal Date.

Unless contrary to applicable laws, transfers of any or all Bonds may be suspended effective from the Ex-principal Date until the applicable Payment Date; provided that the Bond Owner is obliged to provide the cooperation necessary for such suspension of transfers at the Issuer's or Manager's request.

8.4 DISCHARGE OF PAYMENTS

The Manager shall make payments to Beneficiaries by means of wire transfers to their bank accounts at a bank in an EU Member State according to an instruction given by the relevant Beneficiary to the Manager at the address of the Designated Office in a credible manner no later than five (5) Business Days prior to the Payment Date. Any such instruction must be in the form of a signed written declaration (with the signature(s) officially authenticated or certified by the

Manager's authorised employee), which will contain sufficient information regarding the bank account so as to allow the Manager to make the payment; in the case of legal entities, attached to the instruction will be the original or an officially certified copy of the valid extract from the Commercial Register regarding the recipient of the payment as at the Payment Date which will not be older than three (3) months (such instruction together with the extract from the Commercial Register (where applicable) and other annexes (if any) is hereinafter referred to as the "Instructions"). The Instruction must be of a form and substance reasonably satisfactory for the Manager, provided that the Manager may request sufficiently satisfactory evidence that the person who signed the Instruction is authorised to sign the Instruction on behalf of the Beneficiary. Such evidence must also be delivered to the Manager no later than five (5) Business Days prior to the Payment Date. In this respect the Manager may in particular request (i) a power of attorney to be produced if a representative is acting on behalf of the Beneficiary, and/or (ii) an additional confirmation of the Instruction by the Beneficiary.

If the Beneficiary claims preferential tax treatment under an international double taxation treaty (signed by the Czech Republic), it shall provide the Manager, along with the Instruction as its integral part, evidence of its tax residence and other documents that may be requested by the Manager and the competent tax authorities.

Regardless of this right, neither the Issuer nor the Manager will verify whether the Instructions are correct and complete and will not be liable for any loss or damage caused by the Beneficiary's delay in delivering the Instruction or by incorrectness or other defect of such Instruction. The Manager may request senior or additional legalisation or, as the case may be, apostille under the Hague Convention (as applicable) if originals of foreign official documents or foreign legalisations are submitted.

The Manager may also request a certified Czech translation of any or all documents drawn up in a foreign language.

If an Instruction contains all the facts required under this Section 8.4, has been delivered to the Manager in compliance with this Section 8.4 and meets the requirements of this Section 8.4 in all other respects, it is considered as proper.

8.5 TIMELY WIRE TRANSFERS

The obligation of the Issuer to pay any amount due in relation to the Bonds will be deemed to have been fulfilled duly and on time if (a) the relevant amount is credited to the Beneficiary to the bank account stated in the Instruction and in compliance with the payment conditions stated in such Instruction, and (b) if it is debited from the Manager's bank account no later than on the relevant due date of that amount.

If a Beneficiary provides the Issuer with payment data that do not enable due payment, or fails to provide any such data,

- (a) The Manager shall notify such Beneficiary without undue delay upon finding that the payment cannot be made and shall request such data enabling due payment discharge;
- (b) The obligation of the Issuer to pay any amount due in relation to the Bonds will be deemed to have been fulfilled duly and on time if the relevant amount is debited from the Manager's account within five (5) Business Days from the day upon which the Manager received such payment data from the Beneficiary enabling due payment discharge; in such case, such Beneficiary shall not be entitled to any claim or other yield or additional payment for the time delay.

Neither the Issuer nor the Manager is liable for a delayed payment of any due amount due to (a) the Beneficiary's failure to submit documents or information required from the Beneficiary under Section 3.2 or 8.4 of these Terms of Issue, (b) such documents or information being incomplete or incorrect, or (c) the fact that this delay was caused by circumstances beyond the control of the Issuer or Manager. In that case, the Beneficiary shall not be entitled to any additional payment or interest in respect of the delayed payment thus caused.

8.6 CHANGES TO THE PAYMENT METHOD

The Issuer and the Manager may jointly decide to change the method of any payments. This change may not be detrimental to the Bond Owners. The decision shall be notified to the Bond Owners in the same manner as these Terms of Issue has been published.

9. OBLIGATIONS AND DEBTS OF THE ISSUER

9.1 OBLIGATIONS OF THE ISSUER

The Issuer undertakes, subject to Section 9.2, until repayment of any and all of the debts ensuing from the Bonds, without the prior consent of the meeting of the Bond Owners (the **"Meeting"**)

- a) not to transfer shares issued by AXON Neuroscience SE and not to establish or allow establishment of any pledge or any similar right in favour of any third party thereto, except for the transfer of 36.8% shares of AXON Neuroscience SE to TIMEWORTH HOLDINGS LIMITED, a company established and existing under the laws of the Republic of Cyprus, with its registered office at Spyrou Kyprianou, 18, Flat/Office 301, P.C. 1075 Nicosia, the Republic of Cyprus, identification no. HE 187475, or any other company controlled by Ing. Petr Kellner, date of birth 20 May 1964;
- b) not to transfer or allow transfer of the enterprise of AXON Neuroscience SE, or any part thereof;
- c) not to transfer or allow transfer of the rights related to intellectual and/or industrial property of the Issuer or of AXON Neuroscience SE, that are or will be registered with the competent authority of intellectual and/or industrial property or whose registration are being or going to be administered, up to the Final Due Date, and not to establish or allow establishment of any pledge or any similar right in favour of any third party thereto;
- d) to refrain from any action with a material adverse impact; especially, the Issuer undertakes to dispose with its property solely in the ordinary course of business and to procure that, under similar conditions (i) property of AXON Neuroscience SE is disposed and (ii) AXON Neuroscience SE duly performs its obligations that could be reasonably anticipated in its business in order to avoid any material adverse impact.

For the purpose of these Terms of Issue, the term "material adverse impact" means any event or situation that has a material adverse impact on business, property or financial or any other state of the Issuer and/or AXON Neuroscience SE.

9.2 EXCEPTIONS TO THE OBLIGATIONS OF THE ISSUER UNDER SECTION 9.1 IN THE EVENT OF AXON NEUROSCIENCE SE RESTRUCTURING

Notwithstanding Section 9.1, the Issuer may, without the prior consent of the Meeting, restructure the activities and corporate organization of AXON Neuroscience SE (**"Restructuring"**), consisting of (1)(i) establishment of subsidiaries of AXON Neuroscience SE, with their respective seats in a selected state of the European Union (such subsidiaries, the **"Subsidiaries after Restructuring"**), and (ii) transfer of selected activities of AXON Neuroscience SE to Subsidiaries after Restructuring, (all Restructuring actions under this paragraph (1), the **"Division"**), or (2) the transfer of the seat of AXON Neuroscience SE to a selected state of the European Union, or (3) any actions under paragraphs (1) and (2) jointly.

If the Division takes place, the Issuer shall procure that AXON Neuroscience SE is the sole shareholder and the sole beneficiary owner of the Subsidiaries after Restructuring.

If the Division takes place, Issuer's obligations under Section 9.1 will apply *mutatis mutandis* to AXON Neuroscience SE and the Subsidiaries after Restructuring, and the Issuer shall procure compliance with these obligations.

The Issuer may carry out the Restructuring only if the Restructuring will not have a material adverse impact on the group consisting of (i) the Issuer, (ii) AXON Neuroscience SE and (iii) the

Subsidiaries after Restructuring. For avoidance of doubt, for purposes of this paragraph of this section 9.2, the group according to letters (ii) and (iii) of the previous sentences is to be regarded as a single entity.

9.3 ADDITIONAL INDEBTEDNESS OF THE ISSUER AND AXON NEUROSCIENCE SE

The Issuer undertakes that any its possible future Financial Indebtedness, except for the debts ensuing from the Bonds, established before the Final Due Date without a prior consent of the Meeting, will be subordinated to the debts ensuing from the Bonds and such Financial Indebtedness will be payable (including the possibility of the early repayment) only after all debts of the Issuer ensuing from the Bonds are repaid.

The issuer undertakes to ensure compliance with admissible amount of indebtedness of AXON Neuroscience SE (cumulatively including the indebtedness of the Subsidiaries after Restructuring, if the Division takes place) which is specified according to its business plan for individual calendar years as follows:

Year	Maximum Financial Indebtedness in a given year	Overall cumulative Financial Indebtedness in the end of a given year
2015	35 000 000 EUR	35 000 000 EUR
2016	34 000 000 EUR	69 000 000 EUR
2017	34 000 000 EUR	103 000 000 EUR
2018	29 000 000 EUR	132 000 000 EUR
2019	26 000 000 EUR	158 000 000 EUR
2020	53 000 000 EUR	211 000 000 EUR

The Issuer undertakes that any other potential future Financial Indebtedness of AXON Neuroscience SE (cumulatively including the indebtedness of the Subsidiaries after Restructuring, if the Division takes place) exceeding above mentioned overall cumulative Financial Indebtedness (“**Overall Admissible Financial Indebtedness**”) and which, before the Final Due Date, cumulatively exceeds 5.000.000 EUR (five million Euro), established without a prior consent of the Meeting, will be subordinated to (i) the debts ensuing from the Bonds and (ii) the debts ensuing from the Overall Admissible Financial Indebtedness and such Financial Indebtedness will be payable (including the possibility of the early repayment) only after all debts of the Issuer ensuing from the Bonds and all debts of the Issuer ensuing from the Overall Admissible Financial Indebtedness are repaid.

The Issuer undertakes that the Financial Indebtedness of AXON Neuroscience SE does not exceed 100.000 EUR (one hundred thousand Euro) as at the Issue Date.

For the purpose of these Terms of Issue the “**Financial Indebtedness**” means any indebtedness for or in respect of (a) moneys borrowed (under a loan agreement, credit agreement or other similar agreement), (b) issued bonds, promissory notes or other debt securities, (c) leasing or any other lease entered into primarily in connection with raising finances or financing the acquisition of leased assets, (d) guarantees, indemnity or another form of security against the financial loss of any person.

9.4 VALUATION OF AXON NEUROSCIENCE SE AND DISCLOSURE OF FINANCIAL STATEMENTS

9.4.1 Disclosure of financial statements

The Issuer will annually, starting from the calendar year in which the Issue Date occurs, issue a written statement to the Bond Owners that there are no circumstances that would materially adversely affect the value of AXON Neuroscience SE, and disclose such statement at the Issuer's registered office and at the Designated Office within a month after the end of the respective calendar year.

No later than six (6) calendar months from the end of each accounting period the Issuer shall publish (a) its audited consolidated financial statements for the last accounting period, in the case it is required by laws, otherwise audited financial statements for the last accounting period and (b) the audited financial statements of AXON Neuroscience SE for the last accounting period and disclose the financial statements at the Issuer's registered office and at the Designated Office.

The Issuer shall provide the Bond Owner, at its request, with a copy of the latest declaration that there are no material adverse changes or the latest financial statements, in writing or electronically within ten (10) days upon delivery of such request.

9.4.2 Development plan

There is an information brochure in relation to these Terms of Issue which consists of (i) description of the AXON Neuroscience SE's project and programs and (ii) development plan which lists the AXON Neuroscience SE's goals in a clinical program together with their expected achievement dates ("**Development Plan**"). If the Issuer and/or AXON Neuroscience SE fail to achieve any of the expected goals set out in the Development Plan within 6 (six) month after the relevant achievement date, the Issuer shall call the Meeting and propose the approval of a new Development Plan or any other potential steps of AXON Neuroscience SE.

9.4.3 Valuation of the company

In the case the Meeting disapproves the proposal on change of the Development Plan or eventually AXON Neuroscience SE's other further steps under Section 9.4.2, the Issuer shall procure that a valuation of the AXON Neuroscience SE's is made in six (6) months after the Meeting and, consequently, it shall call a new Meeting and propose the approval of new valuation of the AXON Neuroscience SE ("**Change of Valuation**"). The Issuer shall include the potential approval of the early repayment of the Bonds under this Section 9.4.3 as an item on the agenda of the Meeting.

The valuation will be provided solely by a company of so called big four, i.e. Deloitte, PricewaterhouseCoopers, Ernst & Young or KPMG or its successor in title.

If the Meeting disapproves the Change of Valuation, the same Meeting may, upon any Bond Owner's proposal, decide on early repayment of the Bonds held by the Bond Owners who have not agreed with the Change of Valuation and who request the early repayment of the Bonds, while the Meeting may decide on this item regardless this item was included in the agenda of the Meeting and regardless all of the Bond Owners are present at the Meeting or all Bond Owners agree with inclusion of this item to the agenda of this Meeting. In case of approval of the early repayment of the Bonds pursuant to the previous sentence, the Issuer shall repay these Bonds in accordance with Section 10.2 of these Terms of Issue.

9.4.4 Obligations under Section 9.4 in relation to the Subsidiaries after Restructuring

If the Division takes place, for the purposes of this Section 9.4, the term "AXON Neuroscience SE" includes (i) AXON Neuroscience SE and (ii) all Subsidiaries after Restructuring.

9.5 ISSUER'S OBLIGATIONS WITH RESPECT TO EXISTING PLEDGES

(a) Representation regarding the Registered pledge on AXON Shares

The Issuer represents that on the Issue Date the following shares of AXON Neuroscience SE: (a) 22,880,000 common certificated non-bearer shares with numbers from 1 to 22,880,000, in the nominal value of 1.00 EUR per share, which were replaced by mass share number H-1; and (b) 12 common certificated non-bearer shares with numbers from 1/1/2011 to 12/1/2011, in the nominal value of 10,000.00 EUR per share (the shares under the letters (a) and (b) of this paragraph further jointly referred to as the "**AXON Shares**") are pledged in favour of J & T BANKA, a.s., with its registered office at Pobřežní 297/14, 186 00 Praha 8, identification number: 471 15 378, registered in the commercial register held by the Municipal Court in Prague, section B, insert number 1731, carrying out its business in the territory of the Slovak Republic through its branch J & T BANKA, a.s., pobočka zahraničnej banky, with its registered seat at Dvořákovo nábřeží 8, 811 02 Bratislava, identification number: 35 964 693, registered in the commercial register of the District Court Bratislava I, section Po, insert number 1320/B (the "**J & T Bank**"); the pledge was established (in Slovak *zriadené*) by the contract on establishment of pledge to certificated securities dated 28 June 2012 (in Slovak *Zmluva o zriadení záložného práva k listinným cenným papierom*) entered into between the J & T Bank and ISTROKAPITAL CYPRUS LIMITED, with its registered seat at Klimentos, 41-43, Klimentos Tower, 1st Floor, Flat/Office 12, P.C. 1061, Nicosia, Cyprus, registered with the Ministry of energy, commerce, industry and tourism, department of registrar of companies and official receiver Nicosia, under number HE 256657 (the "**IK CY**") and the pledge was created (in Slovak *vzniklo*) by registration with the Centrálny depozitár cenných papierov SR, a.s., with its registered seat at ul. 29. augusta 1/A, Bratislava 814 80, identification number: 31 338 976 (the "**CDS SR**") on 20 July 2012 (this registered pledge further referred to as the "**Registered pledge on AXON Shares**").

(b) Representation regarding the Established pledge on AXON Shares

The Issuer represents that on the Issue Date the AXON Shares will be the object of the contract on establishment of pledge to certificated securities (in Slovak *Zmluva o zriadení záložného práva k listinným cenným papierom*) between (i) J & T Bank and (ii) ISTROKAPITAL SE, with its registered seat Klimentos, 41-43, Klimentos Tower, 1st Floor, Flat/Office 12, P.C. 1061, Nicosia, Cyprus, registered with the Ministry of energy, commerce, industry and tourism, department of registrar of companies and official receiver Nicosia, under number SE 2, dated 14 April 2015 (this established pledge further referred to as the "**Established pledge on AXON Shares**"). For avoidance of doubt, the Established pledge on AXON Shares was not registered with the CDS SR and therefore was not created (in Slovak *nevzniklo*).

(c) Issuer's obligations

On or before the 20th day from the day following after the day when all Bonds will be subscribed (this day, the "**Pledge Extinction Day**"), the Issuer shall procure the extinction of the (i) Registered pledge on AXON Shares and (ii) the Established pledge on AXON Shares.

The Issuer shall also procure that no such event occurs on or before the Pledge Extinction Day that will entitle the pledge creditor to enforce the Registered pledge on AXON Shares.

The Issuer shall also procure that the Established pledge on AXON Shares is not created (in Slovak *nevzniklo*).

(d) Issuer's notification duty

No later than on the 5th day after the Pledge Extinction Day, the Issuer shall confirm in writing to the Administration fulfilment of its obligations under clause 9.5(c).

The Issuer agrees that the Administrator will, upon request of any Bond Owner, allow such Bond Owner to make themselves acquainted with the content of the confirmation under the first paragraph of this clause 9.5(d).

10. EARLY REPAYMENT OF BONDS IN EVENTS OF DEFAULT

10.1 EVENTS OF DEFAULT

Should any of the following events occur and should the event persist (each of the events below hereinafter “**Event of Default**”):

(a) Non-payment

Any payment of the Issuer ensuing from the Bonds under these Terms of Issue is not duly paid on its due date under these Terms of Issue and the breach is not remedied for more than 30 (thirty) days; or

(b) Breach of non-payment obligations and debts

The Issuer fails to fulfil any material obligation related to the Bonds under these Terms of Issue other than the obligation to pay monies, and the breach is not remedied for more than sixty (60) days of the day on which the Issuer was informed of this fact in writing by a Bond Owner in a letter delivered to the Issuer or the Manager at the address of the Designated Office; or

(c) Insolvency or insolvency proceedings

- (i) The Issuer is insolvent (under the laws of Cyprus or of any other jurisdiction), or
- (ii) the Issuer files a voluntary insolvency petition (under the laws of Cyprus or another petition with similar effects under the laws of any jurisdiction other than Cyprus), or
- (iii) the insolvency petition under (ii) above is rejected by the court for lack of the Issuer's assets, or
- (iv) a court or any other competent authority adjudicates Issuer insolvent (under the laws of Cyprus or issues any similar decision under the laws of any jurisdiction other than Cyprus); or
- (v) (1) AXON Neuroscience SE or (2) any Subsidiary after Restructuring, if the Division takes place, is insolvent (under the laws of Slovakia or of any other jurisdiction), or
- (vi) (1) AXON Neuroscience SE or (2) any Subsidiary after Restructuring, if the Division takes place, files a voluntary insolvency petition (under the laws of Slovakia or another petition with similar effects under the laws of any jurisdiction other than Slovakia), or
- (vii) the insolvency petition under (vi) above is rejected by the court for lack of (1) AXON Neuroscience SE's assets or (2) any Subsidiary's after Restructuring assets, if the Division takes place, or
- (viii) a court or any other competent authority adjudicates insolvent (1) AXON Neuroscience SE or (2) any Subsidiary after Restructuring, if the Division takes place (under the laws of Slovakia or issues any similar decision under the laws of any jurisdiction other than Slovakia); or

(d) Liquidation

A legally effective decision of a court or another competent authority or a resolution of the Issuer's competent bodies is adopted to wind up the Issuer with liquidation (or any other similar decision or resolution under the laws of any jurisdiction other than Cyprus); or

(e) Change of ownership of the Issuer

A total of direct and indirect interests of Ing. Boris Krehel' in the Issuer's registered capital or in the voting rights in the Issuer fall below 90 %; or

(f) Adverse change

The Meeting disapproves new valuation under Section 9.4.3,

then a Bond Owner may, in accordance with Section 13 of these Terms of Issue call the Meeting and/or in accordance with Section 9.4.3 propose that the Meeting decides to make an early repayment of the Bonds ("**Decision on Early Repayment**") held by the Bond Owners who will so agree, and the Issuer shall repay these Bonds in compliance with Section 10.2 of these Terms of Issue.

For avoidance of doubt, Restructuring is not an Event of Default.

10.2 DUE DATE OF BONDS WITH ACCELERATED MATURITY

The right to early repayment of the Bonds affected by the Decision on Early Repayment will arise to the Beneficiary as of the last Business Day of the month following the month in which the Meeting made the decision (the "**Early Repayment Date**"), unless the relevant Event of Default is remedied before the Early Repayment Date or unless the Meeting cancels the relevant Decision on Early Repayment.

10.3 OTHER CONDITIONS FOR EARLY REPAYMENT OF BONDS

The Payment pursuant to Section 7.5 of these Terms of Issue will be considered a payment of the nominal value of early maturing Bonds pursuant to Section 10.

Early repayment of Bonds under Section 10 will otherwise be governed, *mutatis mutandis*, by Section 8 of these Terms of Issue.

11. STATUTE OF LIMITATIONS

The rights associated with the Bonds are subject to the statute of limitations upon the elapse of ten (10) years of the day on which the rights may have been exercised for the first time.

12. MANAGER

12.1 THE MANAGER AND THE DESIGNATED OFFICE

The Manager is specified in Section 1 of these Terms of Issue.

The Designated Office is at the address specified in Section 1 of these Terms of Issue.

12.2 ADDITIONAL AND OTHER MANAGER AND OTHER DESIGNATED OFFICE

The Issuer reserves the right at any time to appoint any other or additional Manager and designate any other or additional Designated Office, or designate additional payment agents. Another or additional Manager may not be appointed between the ninetieth (90th) day before the day of maturity of the Bonds' nominal value and the thirtieth (30th) day after the due date of the Bonds' nominal value.

The Issuer will allow the Bond Owners access to the notice regarding a change of the Manager or the Designated Office or appointing additional payment agents in the same manner as to these Terms of Issue.

12.3 RELATION BETWEEN THE MANAGER AND BOND OWNERS

When acting under the Management Agreement, the Manager will act as the Issuer's agent. The Manager will not be liable for the Issuer's obligations and debts stemming from the Bonds, nor

will the Manager be in the position of guarantor or surety or in any legal relation with the Bond Owners or Beneficiaries, unless the Management Agreement or statute provide otherwise.

13. MEETING OF BOND OWNERS, AMENDMENTS TO THE TERMS OF ISSUE

13.1 POWERS AND CONVOCAION OF THE MEETING OF BOND OWNERS

13.1.1 Right to convene the Meeting of Bond Owners

The Issuer or a Bond Owner or Bond Owners may convene the Meeting if necessary for the adoption of a decision on the joint interests of the Bond Owners, in compliance with the Terms of Issue.

The costs incurred to organise and convene the Meeting shall be borne by the convocator, unless stipulated otherwise by the legal rules and regulations.

If the Meeting is convened by Bond Owner(s), the convocator shall deliver a notice of the Meeting to the Issuer, sent for the Manager's attention to the address of the Designated Office in a sufficient advance however no later than twenty (20) days prior to the intended Meeting, so that the Meeting may be announced without undue delay (see Section 13.1.3 in view of the manner of disclosure stipulated in Section 14) (to avoid any doubts, neither the Issuer nor the Manager will be obliged to examine the particulars of that notice or hold any liability for the contents of the notice), and, in addition, the convocator shall (a) deliver to the Issuer, by means of a notice sent for the Manager's attention to the address of the Designated Office, an application for the procurement of a document on the number of all the Bonds entailing the right to attend the Meeting convened thereby, i.e. an extract from the relevant registry of the Issue, and (b) where relevant, provide the Issuer or Manager with an advance payment of the costs associated with the Issuer's services related to the Meeting (especially obtaining an extract from the relevant registers).

The due and timely delivery of the application under letter (a) and the advance payment of the costs under letter (b) above form the preconditions for a valid convocation of the Meeting.

13.1.2 Meeting convened by the Issuer

The Issuer shall immediately convene a Meeting in the cases specified in this Section 13.1.2 (a) to (e) below, in cases listed in Section 9.4.2 and 9.4.3 and in other cases stipulated by the applicable law ("**Substantial Changes**"):

- (a) proposed amendment or amendments to the Terms of Issue if the Meeting's consent to any amendment to the Terms of Issue is required under the applicable legal rules and regulations;
- (b) proposal for the Issuer's transformation;
- (c) proposal for the conclusion of an agreement on the basis of which an enterprise or a part thereof will be disposed of, regardless of the role played by the Issuer in the conclusion of the agreement, if the due and timely repayment of the Bonds may be jeopardised;
- (d) the Issuer is delayed in the satisfaction of the rights associated with the Bonds in excess of seven (7) calendar days of the day on which the right may have been exercised;
- (e) proposal for a change to the Issuer's Articles of Association, except changes that occur by operation or under applicable law.

For avoidance of doubt, the Issuer is not obliged to convene a Meeting in the event Restructuring under section 9.2.

The Issuer may convene a Meeting if it proposes joint action when the Issuer believes that an Event of Default may have occurred or has occurred.

The Issuer may convene a Meeting if it intends to obtain an approval of the Meeting in cases under Section 9.1 and 9.3 of these Terms of Issue.

13.1.3 Notice of Meeting

The Issuer shall give the notice of Meeting in the manner set forth in Section 14 of these Terms of Issue no later than fifteen (15) calendar days prior to the date of the Meeting.

If the Meeting is convened by any Bond Owner(s), they shall deliver the notice of Meeting under Section 13.1.1 of these Terms of Issue to the Issuer within the same period of time.

The notice of Meeting shall contain at least the following information: (a) business name, registration number and registered office of the Issuer, (b) identification of the Bonds (at least the title and Issue Date), (c) venue, date and time of the Meeting (the venue, date and time of the Meeting shall be set so as not to prevent the Bond Owners from attending the Meeting to the maximum extent possible), (d) agenda of the Meeting and, if amendments under Section 13.1.2 of these Terms of Issue are proposed, the draft of these amendments and their justification, and (e) the Decisive Date for the Right to Attend.

The Meeting may only adopt decisions on proposed resolutions stated in the notice of Meeting. The Meeting may adopt decisions on proposed resolutions that have not been stated in the agenda of the Meeting in the notice of Meeting only if the Meeting is attended by all the Bond Owners entitled to vote at the Meeting.

If the reason for the convocation of the Meeting ceases to exist, the Meeting shall be recalled in the same manner as it was convened no later than seven (7) calendar days prior to the date of the Meeting.

If the Issuer is subject to reorganisation or any other similar method of resolving the Issuer's insolvency, the Issuer is not obliged to convene the Meeting.

13.2 PERSONS ENTITLED TO ATTEND AND VOTE AT THE MEETING; FURTHER ATTENDANTS

13.2.1 Persons entitled to attend the Meeting and vote thereat; Decisive Date for the Right to Attend

Only the following persons may attend the Meeting and vote thereat:

- (a) Bond Owner registered as Bond Owner in the Register of Owners at the end of the day preceding by seven (7) calendar days the day of the Meeting ("**Decisive Date for the Right to Attend**");
- (b) persons who identify themselves as representatives of Bond Owners under letter (a) for the purposes of the Meeting; or
- (c) any person who produces a confirmation of the person for whose account the relevant amount of Bonds was registered with the Central Depository on the Decisive Date for the Right to Attend, to the effect that such person is a Bond Owner and the Bonds are registered for the first person's account as manager of the Bonds.

Transfers of Bonds effected after the Decisive Date for the Right to Attend shall be disregarded.

13.2.2 Voting right

Each Bond Owner shall hold votes corresponding to the ratio of the nominal value of the Bonds owned thereby to the total nominal value of all the Bonds that have been issued and that have not been repaid or cancelled as of the Decisive Date for the Right to Attend.

Bonds owned by the Issuer as of the Decisive Date for the Right to Attend that have not ceased to exist under the Issuer's decision under Section 7.3 of these Terms of Issue are not taken into account for the purposes of the Meeting.

If the Meeting votes to recall a Joint Representative (as defined below) under Section 13.3.3 of these Terms of Issue, the Joint Representative may not exercise the voting right associated with the Bonds owned thereby, and its votes are not included in the total number of votes when quorum is calculated.

13.2.3 Further attendants of the Meeting

The Meeting shall be attended by the Issuer, and may be attended by the Manager's representatives, Joint Representative (as defined below, unless otherwise entitled to attend the Meeting), and by guests invited by the Issuer and/or the Manager. The Meeting is further attended by persons ensuring due course of the Meeting (e.g., the Chairman, minutes-clerk, notary public etc.).

13.3 COURSE OF THE MEETING, DECISIONS OF THE MEETING

13.3.1 Quorum

The Meeting constitutes a quorum if attended by the Bond Owners (with the right to vote in compliance with Section 13.2 of these Terms of Issue) whose nominal value represents more than 82% of the total nominal value of the issued Bonds that have not been repaid or cancelled. The convocator will provide information on the number of all the Bonds whose owners have the right to attend the Meeting and to vote thereat before the Meeting is opened.

13.3.2 Chairman

Meetings convened by the Issuer are chaired by a chairman appointed by the Issuer. Meetings convened by Bond Owner(s) are chaired by a chairman elected by a simple majority of the attending Bond Owners that entail the right to vote at the relevant Meeting. Until the chairman is elected, a person appointed by the convocator will chair the Meeting.

13.3.3 Joint Representative

The Meeting may adopt a resolution appointing an individual or a legal entity to the position of their joint representative and authorising it to exercise activities under the Act on Bonds ("**Joint Representative**").

The Meeting may recall the Joint Representative in the same manner used in its election, or elect another Joint Representative whereas the election of a new Joint Representative has the effects of recall vis-à-vis the existing Joint Representative (unless recalled by a separate resolution of the Meeting).

The Meeting shall resolve on the scope of the authority of the Joint Representative to take actions on behalf of the Bond Owners.

13.3.4 Decisions of the Meeting

The Meeting adopts decisions on the presented matters in the form of resolutions.

Resolutions are adopted by at least 80% of the votes of the attending Bond Owners that entail voting rights in compliance with Section 13.2 of these Terms of Issue.

13.3.5 Adjournment

If a Meeting does not constitute a quorum within one hour of its set beginning the Meeting shall be dissolved without further action, without prejudice to the right of the Issuer or Bond Owners to convene a new Meeting in compliance with these Terms of Issue.

If the Meeting was convened to amend the Terms of Issue and if the Meeting does not constitute a quorum within one hour of its set beginning the Meeting shall be dissolved without further action. If necessary, the person who convened the original Meeting will convene an adjourned Meeting so that it will be held within six (6) weeks of the day for which the original Meeting was convened. The Bond Owners shall be notified of the adjourned Meeting with the same agenda no later than within fifteen (15) days of the day for which the original Meeting was convened.

The substitute Meeting shall constitute a quorum regardless of the conditions stipulated in Section 13.3 of these Terms of Issue.

13.4 FURTHER RIGHTS OF THE BOND OWNERS

13.4.1 Amendments to the Terms of Issue

To avoid any doubts, the consent of the Meeting of Bond Owners is not required (a) for those amendments to the Terms of Issue which are made as a direct result of the amendments to any legal rules and regulations, (b) for those amendments to the Terms of Issue which do not affect the position or interests of the Bond Owners, or (c) if none of the issued Bonds are owned by persons other than the Issuer.

Without unnecessary delay following any relevant amendment to the Terms of Issue, the Issuer shall disclose the amendment to the Terms of Issue and the full wording of the amended Terms of Issue to the investors in the same manner employed to disclose the original Terms of Issue.

Any investor who, before the disclosure of an amendment to the Terms of Issue which requires a prior consent of the Meeting of Bond Owners, agreed to purchase or subscribe any Bonds and did not yet acquire the ownership title to such Bonds is entitled to withdraw from the purchase or subscription within five (5) business days of the disclosure of the relevant amendment to the Terms of Issue.

13.4.2 Consequences of voting against resolutions of the Meeting

If the Meeting approves any Substantial Changes or change of the Development Plan or the Change of Valuation, persons who were entitled to attend the Meeting and to vote thereat in their capacity of Bond Owners under Section 13.2 of these Terms of Issue and who voted against that decision or failed to attend the relevant Meeting, as evidenced by the minutes from the Meeting ("**Applicant**"), may apply for a repayment of the Bonds owned thereby as at the Decisive Date for the Right to Attend and not alienated by the Applicant since that moment.

The Applicant shall exercise this right within thirty (30) days of the publication of the Meeting's resolution by means of a written notice ("**Application**") intended for the Issuer and delivered to the Manager to the address of the Designated Office; otherwise, the right will cease to exist.

The above amounts fall due and payable within thirty (30) days of the day on which the Application was delivered to the Manager (such day, together with other days so referred to in these Terms of Issue, "**Bonds' Early Repayment Date**").

The calculation of the value of early maturing Bonds pursuant to Section 13.4.2 will be governed, *mutatis mutandis*, by Section 7.5 of these Terms of Issue.

Early repayment of Bonds under Section 13.4.2 shall be otherwise governed, *mutatis mutandis*, by Section 8 of these Terms of Issue.

This right will also inure to the benefit of the Applicant's successor in title.

13.4.3 Resolution on early repayment of Bonds at the request of the Bond Owners

If the agenda of a Meeting includes any of the matters specified in Section 13.1.2, except for 13.1.2 (a), of these Terms of Issue, and the Meeting does not agree with these substantial changes, the Meeting may also, beyond the agenda's framework, resolve that if the Issuer acts in conflict with the Meeting's resolution, it shall make an early repayment of the Bonds to those Bond Owners who so request ("**Applicant**").

The Applicant may exercise this right by means of a written notice ("**Application**") intended for the Issuer and delivered to the Manager to the address of the Designated Office within thirty (30) days of the day of breach of the Issuer's obligation to proceed in compliance with the resolution of the Meeting whose agenda included any of the matters mentioned in Section 13.1.2 (b) through (e) of these Terms of Issue.

The above amounts fall due and payable within 30 (thirty) days of the day on which the Application was delivered to the Manager (such day, together with other days so referred to in these Terms of Issue, "**Bonds' Early Repayment Date**").

The Payment pursuant to Section 7.5 of these Terms of Issue will be considered a payment of the nominal value of early maturing Bonds pursuant to Section 13.4.3.

Early repayment of Bonds under Section 13.4.3 shall be otherwise governed, *mutatis mutandis*, by Section 8 of these Terms of Issue.

13.4.4 Formal Requirements of the Application

The Application must state the number of Bonds the repayment whereof is requested by the Applicant in compliance with this Section and asset account number, code, name and address of the participant of CDCP, through which the Bonds are held. The Application must be made in writing and signed by the persons authorised to act on behalf of the Applicant, and their signatures must be notarised.

The Applicant shall also deliver all the documents required for payment under Section 8 of these Terms of Issue to the Designated Office within the deadline specified above.

13.4.5 Minutes from the Meeting

The convocator shall produce minutes from the Meeting, either alone or through an appointee, within thirty (30) days of the date of the Meeting; the minutes shall contain the conclusions of the Meeting, including, without limitation, the resolutions adopted thereby.

If the Meeting was convened by Bond Owner(s), the minutes from the Meeting shall be also delivered to the Issuer in a notice sent for the Manager's attention to the address of the Designated Office within thirty (30) days of the date of the Meeting at the latest.

All the decisions of the Meeting that must be published shall be delivered in sufficient advance set by the Issuer, so that the period of time for publishing set forth in the rules and regulations and in these Terms of Issue may be met.

The Issuer shall retain the minutes from the Meetings until the rights ensuing from the Bonds become subject to statute of limitations. Minutes from Meetings are available to the Bond Owners for inspection in the Designated Office during regular business hours.

The Issuer shall publish all the decisions of the Meeting within thirty (30) days of the date of the Meeting in the manner set forth in Section 14 of these Terms of Issue.

If a Meeting discusses resolutions on a Substantial Change specified in Section 13.1.2 (a) through (e) of these Terms of Issue, a notarial record must be made of the attendance at the Meeting and on the Meeting's decision. If the Meeting adopts the resolution, the notarial record must specify the names of the persons entitled to attend the Meeting who validly voted in favour of the resolution, and the number of Bonds owned by these persons on the Decisive Date for the Right to Attend.

14. NOTICES

Notices of Meeting and any other notices to the Bond Owners will be valid and effective if executed in Czech and published on the Issuer's web site specified in Section 1 of these Terms of Issue.

Information regarding the exercise of the rights of the Bond Owners may be communicated to the Bond Owners in electronic form. If the mandatory provisions of the applicable legal rules and regulations or these Terms of Issue provide for another method of disclosing or publishing any notice under these Terms of Issue, the notice will be deemed to have been validly disclosed or published when disclosed or published in compliance with the applicable legal rule or regulation. If a notice is disclosed or published in more than one way, the date of its first disclosure or publishing will be deemed to constitute the day on which the notice was served.

These Terms of Issue have been disclosed to the purchasers of Bonds free of charge in the registered office of the Issuer and in the Designated Office on such information carrier which allows the investors to copy the Terms of Issue in unaltered form and to keep the Terms of Issue so that they could be used at least by the day of repayment of the Bonds, and on the Issuer's and Manager's web sites specified in Section 1 of these Terms of Issue.

If a Bond Owner so requests, the Issuer shall make available to such Bond Owner, free of charge, one copy of the then current Terms of Issue.

15. TAXATION OF THE YIELD FROM BONDS

The nominal value shall be repaid without withholding any taxes or charges of any kind unless such withholding of taxes or charges is required under the applicable legal regulations effective as at the date of such payment. Should any such withholdings of taxes or charges be required under the applicable laws effective as at the date of such payment the Issuer shall not be obligated to pay any further amounts to the Bond Owners in compensation for such withholdings of taxes or charges.

The future owners of the Bonds are advised to consult their legal and tax advisors on the tax and foreign exchange law consequences of the purchase, sale and holding of the Bonds and receiving payments on the Bonds under the tax and foreign exchange regulations applicable in Cyprus and in countries of their residence if other than Cyprus as well as in countries where the yields from the holding and sale of the Bonds may be subject to tax.

The following brief summary of taxation of the Yield in Cyprus is based primarily on The Cyprus Income Tax Law 118(I)/2002 (resulting taxation to be referred to as "**Income Tax**"), as amended and the Special Contribution for the Defence of the Republic Law 117(I)/2002 (resulting taxation

to be referred to as “**Defence Tax**”), as amended and the related legal regulations effective as at the date of preparing these Terms of Issue and on the standard interpretation of these laws and other regulations applied by the Cypriot tax authorities and other state bodies and known to the Issuer as at the date of preparing these Terms of Issue. All information below is subject to change depending on changes in legal regulations that may occur following this date or in the interpretation of such laws which may be applied following this date.

The Yield paid to a physical person that is a Cyprus tax resident is subject to Defence Tax at source (i.e. withheld by the Issuer upon the payment of the Yield). The rate of this Defence Tax as at the date of preparing these Terms of Issue is 30%.

The taxation of the Yield paid to a legal entity that is a Cyprus tax resident will depend on whether this will be considered active income or passive income, as follows:

- Where the receipt of the Yield by the Bond Owner, a Cyprus tax resident legal entity, does not arise from the ordinary activities or is not closely related to the ordinary course of business of this Bond Owner (each owner is assessed separately) then such income will be considered passive. The Yield would be subject to Defence Tax at the rate of 30% at source (i.e. withheld by the Issuer upon the payment of the Yield).
- Where the receipt of the Yield by the Bond Owner, a Cyprus tax resident legal entity, arises from the ordinary activities or is closely related to the ordinary course of business of this Bond Owner (each owner is assessed separately) then, such income would be considered of a trading nature. The Yield would be subject to Income Tax which as at the date of preparing these Terms of Issue is 12.5%.

Cyprus does not levy any withholding tax on the payment of interest (Yield) to non-Cyprus tax resident legal entities or physical persons. Even in the case that the Bond Owners are not tax residents in another EU member state, or another state of the European Economic Area, or another third state or jurisdiction with which Cyprus has executed a valid and effective international agreement on exclusion of double taxation of all categories of income, valid and effective agreement on exchange of information in tax matters in respect of income tax or that is a party to multilateral international agreement containing provision on exchange of information on tax matters in respect of income tax that is binding upon them and upon Cyprus, no withholding tax shall apply.

16. GOVERNING LAW, LANGUAGE AND RESOLUTION OF DISPUTES

The rights and obligations arising from the Bonds shall be governed by, and construed in compliance with, the legal rules and regulations of the Czech Republic.

The Terms of Issue may be translated to any other languages. In the event of any discrepancy between different language versions, the Czech version shall prevail.

Any potential disputes between the Issuer, the Bond Owners and the Beneficiaries that may arise from the issue of Bonds or in connection therewith, including any disputes related to these Terms of Issue, shall be finally settled by the Czech courts having local and subject-matter jurisdiction.

In such case, the Prague 1 District Court will be the competent court if a district court has the subject-matter jurisdiction in a particular case; and the Municipal Court in Prague will be the competent court if a regional court has the subject-matter jurisdiction in a particular case, unless a special law provides otherwise.

17. MISCELLANEOUS

The Bond Owners assume the risk of a change of circumstances.

If any term used in these Terms of Issue allows a different interpretation, such term, where in doubt, will not be interpreted to the detriment of the party who was the first to use that term.

General or special usage will not prevail over statutory provisions that do not have a coercive nature.

These Terms of Issue and the Management Agreement are not interdependent contracts and each of them will be considered separately.

The Issuer agrees to the issuance of these Terms of Issue.

Date: 18 December 2015

Hainburg, Austria

By: _____



Name: Boris Krehel

Title: chairman of the Board of Directors



By: _____



Name: Michal Fresser

Title: member of the Board of Directors

B.R.Z. 1010/2015

Die Echtheit der vorstehenden Unterschriften des Herrn Boris KREHEL, geboren am siebzehnten März eintausendneunhunderteinundsiebzig (17.03.1971), SK 82103 Bratislava, Sveta Vincenta 5849/2, und des Herrn Michal FRESSER, geboren am siebenten März eintausendneunhundertachtundachtzig (07.03.1988), SK 85110 Bratislava, Na hradzi 187/57, wird hiemit bestätigt. -----

Hainburg an der Donau, am achtzehnten Dezember zweitausendfünfzehn (18.12.2015).-----

Legalisierungsgebühr von
Euro 14,30 entrichtet.




öffentlicher Notar