

TERMS AND CONDITIONS OF THE NOTES

1. INTRODUCTION

The Slovak Republic acting through the Ministry of Finance of the Slovak Republic, with registered seat at Štefanovičova 5, P. O. BOX 82, 817 82 Bratislava, Slovak Republic, Identification No. 00151742 (the “**Issuer**”) represented by the Debt and Liquidity Management Agency (in Slovak: *Agentúra pre riadenie dlhu a likvidity*; “**ARDAL**”), with registered seat at Radlinského 32, 813 19 Bratislava, Slovak Republic is establishing the issue of EUR 1,500,000,000 Notes with zero coupon due 2023 (the “**Notes**”) on the terms specified herein (the “**Conditions**”). The ISIN in respect of the Notes is SK4120011636 and the designation of the Notes is Štátne dlhopisy 230, abbreviated as ŠD 230.

2. DEFINITIONS

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

“**Account**” means either (i) an Owner’s Account, or (ii) a Holding (Intermediary) Account;

“**Accountholder**” means (i) in relation to Notes that are credited to the Owner’s Account, the owner of that account; and (ii) in relation to Notes that are credited to the Holding (Intermediary) Account, the person for which that account has been opened by the Central Depository, and which may include Clearstream and/or Euroclear or any Custodian holding any Notes for Clearstream and/or Euroclear, as applicable;

“**Bonds Act**” means Act No. 530/1990 Coll. on bonds, as amended;

“**Business Day**” means a day on which the TARGET system is open for business except for Saturday, Sunday and any other day which is considered a public holiday under Sections 1 and 2 of Act No. 241/1993 Coll. on state holidays, holidays and memorial days, as amended;

“**Central Depository**” means Centrálny depozitár cenných papierov SR, a. s., with its registered seat at ul. 29. augusta 1/A, Bratislava 814 80, Slovak Republic, registered in the Commercial Register maintained by the District Court Bratislava I, Section: Sa, Insert No.: 493/B;

“**Clearstream**” means Clearstream Banking, société anonyme;

“**Closure Event**” means the Issuer has been notified (i) that the Central Depository or other clearing system in respect of the Notes has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory, technical maintenance or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available, (ii) that any form of insolvency proceedings was commenced in respect of (a) Clearstream (if it is a Custodian), (b) Euroclear (if it is a Custodian), and/or (c) any other Custodian holding any Notes on behalf of Clearstream and/or Euroclear (as applicable);

“**Custodian**” means a custodian holding any Notes on its Holding (Intermediary) Account on behalf of a Holder;

“**Denomination**” means EUR 1.00 (one euro);

“**Early Repayment Date**” means the date on which the Notes become immediately due and payable in accordance with Condition 10 (*Events of Default*);

“**Early Termination Amount**” means in respect of each Note the principal of such Note equal to the Denomination;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Holder**” means in relation to any Notes, the Person or Persons to whose Owner’s Account the Notes are credited or who is registered as the owner of the Notes in the internal records of the Custodian holding the relevant Notes in its Holding (Intermediary) Account, if not otherwise proven;

“**Holding (Intermediary) Account**” means an account in the Central Depository established and existing pursuant to Section 105a of the Securities Act and which account may be created by the Central Depository for any other central depository, foreign central depository or for local or foreign securities brokers or local or foreign banks;

“**Issue Date**” means May 13th, 2016, as the date on which first portion of Note(s) shall be issued;

“**Maturity Date**” means November 13th, 2023;

“**Owner’s Account**” means an account in the Central Depository or maintained on behalf of a Holder with a member of the Central Depository established and existing pursuant to Section 105 of the Securities Act;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, regardless of whether it has a separate legal personality; and

“**Securities Act**” means Act No. 566/2001 Coll. on securities and investment services, as amended.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Registration

The Notes will be issued in book-entry form (in Slovak: *zaknihované*) as bearer (in Slovak: *na doručiteľa*) securities.

The Notes will be registered in the Central Depository in accordance with the Securities Act. No global certificates, definitive certificates or coupons will be issued with respect to any Notes.

The Notes will be issued as government bonds (in Slovak: *štátne dlhopisy*) in accordance with Section 18 *et seq.* of the Bonds Act.

No rights to exchange the Notes for any other securities and no pre-emptive rights to subscribe for any securities shall attach to the Notes. The Notes shall be unsecured.

3.2 Principal of Notes

The principal amount of each Note will be equal to the Denomination. The Issuer declares that it owes the amount equal to the Denomination of the Note to the Holder.

3.3 Title

The Notes will be transferable only by debiting the transferor’s Account and crediting the transferee’s Account and in accordance with the rules and procedures for the time being of the Central Depository and subject to all applicable laws or by making any appropriate entries in the records of the relevant Custodian in respect of any Notes held on the relevant Holding (Intermediary) Account.

3.4 Direct Rights

The Holders will be recognised as the owners of the Notes under Slovak law. Any rights such Holders may have will be without prejudice to the method of payment of any amounts in respect of the Notes under Condition 7 (*Payments*) or such other rights that according to the provisions hereof belong solely to the relevant Accountholders.

However, in the case of an Event of Default under Condition 10 (*Events of Default*) or in case of a Closure Event, the Issuer will recognise that each Person who is for the time being shown in the records of Clearstream and/or Euroclear (as applicable) as the holder of a particular nominal amount of the Notes shall be entitled to enforce its rights and the obligations of the Issuer under the Notes and exercise the rights of a Holder of that nominal amount of Notes pursuant to Clearstream and/or Euroclear's standard procedures and subject to any mandatory provisions of any applicable laws.

3.5 Records of the Central Depository

The records of the Central Depository and the records of the members of the Central Depository shall be evidence of the identity of the Accountholders and the number of Notes credited to the Account of each Accountholder. For these purposes a statement issued by the Central Depository stating:

- (i) the name of the Accountholder to which the statement is issued, and
- (ii) the aggregate nominal amount of Notes credited to the Account of the relevant Accountholder,

at the relevant time or date as set out in such statement, shall be a conclusive evidence as to the identity of the Accountholders.

4. STATUS OF THE NOTES

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are mandatory and of general application to creditor rights.

5. YIELD

The yield of the Notes shall be determined as the difference between the Denomination of the Notes and their issue price. The Notes shall be issued as notes bearing zero coupons, i.e. with interest rate of the coupon equal to zero per cent per annum. For calculation of the yield to the Maturity Date the Actual/Actual base will be used, which means actual number of days from date of the Notes issuance (included) until the Maturity Date (excluded).

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously purchased and cancelled as provided below, each Note shall be redeemed by payment by the Issuer of amount equal to the Denomination on the Maturity Date.

6.2 Purchase

The Issuer may purchase Notes in the open market or otherwise at any price and at any time. The Issuer may cancel any such Notes or it may hold them and/or resell them.

6.3 Cancellation

Except for any Notes purchased by the Issuer in accordance with Condition 6.2 (*Purchase*), all Notes which are redeemed will forthwith be cancelled, and accordingly may not be reissued or resold. The Notes in respect of which the Early Termination Amount has been paid in full shall be deemed to have been redeemed for the purposes of the preceding sentence.

6.4 No Other Redemption

The Issuer shall not be entitled to redeem the Notes and the Holders shall not be entitled to require the Issuer to redeem the Notes other than as provided in Condition 6.1 (*Redemption at Maturity*), subject to Condition 10 (*Events of Default*).

7. PAYMENTS

7.1 Method of Payment

All payments of principal on the Notes shall be made through ARDAL by wire transfer in accordance with the applicable legislation and as provided herein. The place of payment shall be the address of ARDAL referred to in Condition 13.2 (*Address*).

7.2 Payments of Principal

The Issuer is obliged to repay the principal of the Notes on the Maturity Date as specified in this Condition 7.2 (*Payments of Principal*). The Accountholder registered as the Accountholder in respect of the relevant Notes immediately before the Central Depository opens for business on the relevant payment date shall be entitled to receive the principal payment on the Notes, which shall be made by wire transfer to the account specified by the Accountholder in the Payment Information Form on the relevant payment date. The payment obligation shall be treated as discharged in full by the Issuer when an irrevocable instruction is given to the relevant payment system and the payment is debited from the relevant account of the Issuer.

7.3 Payments subject to Applicable Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged by the Issuer in respect of such payments.

7.4 Notification of Payment Information

Each Accountholder is obliged to provide the Issuer with sufficient information to allow the Issuer to effect the principal payment in relation to any Notes of which such person is an Accountholder. For this purpose, each Accountholder is obliged to complete and deliver to ARDAL the form appearing on the website of ARDAL at: www.ardal.sk/en/government-securities/documents in English language and on the website of ARDAL at: www.ardal.sk/sk/statne-cenne-papriere/dokumenty in Slovak language (there are different forms for the Accountholder being a natural person and the Accountholder being a legal person) (the “**Payment Information Form**”) at least 10 Business Days prior to the Maturity Date (the “**Submission Deadline**”). The Payment Information Form must be signed by person(s) authorized to act on behalf of the Accountholder.

If the Accountholder is a legal person the Payment Information Form must have attached to it the current extract from the commercial, trade or company register in which such Accountholder is registered.

The fact that the Accountholder does not disclose in the relevant Payment Information Form the identity and tax residency status of the beneficial owners for whose benefit such Accountholder holds the relevant Notes (if such information is to be included in the Payment Information Form) shall not prejudice the rights under Condition 9 (*Taxation*).

If the relevant Accountholder holds any Notes for a Holder, Euroclear and/or Clearstream and it shall be under the applicable laws required to make any withholding or deduction as contemplated by Condition 9 (*Taxation*), the Payment Information Form shall among other

information include information on any additional amounts that shall be payable in accordance with Condition 9 (*Taxation*).

The Payment Information Form must be delivered in hard copy to the address of ARDAL referred to in Condition 13.2 (*Address*).

In the event that multiple Payment Information Forms relating to one Accountholder are received by ARDAL, the latest to have been received by ARDAL shall be treated as definitive.

The above delivery details may be changed by ARDAL by publishing new contact details on its website: www.ardal.sk, where the information shall be published both in Slovak and English. Such new delivery details shall take effect on the date specified on the website, but not earlier than one calendar month after the information is published on such website.

7.5 Non-Notification of Payment Information

If the Payment Information Form together with its attachments is not delivered to ARDAL on or before the Submission Deadline in accordance with Condition 7.4 (*Notification of Payment Information*) above, the Issuer shall make payment of the relevant sums 10 Business Days after the due delivery of the Payment Information Form together with its attachments.

Any payment made in accordance with this Condition 7.5 (*Non-Notification of Payment Information*) shall be treated as a payment made in a due and timely manner and the Issuer expressly disclaims any liability for making any such payments in the manner described.

7.6 Payment Day

If the date for payment of any amount in respect of any of the Notes is not a Business Day, the Accountholder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to any interest or other payment in respect of such delay.

7.7 General Provisions Applicable to Payments

The Accountholders shall be the only persons entitled to receive payments in respect of the Notes and the Issuer will be discharged by payment to, or to the order of, the Accountholders in respect of each amount so paid. Each of the persons shown in the records of Clearstream or Euroclear as the holder of a particular nominal amount of the Notes must look solely to Clearstream or Euroclear, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Accountholders. However, where a Closure Event prevents the payments being made to such persons, the Persons shown for the time being in the records of Clearstream and/or Euroclear (as applicable) shall have the right to receive the payments directly from the Issuer subject to Condition 3.4 (*Direct Rights*).

8. PRESCRIPTION

Any rights under the Notes shall become unenforceable after the lapse of a 10-year period from (i) the Maturity Date, in the case of the right to claim a principal payment, and (ii) the first day on which such right could have been enforced under law, in the case of any other right, as the foregoing may be modified by an amendment or replacement of the relevant provisions of the Bonds Act.

9. TAXATION

9.1 Payment without Withholding

All payments of principal in respect of the Notes by or on behalf of the Issuer, and in addition, any payments of principal by any Slovak entity, 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 Slovak Republic or any political subdivision therein or any authority therein or thereof having power to tax (the “**Taxes**”), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by each Holder and each Person who is for the time being shown in the records of Clearstream and/or Euroclear as the holder of a particular nominal amount of the Notes (the “**Recipient**”) 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 to a Recipient, if such Recipient is liable to the Taxes in respect of such Note by reason of the Recipient being a Slovak tax non-resident with a permanent establishment in the Slovak Republic, or, for the avoidance of doubt, (i) a legal person tax resident in the Slovak Republic established for purposes other than to engage in business activities or (ii) the National Bank of Slovakia.

9.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 (*Taxation*).

10. EVENTS OF DEFAULT

The following events or circumstances (each an “**Event of Default**”) shall be acceleration events in relation to the Notes, namely:

- (i) if the Issuer fails to pay any principal in respect of any Notes when due and the default continues for a period of 30 Business Days; or
- (ii) if the Issuer fails to perform or comply with any of its other obligations in respect of the Notes which default is incapable of remedy or, if capable of remedy, is not remedied 45 calendar days after written notice of such default has been given to the Issuer.

If any Event of Default shall occur in relation to any Notes, all of the Notes may, by written notice addressed and delivered by the Accountholders (subject to Condition 3.4 (*Direct Rights*)) holding at least 25 per cent. of the aggregate principal amount of the Notes then outstanding (as the term is defined in Condition 11 (*Meetings of Noteholders, Written Resolutions and Technical Amendments*) below) to ARDAL in accordance with Condition 13.1 (*Notices to the Issuer*), be declared immediately due and payable, whereupon, unless the Event of Default has been remedied or waived prior to the receipt of the notice by the Issuer, the Notes shall become due and payable at the Early Termination Amount. Notice of any such declaration shall promptly be given to all Holders by the Issuer.

If the Issuer receives notice in writing from Accountholders, subject to Condition 3.4 (*Direct Rights*), in respect of at least 50 per cent. of the aggregate principal amount of the Notes then outstanding (as the term is defined in Condition 11 (*Meetings of Noteholders, Written Resolutions and Technical Amendments*) below) to the effect that Event(s) of Default giving rise to such declaration is or are cured or is or are waived by them following any such declaration and such Accountholders request that the Issuer disregard the relevant declaration, the rights and obligations of the Holders, the Accountholders and the Issuer shall be treated as if there were no such declaration and the Issuer shall give notice thereof to all Holders. No such action by the Accountholders shall affect any other or any subsequent Event of Default or any right of any Accountholder in relation thereto.

11. MEETINGS OF NOTEHOLDERS, WRITTEN RESOLUTIONS AND TECHNICAL AMENDMENTS

11.1 Definitions

In this Condition 11 (*Meetings of Noteholders, Written Resolutions and Technical Amendments*) the following terms shall have the following meanings:

“**Cross-Series Modification**” means a modification involving (i) the Notes or any agreement governing the issuance or administration of the Notes, and (ii) the Debt Securities of one or more other series or any agreement governing the issuance or administration of such other Debt Securities;

“**Debt Securities**” means the Notes and any other bills, bonds, debentures, notes or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a debt security;

“**holder**” in relation to a Note means the relevant Accountholder, and in relation to any other Debt Security means the person the Issuer is entitled to treat as the legal holder of the Debt Security under the law governing that Debt Security;

“**Index-Linked Obligation**” means a Debt Security that provides for the payment of additional amounts linked to changes in a published index, but does not include a component part of an Index-Linked Obligation that is no longer attached to that Index-Linked Obligation;

“**modification**” in relation to the Notes means any modification, amendment, supplement or waiver of the terms and conditions of the Notes or any agreement governing the issuance or administration of the Notes, and has the same meaning in relation to the Debt Securities of any other series save that any of the foregoing references to the Notes or any agreement governing the issuance or administration of the Notes shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities;

“**outstanding**” in relation to any Note means a Note that is outstanding for purposes of Condition 11.2.7 (*Outstanding Notes*), and in relation to the Debt Securities of any other series means a Debt Security that is outstanding for purposes of Condition 11.2.8 (*Outstanding Debt Securities*);

“**record date**” in relation to any proposed modification means the date fixed by the Issuer for determining the holders of Notes and, in the case of a Cross-Series Modification, the holders of Debt Securities of each other series that are entitled to vote on or sign a written resolution in relation to the proposed modification;

“**reserved matter**” in relation to the Notes means any modification of the terms and conditions of the Notes or of any agreement governing the issuance or administration of the Notes that would:

- (i) change the date on which any amount is payable on the Notes;
- (ii) reduce any amount, including any overdue amount, payable on the Notes;
- (iii) change the method used to calculate any amount payable on the Notes;
- (iv) change the currency or place of payment of any amount payable on the Notes;
- (v) impose any condition on or otherwise modify the Issuer’s obligation to make payments on the Notes;
- (vi) change any payment-related circumstance under which the Notes may be declared due and payable prior to their stated maturity;
- (vii) change the seniority or ranking of the Notes;

- (viii) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the Issuer in relation to legal proceedings arising out of or in connection with the Notes;
- (ix) change the principal amount of outstanding Notes or, in the case of a Cross-Series Modification, the principal amount of Debt Securities of any other series required to approve a proposed modification in relation to the Notes, the principal amount of outstanding Notes required for a quorum to be present, or the rules for determining whether a Note is outstanding for these purposes; or
- (x) change the definition of a reserved matter;

and has the same meaning in relation to the Debt Securities of any other series save that any of the foregoing references to the Notes or any agreement governing the issuance or administration of the Notes shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities;

“**series**” means a tranche of Debt Securities, together with any further tranche or tranches of Debt Securities that in relation to each other and to the original tranche of Debt Securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series, and includes the Notes and any further issuances of Notes; and

“**Zero-Coupon Obligation**” means a Debt Security that does not expressly provide for the accrual of interest, and includes the former component parts of a Debt Security that did expressly provide for the accrual of interest if that component part does not itself expressly provide for the accrual of interest.

11.2 Modification of Notes

11.2.1 Reserved Matter Modification. The terms and conditions of the Notes and any agreement governing the issuance or administration of the Notes may be modified in relation to a reserved matter with the consent of the Issuer and:

- (a) the affirmative vote of holders of not less than 75% of the aggregate principal amount of the outstanding Notes represented at a duly called meeting of holders of the Notes; or
- (b) a written resolution signed by or on behalf of holders of not less than two thirds of the aggregate principal amount of the Notes then outstanding.

11.2.2 Cross-Series Modification. In the case of a Cross-Series Modification, the terms and conditions of the Notes and Debt Securities of any other series, and any agreement governing the issuance or administration of the Notes or Debt Securities of such other series, may be modified in relation to a reserved matter with the consent of the Issuer and:

- (a) (i) the affirmative vote of not less than 75% of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called meetings of the holders of the Debt Securities of all the series (taken in the aggregate) that would be affected by the proposed modification; or
- (ii) a written resolution signed by or on behalf of the holders of not less than two thirds of the aggregate principal amount of the outstanding Debt Securities of all the series (taken in the aggregate) that would be affected by the proposed modification;

and

- (b) (i) the affirmative vote of more than two thirds of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called

meetings of the holders of each series of Debt Securities (taken individually) that would be affected by the proposed modification; or

- (ii) a written resolution signed by or on behalf of the holders of more than 50% of the aggregate principal amount of the then outstanding Debt Securities of each series (taken individually) that would be affected by the proposed modification.

A separate meeting will be called and held, or a separate written resolution signed, in relation to the proposed modification of the Notes and the proposed modification of each other affected series of Debt Securities.

11.2.3 Proposed Cross-Series Modification. A proposed Cross-Series Modification may include one or more proposed alternative modifications of the terms and conditions of each affected series of Debt Securities or of any agreement governing the issuance or administration of any affected series of Debt Securities, provided that all such proposed alternative modifications are addressed to and may be accepted by any holder of any Debt Security of any affected series.

11.2.4 Partial Cross-Series Modification. If a proposed Cross-Series Modification is not approved in relation to a reserved matter in accordance with Condition 11.2.2 (*Cross-Series Modification*), but would have been so approved if the proposed modification had involved only the Notes and one or more, but less than all, of the other series of Debt Securities affected by the proposed modification, that Cross-Series Modification will be deemed to have been approved, notwithstanding Condition 11.2.2 (*Cross-Series Modification*), in relation to the Notes and Debt Securities of each other series whose modification would have been approved in accordance with Condition 11.2.2 (*Cross-Series Modification*) if the proposed modification had involved only the Notes and Debt Securities of such other series, provided that:

- (a) prior to the record date for the proposed Cross-Series Modification, the Issuer has publicly notified holders of the Notes and other affected Debt Securities of the conditions under which the proposed Cross-Series Modification will be deemed to have been approved if it is approved in the manner described above in relation to the Notes and some but not all of the other affected series of Debt Securities; and
- (b) those conditions are satisfied in connection with the proposed Cross-Series Modification.

11.2.5 Non-Reserved Matter Modification. The terms and conditions of the Notes and any agreement governing the issuance or administration of the Notes may be modified in relation to any matter other than a reserved matter with the consent of the Issuer and:

- (a) the affirmative vote of holders of more than 50% of the aggregate principal amount of the outstanding Notes represented at a duly called meeting of holders of the Notes; or
- (b) a written resolution signed by or on behalf of holders of more than 50% of the aggregate principal amount of the outstanding Notes.

11.2.6 Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations. In determining whether a proposed modification has been approved by the requisite principal amount of Notes and Debt Securities of one or more other series:

- (a) if the modification involves Debt Securities denominated in more than one currency, the principal amount of each affected Debt Security will be equal to the amount of euro that could have been obtained on the record date for the proposed modification with the principal amount of that Debt Security, using the applicable euro foreign exchange reference rate for the record date published by the European Central Bank;
- (b) if the modification involves an Index-Linked Obligation, the principal amount of each such Index-Linked Obligation will be equal to its adjusted nominal amount;

- (c) if the modification involves a Zero-Coupon Obligation that did not formerly constitute a component part of an Index-Linked Obligation, the principal amount of each such Zero-Coupon Obligation will be equal to its nominal amount or, if its stated maturity date has not yet occurred, to the present value of its nominal amount;
- (d) if the modification involves a Zero-Coupon Obligation that formerly constituted a component part of an Index-Linked Obligation, the principal amount of each such Zero-Coupon Obligation that formerly constituted the right to receive:
 - (i) a non-index-linked payment of principal or interest will be equal to its nominal amount or, if the stated maturity date of the non-index-linked payment has not yet occurred, to the present value of its nominal amount; and
 - (ii) an index-linked payment of principal or interest will be equal to its adjusted nominal amount or, if the stated maturity date of the index-linked payment has not yet occurred, to the present value of its adjusted nominal amount; and
- (e) For purposes of this Condition 11.2.6 (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*):
 - (i) the adjusted nominal amount of any Index-Linked Obligation and any component part of an Index-Linked Obligation is the amount of the payment that would be due on the stated maturity date of that Index-Linked Obligation or component part if its stated maturity date was the record date for the proposed modification, based on the value of the related index on the record date published by or on behalf of the Issuer or, if there is no such published value, on the interpolated value of the related index on the record date determined in accordance with the terms and conditions of the Index-Linked Obligation, but in no event will the adjusted nominal amount of such Index-Linked Obligation or component part be less than its nominal amount unless the terms and conditions of the Index-Linked Obligation provide that the amount of the payment made on such Index-Linked Obligation or component part may be less than its nominal amount; and
 - (ii) the present value of a Zero-Coupon Obligation is determined by discounting the nominal amount (or, if applicable, the adjusted nominal amount) of that Zero-Coupon Obligation from its stated maturity date to the record date at the specified discount rate using the applicable market day-count convention, where the specified discount rate is:
 - (A) if the Zero-Coupon Obligation was not formerly a component part of a Debt Security that expressly provided for the accrual of interest, the yield to maturity of that Zero-Coupon Obligation at issuance or, if more than one tranche of that Zero-Coupon Obligation has been issued, the yield to maturity of that Zero-Coupon Obligation at the arithmetic average of all the issue prices of all the Zero-Coupon Obligations of that series of Zero-Coupon Obligations weighted by their nominal amounts; and
 - (B) if the Zero-Coupon Obligation was formerly a component part of a Debt Security that expressly provided for the accrual of interest:
 - (1) the coupon on that Debt Security if that Debt Security can be identified; or
 - (2) if such Debt Security cannot be identified, the arithmetic average of all the coupons on all of the Issuer's Debt Securities (weighted by their principal amounts) referred to below that have the same stated maturity date as the Zero-Coupon Obligation to be discounted, or, if there is no such Debt Security, the coupon interpolated for these purposes on

a linear basis using all of the Issuer's Debt Securities (weighted by their principal amounts) referred to below that have the two closest maturity dates to the maturity date of the Zero-Coupon Obligation to be discounted, where the Debt Securities to be used for this purpose are all of the Issuer's Index-Linked Obligations if the Zero-Coupon Obligation to be discounted was formerly a component part of an Index-Linked Obligation and all of the Issuer's Debt Securities (Index-Linked Obligations and Zero-Coupon Obligations excepted) if the Zero-Coupon Obligation to be discounted was not formerly a component part of an Index-Linked Obligation, and in either case are denominated in the same currency as the Zero-Coupon Obligation to be discounted.

11.2.7 Outstanding Notes. In determining whether holders of the requisite principal amount of outstanding Notes have voted in favour of a proposed modification or whether a quorum is present at any meeting of holders of the Notes called to vote on a proposed modification, a Note will be deemed to be not outstanding, and may not be voted for or against a proposed modification or counted in determining whether a quorum is present, if on the record date for the proposed modification:

- (a) the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (b) the Note has previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligation to make all payments due in respect of the Note in accordance with its terms; or
- (c) the Note is held by the Issuer, by a department, ministry or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department, ministry or agency of the Issuer and, in the case of a Note held by any such above-mentioned corporation, trust or other legal entity, the holder of the Note does not have autonomy of decision, where:
 - (i) the holder of a Note for these purposes is the entity legally entitled to vote the Note for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled holder to vote the Note for or against a proposed modification;
 - (ii) a corporation, trust or other legal entity is controlled by the Issuer or by a department, ministry or agency of the Issuer if the Issuer or any department, ministry or agency of the Issuer has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
 - (iii) the holder of a Note has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the holder may have in relation to the Issuer:
 - (A) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or
 - (B) the holder, in determining how to vote on a proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the holder's own interest; or
 - (C) the holder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose holdings of Notes (if that person then held any Notes)

would be deemed to be not outstanding under this Condition 11.2.7 (*Outstanding Notes*).

- 11.2.8 Outstanding Debt Securities. In determining whether holders of the requisite principal amount of outstanding Debt Securities of another series have voted in favour of a proposed Cross-Series Modification or whether a quorum is present at any meeting of the holders of such Debt Securities called to vote on a proposed Cross-Series Modification, an affected Debt Security will be deemed to be not outstanding, and may not be voted for or against a proposed Cross-Series Modification or counted in determining whether a quorum is present, in accordance with the applicable terms and conditions of that Debt Security.
- 11.2.9 Entities Having Autonomy of Decision. For transparency purposes, the Issuer will publish promptly following the Issuer's formal announcement of any proposed modification of the Notes, but in no event less than 10 calendar days prior to the record date for the proposed modification, a list identifying each corporation, trust or other legal entity that for purposes of Condition 11.2.7(c) (*Outstanding Notes*):
- (a) is then controlled by the Issuer or by a department, ministry or agency of the Issuer;
 - (b) has in response to an enquiry from the Issuer reported to the Issuer that it is then the holder of one or more Notes; and
 - (c) does not have autonomy of decision in respect of its holdings of the Notes.
- 11.2.10 Exchange and Conversion. Any duly approved modification of the terms and conditions of the Notes may be implemented by means of a mandatory exchange or conversion of the Notes for new Debt Securities containing the modified terms and conditions if the proposed exchange or conversion is notified to holders of the Notes prior to the record date for the proposed modification. Any conversion or exchange undertaken to implement a duly approved modification will be binding on all holders of the Notes.

11.3 Calculation Agent

- 11.3.1 Appointment and Responsibility. The Issuer will appoint a person (the "**Calculation Agent**") to calculate whether a proposed modification has been approved by the requisite principal amount of outstanding Notes and, in the case of a Cross-Series Modification, by the requisite principal amount of outstanding Debt Securities of each affected series of Debt Securities. In the case of a Cross-Series Modification, the same person will be appointed as the Calculation Agent for the proposed modification of the Notes and each other affected series of Debt Securities.
- 11.3.2 Certificate. The Issuer will provide to the Calculation Agent and publish prior to the date of any meeting called to vote on a proposed modification or the date fixed by the Issuer for the signing of a written resolution in relation to a proposed modification, a certificate:
- (a) listing the total principal amount of Notes and, in the case of a Cross-Series Modification, Debt Securities of each other affected series outstanding on the record date for purposes of Condition 11.2.7 (*Outstanding Notes*);
 - (b) specifying the total principal amount of Notes and, in the case of a Cross-Series Modification, Debt Securities of each other affected series that are deemed under Condition 11.2.7(c) (*Outstanding Notes*) to be not outstanding on the record date; and
 - (c) identifying the holders of the Notes and, in the case of a Cross-Series Modification, Debt Securities of each other affected series, referred to in (b) above,
- determined, if applicable, in accordance with the provisions of Condition 11.2.6 (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*).
- 11.3.3 Reliance. The Calculation Agent may rely on any information contained in the certificate provided by the Issuer, and that information will be conclusive and binding on the Issuer and the holders of the Notes unless:

- (a) an affected holder of the Notes delivers a substantiated written objection to the Issuer in relation to the certificate before the vote on a proposed modification or the signing of a written resolution in relation to a proposed modification; and
- (b) that written objection, if sustained, would affect the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

In the event a substantiated written objection is timely delivered, any information relied on by the Calculation Agent will nonetheless be conclusive and binding on the Issuer and affected holders of the Notes if:

- (c) the objection is subsequently withdrawn;
- (d) the holder of the Notes that delivered the objection does not commence legal action in respect of the objection before a court of competent jurisdiction within 15 calendar days of the publication of the results of the vote taken or the written resolution signed in relation to the proposed modification; or
- (e) a court of competent jurisdiction subsequently rules either that the objection is not substantiated or would not in any event have affected the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

11.3.4 Publication. The Issuer will arrange for the publication of the results of the calculations made by the Calculation Agent in relation to a proposed modification promptly following the meeting called to consider that modification or, if applicable, the date fixed by the Issuer for signing a written resolution in respect of that modification.

11.4 Meetings of Noteholders; Written Resolutions

11.4.1 General. The provisions set out below, and any additional rules adopted and published by the Issuer will, to the extent consistent with the provisions set out below, apply to any meeting of holders of the Notes called to vote on a proposed modification and to any written resolution adopted in connection with a proposed modification. Any action contemplated in this Condition 11.4 (*Meetings of Noteholders; Written Resolutions*) to be taken by the Issuer may instead be taken by an agent acting on behalf of the Issuer.

11.4.2 Convening Meetings. A meeting of holders of the Notes:

- (a) may be convened by the Issuer at any time; and
- (b) will be convened by the Issuer if an Event of Default in relation to the Notes has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10% of the aggregate principal amount of the Notes then outstanding.

11.4.3 Notice of Meetings. The notice convening a meeting of holders of the Notes will be published by the Issuer at least 21 calendar days prior to the date of the meeting or, in the case of an adjourned meeting, at least 14 calendar days prior to the date of the adjourned meeting. The notice will:

- (a) state the time, date and venue of the meeting;
- (b) set out the agenda and quorum for, and the text of any resolutions proposed to be adopted at, the meeting;
- (c) specify the record date for the meeting, being not more than five Business Days before the date of the meeting, and the documents required to be produced by a holder of the Notes in order to be entitled to participate in the meeting;
- (d) include the form of instrument to be used to appoint a proxy to act on behalf of a holder of the Notes;
- (e) set out any additional rules adopted by the Issuer for the convening and holding of the meeting and, if applicable, the conditions under which a Cross-Series Modification

will be deemed to have been satisfied if it is approved as to some but not all of the affected series of Debt Securities; and

- (f) identify the person appointed as the calculation agent for any proposed modification to be voted on at the meeting.

11.4.4 Chair. The chair of any meeting of holders of the Notes will be appointed:

- (a) by the Issuer; or
- (b) if the Issuer fails to appoint a chair or the person nominated by the Issuer is not present at the meeting, by holders of more than 50% of the aggregate principal amount of the Notes then outstanding represented at the meeting.

11.4.5 Quorum. No business will be transacted at any meeting in the absence of a quorum other than the choosing of a chair if one has not been appointed by the Issuer. The quorum at any meeting at which holders of the Notes will vote on a proposed modification of:

- (a) a reserved matter will be one or more persons present and holding not less than two thirds of the aggregate principal amount of the Notes then outstanding; and
- (b) a matter other than a reserved matter will be one or more persons present and holding not less than 50% of the aggregate principal amount of the Notes then outstanding.

11.4.6 Adjourned Meetings. If a quorum is not present within thirty minutes of the time appointed for a meeting, the meeting may be adjourned for a period of not more than 42 calendar days and not less than 14 calendar days as determined by the chair of the meeting. The quorum for any adjourned meeting will be one or more persons present and holding:

- (a) not less than two thirds of the aggregate principal amount of the Notes then outstanding in the case of a proposed reserved-matter modification; and
- (b) not less than 25% of the aggregate principal amount of the Notes then outstanding in the case of a non-reserved matter modification.

11.4.7 Written Resolutions. A written resolution signed by or on behalf of holders of the requisite majority of the Notes will be valid for all purposes as if it was a resolution passed at a meeting of holders of the Notes duly convened and held in accordance with these provisions. A written resolution may be set out in one or more document in like form each signed by or on behalf of one or more holders of the Notes.

11.4.8 Entitlement to Vote. Any person who is a holder of an outstanding Note on the record date for a proposed modification, and any person duly appointed as a proxy by a holder of an outstanding Note on the record date for a proposed modification, will be entitled to vote on the proposed modification at a meeting of holders of the Notes and to sign a written resolution with respect to the proposed modification.

11.4.9 Voting. Every proposed modification will be submitted to a vote of the holders of outstanding Notes represented at a duly called meeting or to a vote of the holders of all outstanding Notes by means of a written resolution without need for a meeting. A holder may cast votes on each proposed modification equal in number to the principal amount of the holder's outstanding Notes. For these purposes:

- (a) in the case of a Cross-Series Modification involving Debt Securities denominated in more than one currency, the principal amount of each Debt Security will be determined in accordance with Condition 11.2.6(a) (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*);
- (b) in the case of a Cross-Series Modification involving an Index-Linked Obligation, the principal amount of each such Index-Linked Obligation will be determined in accordance with Condition 11.2.6(b) (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*);

- (c) in the case of a Cross-Series Modification involving a Zero-Coupon Obligation that did not formerly constitute a component part of an Index-Linked Obligation, the principal amount of each such Zero-Coupon Obligation will be determined in accordance with Condition 11.2.6(c) (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*); and
- (d) in the case of a Cross-Series Modification involving a Zero-Coupon Obligation that did formerly constitute a component part of an Index-Linked Obligation, the principal amount of each such Zero-Coupon Obligation will be determined in accordance with Condition 11.2.6(d) (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*).

11.4.10 Proxies. Each holder of an outstanding Note may, by an instrument in writing executed on behalf of the holder and delivered to the Issuer not less than 48 hours before the time fixed for a meeting of holders of the Notes or the signing of a written resolution, appoint any person (a “proxy”) to act on the holder’s behalf in connection with any meeting of holders of the Notes at which the holder is entitled to vote or the signing of any written resolution that the holder is entitled to sign. Appointment of a proxy pursuant to any form other than the form enclosed with the notice of the meeting will not be valid for these purposes.

11.4.11 Legal Effect and Revocation of a Proxy. A proxy duly appointed in accordance with the above provisions will, subject to Condition 11.2.7 (*Outstanding Notes*) and for so long as that appointment remains in force, be deemed to be (and the person who appointed that proxy will be deemed not to be) the holder of the Notes to which that appointment relates, and any vote cast by a proxy will be valid notwithstanding the prior revocation or amendment of the appointment of that proxy unless the Issuer has received notice or has otherwise been informed of the revocation or amendment at least 48 hours before the time fixed for the commencement of the meeting at which the proxy intends to cast its vote or, if applicable, the signing of a written resolution.

11.4.12 Binding Effect. A resolution duly passed at a meeting of holders convened and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of holders of the Notes, will be binding on all holders of the Notes, whether or not the holder was present at the meeting, voted for or against the resolution or signed the written resolution.

11.4.13 Publication. The Issuer will without undue delay publish all duly adopted resolutions and written resolutions.

11.5 Manifest Error and Technical Amendments

Notwithstanding anything to the contrary herein, these Conditions may be modified by the Issuer without the consent of holders of the Notes:

- (a) to correct a manifest error or cure an ambiguity; or
- (b) if the modification is of a formal or technical nature.

The Issuer will publish the details of any modification of the Notes made pursuant to this Condition 11.5 within ten calendar days of the modification becoming legally effective.

11.6 Publication

11.6.1 Notices and Other Matters. The Issuer will publish all notices and other matters required to be published pursuant to the above provisions in accordance with Condition 13 (*Notices*).

12. SALE OF NOTES AND FURTHER ISSUES

The maximum nominal value of the Notes issued under these Conditions shall be equal to EUR 1.500.000.000. The Issuer shall initially sell the Notes by way of auction of the Notes open to the participants in the primary market with aggregate par value as the Issuer may

determine. The Issuer may from time to time without the consent of Accountholders or Holders create and issue further Notes, having terms and conditions same as the Notes that have already been issued, which shall be consolidated and form a single series with any existing Notes. The Issuer may sell any number of such subsequently issued Notes either (i) by way of subscription of such Notes by a syndicate or manager (securities dealer); (ii) by way of auction of such Notes open to the participants in the primary market organised by ARDAL in accordance with the rules issued by ARDAL; or (iii) by other means as the Issuer may deem fit in its sole discretion.

The anticipated issue period of the Notes is from the Issue Date until 31 December 2020.

Issue price of the Notes is not limited and shall be determined by the Issuer from time to time whenever any portion of the Notes is sold.

13. NOTICES

13.1 Notices to the Issuer

Any communication addressed to the Issuer to be made under or in connection with the Notes shall be made in writing by letter or by fax sent to ARDAL at the address or fax number specified in Condition 13.2 (*Address*) below, unless otherwise provided herein.

13.2 Address

All communications in writing must be delivered to the following address:

Agentúra pre riadenie dlhu a likvidity
Radlinského 32
813 19 Bratislava
Slovenská republika

If communication is made by fax, it must be sent to one of the following numbers: +421 2 57262 525 / +421 2 5245 0381.

Any of the above contact details may be changed by ARDAL by publishing new contact details on its website: www.ardal.sk, where the information shall be published both in Slovak and English. Such new contact details shall take effect on the date specified on the website, but not earlier than one calendar month after the information is published on such website.

13.3 Delivery

Any communication or document made or delivered to the Issuer in connection with the Notes will be effective (i) if made by fax, when transmitted to ARDAL and (ii) if sent by post or courier, on the second Business Day after the day of sending to ARDAL; without prejudice to the provisions of Condition 7.5 (*Non-Notification of Payment Information*).

13.4 Language

Any notice given under or in connection with any Notes must be made in Slovak or English.

13.5 Notices to Holders and Accountholders

Unless otherwise provided herein, any notices to the Holders and/or the Accountholders shall be made (i) by publication of the relevant notice on the website of ARDAL (which, for the purposes of these Conditions, shall be treated as the Issuer's website, in Slovak: *webové sídlo emitenta*) at www.ardal.sk; (ii) through the electronic systems of the Central Depository (if this option is available pursuant to the rules of the Central Depository in effect as at the relevant date); and (iii) by publication of the relevant notice in (1) a nationwide periodical newspaper in the Slovak Republic publishing stock exchange news and (2) a leading English-language daily newspaper having general circulation in Europe (which is expected to be *The*

Financial Times). In any event, the notices shall also be published in such other manner as may be required by the rules and regulations of any stock exchange on which the Notes are listed and/or traded or other relevant authority the rules and regulations of which apply to the Notes and/or the Issuer at the relevant time. The notices to the Holders and/or the Accountholders shall be made both in Slovak and English. Any such notice will be deemed to have been given on the date of first publication or, where required to be published in more than one newspaper, on the date of first publication in all required newspapers.

14. ROUNDING

For the purposes of any calculations referred to in these Conditions, unless otherwise specified in these Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent., being rounded up to 0.00001 per cent.), and (b) all amounts in euro will be rounded to the nearest cent (with one half cent being rounded up). No rounding will be applied to any intermediate calculations and only the final sum that is to be paid to the respective Person on a single occasion shall be rounded in accordance with the foregoing.

15. ADMISSION OF THE NOTES TO STOCK EXCHANGE

An application shall be made to admit the Notes to trading on the main listed market of the Bratislava Stock Exchange (Burza cenných papierov v Bratislave, a.s.), with its registered seat at Vysoká 17, 811 06 Bratislava, Slovak Republic, registered in the Commercial Register maintained by the District Court Bratislava I, Section: Sa, Insert No.:117/B. Notes may also be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as the Issuer sees fit.

16. WAIVER AND REMEDIES

The rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take another action in the same, similar or other instances without such notice or demand.

17. GOVERNING LAW

These Conditions and any non-contractual obligations arising therefrom or connected with the Notes shall be governed by and construed in accordance with the law of the Slovak Republic.

18. JURISDICTION

18.1 Jurisdiction

The Issuer irrevocably agrees for the benefit of the Accountholders and Holders that the courts of the Slovak Republic shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, it irrevocably submits to the non-exclusive jurisdiction of such courts.

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of the Slovak Republic being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

18.2 Waiver of Immunity Against Execution

To the extent that the Issuer or any of its revenues, assets or properties shall be entitled to any immunity from suit, from the jurisdiction of any such court, from set-off, from attachment

prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process or remedy, and to the extent that in any such jurisdiction there shall be attributed such an immunity, the Issuer irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction. Such waiver of immunities constitutes only a limited and specific waiver by the Issuer for the purposes of these Conditions and under no circumstances shall it be construed as a general waiver by the Issuer or a waiver with respect to proceedings unrelated to the Notes.

18.3 Excluded Assets

Notwithstanding the foregoing, under the laws of the Slovak Republic, the funds, assets, rights and general property of a military character controlled by a military or defence agency or authority of the Slovak Republic which participates in the defence of the Slovak Republic; or mineral resources, underground waters, natural resources and water streams of the Slovak Republic located in the Slovak Republic are immune from execution and attachment and any process in the nature thereof and the foregoing waiver shall not constitute a waiver of such immunity or any immunity from execution or attachment or process in the nature thereof with respect to the Slovak Republic's diplomatic missions in any jurisdiction outside the Slovak Republic or with respect to the assets of the Slovak Republic necessary for the proper functioning of the Slovak Republic as a sovereign power.

19. LANGUAGE

These Conditions are made in the Slovak language and supplemented with an English translation. The Slovak version of these Conditions shall be binding and shall prevail in case of any discrepancy between the Slovak and English version.