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This publication as well as the offer and the sale of the bonds may be restricted in certain jurisdictions. Each potential investor domiciled in another jurisdiction than Switzerland who takes notice of this publication, must therefore make himself familiar about any restrictions and consequences which might be applicable due to the relevant law of such other jurisdiction. In particular, the bonds shall not be offered or sold to any natural person treated as a tax resident in the Slovak Republic.

## Terms of the Bonds

The Slovak Republic acting through the Ministry of Finance of the Slovak Republic (the "**Issuer**") issued 2.125 % bonds 2013 – 2023 in the initial nominal amount of CHF 175,000,000 with reopening clause (the "**Bonds**").

The Terms of the Bonds are as follows:

### 1. Form, Denomination and Reopening

The aggregate principal amount of the Bonds of CHF 175,000,000 (one hundred and seventy five million Swiss francs) is divided into Bonds (each, a "**Bond**" and collectively the "**Bonds**") with denominations of CHF 5,000 (five thousand Swiss francs) per Bond and integral multiples thereof.

The Bonds and all rights in connection therewith are documented in the form of a Permanent Global Certificate (*Globalurkunde*) which shall be deposited by the Principal Paying Agent (as defined below) with SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Permanent Global Certificate is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as defined below) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Certificate to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Certificate remains deposited with the Intermediary the co-ownership interest shall be suspended and the Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Bonds in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Certificate (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Bonds (as defined below) (*Wertpapiere*).

The records of the Intermediary will determine the number of Bonds held through each participant in that Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the holders of the Bonds (the "**Holders**" or "**Bondholders**") will be the persons holding the Bonds in a securities account in their own name and for their own account.

No physical delivery of the Bonds shall be made unless and until Definitive Bonds (*Wertpapiere*) shall have been printed. Definitive Bonds may only be printed, in whole, but not in part, if the Principal Paying Agent determines, in its sole discretion, that the printing of the Definitive Bonds (*Wertpapiere*) is necessary. Should the Principal Paying Agent so determine, it shall provide for the printing of Definitive Bonds (*Wertpapiere*) without cost to the Holders. If printed, the Definitive Bonds (*Wertpapiere*) shall be executed by affixing thereon the facsimile signatures of one authorized officer of the Issuer. Upon delivery of the Definitive Bonds (*Wertpapiere*), the Permanent Global Certificate will immediately cause to be cancelled by the Principal Paying Agent and the Definitive Bonds (*Wertpapiere*) shall be delivered to the Holders against cancellation of the Bonds in the form of Intermediated Securities in the Holders' securities accounts.

Definitive Bonds or Coupons which are mutilated, lost or destroyed may be replaced, at any office of UBS AG in Switzerland, on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence and indemnity as the Issuer and UBS AG may require and, in the case of mutilation, upon surrender of the Bond or Coupons.

In case the Permanent Global Certificate will be exchanged for definitive bonds and coupons all references herein to the "Bonds" shall be deemed to be replaced by "Bonds and Coupons" unless the context requires otherwise.

## **2. Interest**

The Bonds bear interest from 16 April 2013 at the rate of 2.125 % per annum, payable annually on 16 October in arrears (short first period).

When interest is required to be calculated for a period of less than one year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each.

## **3. Redemption and Purchase**

### **3.1 Redemption at Maturity**

Unless previously purchased and cancelled as provided below, each Bond shall be redeemed by payment by the Issuer at par on 16 October 2023.

### **3.2 Purchases**

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation. If purchases are made by tender, tenders for such Bonds must be made available to all Holders of such Bonds alike.

### **3.3 Cancellation**

All Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

#### 4. Payments

Interest payments and amounts payable on the Bonds will be made available for value the respective due date in freely disposable Swiss Francs which will be placed with UBS AG in Switzerland (the "**Principal Paying Agent**") on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day (as defined below), the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sums thereto.

Upon receipt of the funds in Switzerland and under the same conditions as received, UBS AG will arrange for payment to the Holders.

The Issuer undertakes that Bonds shall be payable upon their surrender in freely disposable Swiss Francs without collection cost to the Holders, without any restrictions and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Holders and without requiring any affidavit or the fulfilment of any other formality at the counters in Switzerland of any of the following banks (the "**Paying Agents**"):

UBS AG  
BNP Paribas (Suisse) SA

The receipt of the funds by UBS AG in Swiss Francs in Switzerland shall release the Issuer of its obligations under the Bonds to the extent of the amounts paid.

"**Business Day**" means a day on which commercial banks are open for domestic business and foreign exchange (including dealings in Swiss Francs) in Zurich, Switzerland and Bratislava, Slovak Republic.

#### 5. Taxation

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer 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 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 Bond (i) to a Holder, or to a third party on behalf of a Holder, if such Holder is liable to such Taxes in respect of such Bond by reason of the Holder having some connection with the Slovak Republic other than the mere holding of such Note; or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

#### 6. Status of the Bonds and Negative Pledge

##### 6.1 Status of the Bonds

The Bonds constitute direct, general and unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other 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.

## 6.2 Negative Pledge

The Issuer agrees that, so long as any of the Bonds remains outstanding, it will not create or allow to exist any Security Interest (as defined below) of the Issuer upon the whole or any part of its present or future assets or revenues to secure any Public External Indebtedness (as defined below) or any Guarantee (as defined below) of any Public External Indebtedness without at the same time or prior thereto securing the Bonds equally and rateably therewith.

"**Guarantee**" means the guarantee of, or indemnity in respect of, indebtedness or other like obligation;

"**Public External Indebtedness**" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over the counter securities market except for any such securities which may be issued as part of the European Stability Mechanism established pursuant to the Treaty Establishing the European Stability Mechanism signed on 2 February 2012 or the European Financial Stability Facility established pursuant to the Framework Agreement signed on 7 June 2010;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest.

## 7. Events of Default

UBS AG may, on the basis of an instruction by the Holders of not less than 25% of the aggregate principal amount of the outstanding (as the term is defined in Condition 8 (*Meetings of Bondholder, Written Resolutions and Technical Amendments*)) Bonds, by written notice given to the Issuer on behalf of the Holders give written notice to the Issuer at Agentúra pre riadenie dlhu a likvidity (ARDAL), Radlinského 32, 813 19 Bratislava, Slovak Republic, that the Bonds are, and they shall accordingly immediately become, due and repayable at their nominal amount together with accrued interest if any of the following events occurs and is continuing (each an "**Event of Default**"):

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

The Holders of more than 50% of the aggregate principal amount of the outstanding (as the term is defined in Condition 8 (*Meetings of Bondholder, Written Resolutions and Technical Amendments*)) Bonds may, on behalf of all Holders, instruct UBS AG to rescind or annul any notice of acceleration given pursuant to this Condition 7 (*Events of Default*).

## 8. Meetings of Bondholders, Written Resolutions and Technical Amendments

### 8.1 Definitions

In this Condition 8 (*Meetings of Bondholders, Written Resolutions and Technical Amendments*) the following terms shall have the following meanings:

"**Cross-Series Modification**" means a modification involving (i) the Bonds or any agreement governing the issuance or administration of the Bonds, 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 Bonds 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 Bond means the relevant Holder 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 Bonds means any modification, amendment, supplement or waiver of the Terms of the Bonds or any agreement governing the issuance or administration of the Bonds, and has the same meaning in relation to the Debt Securities of any other series save that any of the foregoing references to the Bonds or any agreement governing the issuance or administration of the Bonds 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 Bond means a Bond that is outstanding for purposes of Condition 8.2.7 (*Outstanding Bonds*), and in relation to the Debt Securities of any other series means a Debt Security that is outstanding for purposes of Condition 8.2.8 (*Outstanding Debt Securities*);

**“record date”** in relation to any proposed modification means the date fixed by the Issuer for determining the holders of Bonds 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 Bonds means any modification of the Terms of the Bonds or of any agreement governing the issuance or administration of the Bonds that would:

- (a) change the date on which any amount is payable on the Bonds;
- (b) reduce any amount, including any overdue amount, payable on the Bonds;
- (c) change the method used to calculate any amount payable on the Bonds;
- (d) change the currency or place of payment of any amount payable on the Bonds;
- (e) impose any condition on or otherwise modify the Issuer’s obligation to make payments on the Bonds;
- (f) change any payment-related circumstance under which the Bonds may be declared due and payable prior to their stated maturity;
- (g) change the seniority or ranking of the Bonds;
- (h) change the law governing the Bonds;
- (i) 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 Bonds;

- (j) change the principal amount of outstanding Bonds 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 Bonds, the principal amount of outstanding Bonds required for a quorum to be present, or the rules for determining whether a Bond is outstanding for these purposes; or
- (k) 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 Bonds or any agreement governing the issuance or administration of the Bonds 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 Bonds and any further issuances of Bonds; 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.

## 8.2 Modification of Bonds

8.2.1 Reserved Matter Modification. The Terms of the Bonds and any agreement governing the issuance or administration of the Bonds 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 Bonds represented at a duly called meeting of holders of the Bonds; 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 Bonds then outstanding.

8.2.2 Cross-Series Modification. In the case of a Cross-Series Modification, the terms and conditions of the Bonds and Debt Securities of any other series, and any agreement governing the issuance or administration of the Bonds 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 Bonds and the proposed modification of each other affected series of Debt Securities.

8.2.3 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.

8.2.4 Partial Cross-Series Modification. If a proposed Cross-Series Modification is not approved in relation to a reserved matter in accordance with Condition 8.2.2 (*Cross-Series Modification*), but would have been so approved if the proposed modification had involved only the Bonds 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 8.2.2 (*Cross-Series Modification*), in relation to the Bonds and Debt Securities of each other series whose modification would have been approved in accordance with Condition 8.2.2 (*Cross-Series Modification*) if the proposed modification had involved only the Bonds 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 Bonds 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 Bonds 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.

8.2.5 Non-Reserved Matter Modification. The Terms of the Bonds and any agreement governing the issuance or administration of the Bonds 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 Bonds represented at a duly called meeting of holders of the Bonds; or
- (b) a written resolution signed by or on behalf of holders of more than 50% of the aggregate principal amount of the outstanding Bonds.

8.2.6 Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations. In determining whether a proposed modification has been approved by the requisite principal amount of Bonds 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 8.2.6 (*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.

8.2.7 Outstanding Bonds. In determining whether holders of the requisite principal amount of outstanding Bonds have voted in favour of a proposed modification or whether a quorum is present at any meeting of holders of the Bonds called to vote on a proposed modification, a Bond 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 Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (b) the Bond 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 Bond in accordance with its terms; or
- (c) the Bond 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 Bond held by any such above-mentioned corporation, trust or other legal entity, the holder of the Bond does not have autonomy of decision, where:
  - (i) the holder of a Bond for these purposes is the entity legally entitled to vote the Bond 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 Bond 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 Bond 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 Bonds (if that person then held any Bonds) would be deemed to be not outstanding under this Condition 8.2.7 (*Outstanding Bonds*).

8.2.8 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.

8.2.9 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 Bonds, but in no event less than 10 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 8.2.7(c) (*Outstanding Bonds*):

- (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 Bonds; and
- (c) does not have autonomy of decision in respect of its holdings of the Bonds.

8.2.10 Exchange and Conversion. Any duly approved modification of the Terms of the Bonds may be implemented by means of a mandatory exchange or conversion of the Bonds for new Debt Securities containing the modified terms and conditions if the proposed exchange or conversion is notified to holders of the Bonds 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 Bonds.

### 8.3 Calculation Agent

8.3.1 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 Bonds 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 Bonds and each other affected series of Debt Securities.

8.3.2 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 Bonds 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 8.2.7 (*Outstanding Bonds*);
- (b) specifying the total principal amount of Bonds and, in the case of a Cross-Series Modification, Debt Securities of each other affected series that are deemed under Condition 8.2.7(c) (*Outstanding Bonds*) to be not outstanding on the record date; and
- (c) identifying the holders of the Bonds 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 8.2.6 (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*).

8.3.3 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 Bonds unless:

- (a) an affected holder of the Bonds 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 Bonds if:

- (a) the objection is subsequently withdrawn;
- (b) the holder of the Bonds that delivered the objection does not commence legal action in respect of the objection before a court of competent jurisdiction within 15 days of the publication of the results of the vote taken or the written resolution signed in relation to the proposed modification; or
- (c) 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.

8.3.4 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.

#### 8.4 Meetings of Bondholders; Written Resolutions

8.4.1 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 Bonds 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 8.4 (*Meetings of Bondholders; Written Resolutions*) to be taken by the Issuer may instead be taken by an agent acting on behalf of the Issuer.

8.4.2 Convening Meetings. A meeting of holders of the Bonds:

- (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 Bonds 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 Bonds then outstanding.

8.4.3 Notice of Meetings. The notice convening a meeting of holders of the Bonds will be published by the Issuer at least 21 days prior to the date of the meeting or, in the case of an adjourned meeting, at least 14 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 Bonds 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 Bonds;
- (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.

8.4.4 Chair. The chair of any meeting of holders of the Bonds 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 Bonds then outstanding represented at the meeting.
- 8.4.5 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 Bonds 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 Bonds 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 Bonds then outstanding.
- 8.4.6 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 days and not less than 14 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 Bonds then outstanding in the case of a proposed reserved-matter modification; and
  - (b) not less than 25% of the aggregate principal amount of the Bonds then outstanding in the case of a non-reserved matter modification.
- 8.4.7 Written Resolutions. A written resolution signed by or on behalf of holders of the requisite majority of the Bonds will be valid for all purposes as if it was a resolution passed at a meeting of holders of the Bonds 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 Bonds.
- 8.4.8 Entitlement to Vote. Any person who is a holder of an outstanding Bond on the record date for a proposed modification, and any person duly appointed as a proxy by a holder of an outstanding Bond on the record date for a proposed modification, will be entitled to vote on the proposed modification at a meeting of holders of the Bonds and to sign a written resolution with respect to the proposed modification.
- 8.4.9 Voting. Every proposed modification will be submitted to a vote of the holders of outstanding Bonds represented at a duly called meeting or to a vote of the holders of all outstanding Bonds 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 Bonds. 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 8.2.6(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 8.2.6(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 8.2.6(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 8.2.6(d) (*Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations*).

8.4.10 Proxies. Each holder of an outstanding Bond 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 Bonds 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 Bonds 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.

8.4.11 Legal Effect and Revocation of a Proxy. A proxy duly appointed in accordance with the above provisions will, subject to Condition 8.2.7 (*Outstanding Bonds*) 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 Bonds 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.

8.4.12 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 Bonds, will be binding on all holders of the Bonds, whether or not the holder was present at the meeting, voted for or against the resolution or signed the written resolution.

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

## 8.5 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 Bonds:

- (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 Bonds made pursuant to this Condition 8.5 (*Manifest Error and Technical Amendments*) within ten days of the modification becoming legally effective.

## 8.6 Publication

8.6.1 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 12 (*Notices*).

## 9. Reopening

The Issuer reserves the right to reopen this issue (without the consent of the Holders) by the issue of further bonds which will be fungible with the Bonds (i.e., identical especially in respect of the Terms of the Bonds, final maturity and interest rate).

## 10. Prescription

Claims against the Issuer in respect of Bonds will become time-barred unless presented for payment within a period of presently ten years (in the case of the principal) and within five years (in the case of interest) from the appropriate relevant due date, by virtue of the statute of limitations of Swiss law.

## 11. Listing

The Issuer will use its best endeavours to have the Bonds listed on the SIX Swiss Exchange, and to maintain such listing during the whole life of the Bonds.

## 12. Notices

All notices regarding the Bonds shall be published by UBS AG on behalf of the Issuer (i) on the internet site of SIX Swiss Exchange where notices are currently published under the address: [http://www.six-swiss-exchange.com/news/official\\_notices/search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/search_en.html), (ii) if the Bonds are represented by a Permanent Global Certificate, via any relevant clearing systems for which such Permanent Global Certificate is held and through which the Bonds are cleared (if possible pursuant to any applicable operational procedures), or (iii) otherwise in accordance with the regulations of SIX Swiss Exchange, applicable law and/or regulatory requirements.

## 13. Governing Law, Jurisdiction, Process Agent, Waiver of Immunity

The form, construction and interpretation of the Bonds shall be subject to and governed by **Swiss law**.

Any dispute which might arise between Holders on the one hand and the Issuer on the other hand regarding the Bonds shall be settled in accordance with Swiss law, the place of **jurisdiction being Zurich, Switzerland**.

The Issuer has irrevocably appointed the Ambassador at the Embassy of the Slovak Republic in Bern, Thunstrasse 63, 3074 Muri b. Bern, Switzerland, as its agent for the service of process in Switzerland based on any of the Bonds. If for any reason the Issuer does not have such an agent in Switzerland, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing contained herein shall affect the right of any Holder to serve process in any other manner permitted by law.

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 Terms of the Bonds 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 Bonds.

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 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.

#### **14. Powers of UBS AG**

UBS AG may, without the consent of the Holders agree to any modification or arrangement of the Terms of the Bonds which, in the opinion of UBS AG, is of a formal, minor or technical nature or is made to correct a manifest error.

In connection with any exercise of said powers UBS AG shall not have regard to the consequences thereof for individual Holders such as those arising from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

It is expressly agreed that all actions taken and any agreements or waivers or authorisations made by UBS AG under this Condition 14 shall be definitive and irrevocable and bind all parties without any necessity to obtain any confirmation or registration whatsoever.