

I. TERMS AND CONDITIONS OF THE BONDS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (these “**Terms and Conditions**”):

“**Account Pledge Agreements**” means the pledge agreements entered into between the Security Agent and the Pledgors (or to be entered into within ninety (90) calendar days after a Restricted Subsidiary becomes an Additional Pledgor) in respect of first priority pledges over the Pledgors Accounts and all funds held on the Pledgors Accounts from time to time, granted in favour of the Security Agent acting for the Holders.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Additional Amounts**” means any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction on any payment by the Obligors of principal or interest or any other payment in relation to the Bonds under the Finance Documents.

“**Additional Guarantor**” has the meaning set forth in Condition 11.10 (*Additional Guarantee*).

“**Additional Pledgor**” has the meaning set forth in Condition 11.11 (*Additional Transaction Securities*).

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person and/or any Person that is related in a straight line of descent with such specified Person or a brother or a sister of such specified Person (each a “**Related Person**”) and/or any Person, directly or indirectly, controlled by such Related Person. For the purpose of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agent**” means the Holders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; TMF Trustee Services GmbH, registered with the lower court of Frankfurt am Main, HRB 54140, with address in Thurn-und-Taxis Platz 6, 60313 Frankfurt am Main, Germany.

“**Agent Agreement**” means the agency agreement entered into on 12 February 2021 between the Issuer and the Agent, or any replacement agent agreement entered into thereafter between the Issuer and an Agent.

“**Bonds**” has the meaning set forth in Condition 2.1 (*Principal Amount, Currency and Denomination*).

“**Bond Issue**” means the issuance of the Bonds.

“**Business Day**” means any day on which banking institutions are open for business in Luxembourg, Riga and Frankfurt am Main and payments in Euro may be settled via the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2).

“**Business Day Convention**” means the first following day that is a Business Day.

“**Calculation Agent**” has the meaning set forth in Condition 14.2 (*Calculation Agent*).

“**Call Option Amount**” means:

- (a) the Make Whole Amount if the Call Option is exercised before the First Call Date;
- (b) 104.75 per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to 11 July 2021 (the “**Second Call Date**”);
- (c) 102.375 per cent. of the Nominal Amount if the call option is exercised after the Second Call Date up to (but excluding) the Maturity Date.

“**Capital Lease Obligations**” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with the Accounting Principles, and the scheduled maturity date thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“**Capital Stock**” means:

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

“**Capitalization Ratio**” means, for the Issuer as of any date of determination, the result (expressed as a percentage) obtained by dividing (x) Consolidated Net Worth of the Issuer (calculated as of the end of the Relevant Period ending on the last day

of the period covered by the most recent Financial Report prior to the date of the transaction giving rise to the need to calculate Consolidated Net Worth) by (y) Net Loan Portfolio as of such date of determination.

“Cash and Cash Equivalents” means cash and cash equivalents in accordance with the Accounting Principles.

“Change in Tax Law” means (a) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation or (b) any change in, or amendment to, or the introduction of, an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction.

“Change of Control Event” means (a) the direct or indirect sale or other disposal, in one or a series of related transactions, of all or substantially all of the properties or assets of the Obligors taken as a whole to any Person other than the Issuer or a Restricted Subsidiary and (b) the occurrence of an event or series of events whereby one or more Persons, not being a Current Shareholder or a Group Company, acting together, acquire control over the Issuer and where **“control”** means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the shares or voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, the Issuer or any of the Guarantors that such Current Shareholder has to appoint directors of the Issuer, the Issuer or any of the Guarantors shall be disregarded).

“Clearing System” has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

“Code” has the meaning set forth in Condition 8.1 (*Withholding Tax*).

“Companies Law” has the meaning set forth in Condition 16.1 (*General*).

“Compliance Certificate” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (b) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Interest Coverage Ratio and, if applicable, the Capitalization Ratio and (c) if provided in connection with testing of the financial covenants that the financial covenants set out in Condition 12.1 (*Financial Conditions*) are met.

“Consolidated Net Worth” means, for the Issuer at any time, the sum of paid in capital, retained earnings, reserves and subordinated debt of the Group as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report prepared in accordance with the Accounting Principles, less (without duplication) amounts attributable to Disqualified Stock of the Issuer.

“Consolidated Total Assets” means the total assets of the Issuer and the Restricted Subsidiaries as of the Relevant Period ending on the last day of the period covered

by the most recent Financial Report, calculated on a consolidated basis in accordance with the Accounting Principles.

“**Corresponding Debt**” has the meaning set forth in Condition 10.4 (*Parallel Debt*).

“**CSD**” means the Issuer’s central securities depository in respect of the Bonds from time to time; initially Clearstream Banking S.A., Luxembourg.

“**Current Shareholders**” means the direct and indirect shareholders and beneficial owners of the Issuer as of the Issue Date and their Affiliates.

“**Due Date**” has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

“**Derivative Transaction**” has the meaning set forth in item (e) of the definition “Permitted Debt” below.

“**Disqualified Stock**” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which the Bonds mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the restrictions set out in Condition 11.2 (*Distributions*). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of these Terms and Conditions will be the maximum amount that the Issuer and the Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“**EBITDA**” means, in respect of the Relevant Period, the consolidated net profit of the Group from ordinary activities according to the latest Financial Report:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealized gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

- (g) before taking into account any gains or losses on any foreign exchange gains or losses;
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (j) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortization, depreciation or depletion of assets of Group Companies.

“Economic Sanctions Law” means any economic or financial sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other authority, department or agency of the U.S. government, the United Nations, the European Union or any member state thereof.

“Equity Cure” has the meaning set forth in Condition 12.3 (*Covenant Cure*).

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

“Equity Listing Event” means an initial public offering of Capital Stock in the Issuer or a Restricted Subsidiary, or any direct or indirect parent company of the Issuer (the **“Listed Entity”**), from time to time, resulting in that such shares are quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a recognized unregulated marketplace.

“Equity Listing Market Capitalization” means an amount equal to (x) the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity at the time of closing of the Equity Listing Event multiplied by (y) the price per share at which such shares of common stock or common equity interests are sold in such Equity Listing Event.

“EUR” means the currency used by the institutions of the European Union and is the official currency of the Eurozone.

“Event of Default” means an event, circumstance or situation specified in Condition 13.1.

“Existing LV Bonds” means the EUR 20 million 10% senior unsecured notes due 31 March 2021, ISIN LV0000801363 and the EUR 10 million 10% senior unsecured notes due 31 March 2021 ISIN LV0000880029 issued by AS “mogo” (Latvia) pursuant to a Latvian prospectus approved by the Financial and Capital Markets Commission and listed in the NR Baltic Bond List.

“Existing Debt” means all Financial Indebtedness of the Issuer and the Restricted Subsidiaries in existence on the Issue Date, including without limitation Financial Indebtedness provided under the Existing LV Bonds, the Existing Bonds and the guarantees provided by the Guarantors in relation to the Existing Bonds.

“Existing Bonds Issue Date” means 11 July 2018.

“Existing Security” means all Security provided by the Issuer and the Restricted Subsidiaries in existence on the Settlement Date. For the sake of clarity, any Security to be released on or about the Settlement Date shall not be deemed an “Existing Security”.

“Extraordinary Resolution” has the meaning set forth in Condition 16.3 (*Quorum and majority*).

“FATCA” has the meaning set forth in Condition 8.1 (*Withholding Tax*).

“Finance Charges” means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalized by any Group Company according to the latest Financial Report (calculated on a consolidated basis) without taking into account any (a) Transaction Costs, (b) unrealized gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis, (c) losses arising on foreign currency revaluations of intercompany balances or (d) charges on pension balances.

“Finance Documents” means:

- (a) these Terms and Conditions;
- (b) the Guarantees;
- (c) the Transaction Security Documents;
- (d) the Security Agent Agreement;
- (e) the Agent Agreement; and
- (f) any other document designated by the Issuer and the Agent as a Finance Document.

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans, Shareholder Loans, and shareholders’ loans granted on arm lengths terms and conditions;
- (b) any Capital Lease Obligation (for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as Capital Lease Obligation);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and treated as a borrowing under the Accounting Principles;
- (e) any Derivative Transaction (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(f).

“Financial Report” means the annual audited consolidated financial statements of the Issuer and the quarterly interim unaudited consolidated reports of the Issuer, which shall be prepared and made available according to Condition 11.15 (*Financial reporting and information*).

“First Call Date” means 11 July 2020 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“German Government Bond Rate” means the yield to maturity at the time of computation of direct obligations of Germany, acting through the Federal German Finance Agency (Ger. *Bundesrepublik Deutschland – Finanzagentur GmbH*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Federal German Finance Agency for which a weekly average yield is given, the German Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Germany, acting through the Federal German Finance Agency, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Germany, acting through the Federal German Finance Agency, adjusted to a constant maturity of one year shall be used.

“Global Bond” has the meaning set forth in Condition 2.3 (*Global Bond and Custody*).

“Governmental Authority” means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Group” means the Issuer and all its Subsidiaries from time to time. **“Group Company”** means the Issuer or any of its Subsidiaries.

“Guaranteed Obligations” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Secured Creditors (or any of them) under each Finance Document, together with all costs, charges and expenses incurred by any Secured Creditor in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing such liabilities.

“Guarantee” has the meaning set forth in Condition 4 (*Guarantee*).

“Guarantors” means (1) AS “mogo” (Latvia), (2) mogo OÜ (Estonia); (3) UAB “mogo LT” (Lithuania), (4) Mogo LLC (Georgia), (5) Mogo sp. z o.o. (Poland), (6) Mogo IFN SA (Romania), (7) Mogo Bulgaria OOD (Bulgaria), (8) O.C.N. “MOGO LOANS” SRL (Moldova), (9) Mogo Albania SH.A. (Albania), (10) ООО “Мого Кредит” (“**ООО “Mogo Credit”**”) (Belarus), (11) AS Mogo Eastern Europe (Latvia) (previously “SIA HUB 3”), (12) Risk Management Service OÜ (Estonia), (13) MOGO Universal Credit Organization LLC (Armenia), (14) ТОВ МОГО УКРАЇНА (“**“MOGO UKRAINE” LLC**”) (Ukraine), (15) AS Mogo Baltics and Caucasus (Latvia) (previously “AS HUB 1”), (16) AS “HUB 2” (Latvia), (17) AS Mogo Central Asia (previously AS HUB 4) (Latvia), (18) AS Longo Group (Latvia), (19) AS Longo Latvia (Latvia), (20) UAB Longo LT (Lithuania), (21) Longo Estonia OU (Estonia), (22) Longo Netherlands B.V. (Netherlands), (23) Longo Georgia LLC (Georgia), (24) Longo LLC (Armenia), (25) Leasing Company MOGO DOOEL Skopje (North Macedonia), (26) AS Renti (Latvia), (27) UAB Mogo Eastern Europe LT (previously “UAB HUB 3 LT”) (Lithuania), (28) AS Mogo Africa (Latvia), (29) UAB MOGO AFRICA (Lithuania) (previously “UAB HUB 5 LT”), (30) Mogo Loans - SMC Limited (Uganda), (31) Mogo Kenya Limited (Kenya), (32) TOO Mogo Kazakhstan (Kazakhstan) (33) ООО Mogo Lend (Uzbekistan), (34) Longo Belgium BVBA (Belgium), (35) MAXXUS GMBH (Germany) and any Additional Guarantor.

“Holder” means any holder of the Bonds, including, for the avoidance of doubt, any person shown for the time being in the records of the relevant clearing systems as the holder of a particular nominal amount of Bonds, collectively **“Holders”**.

“Holders’ Meeting” means a bondholders’ meeting among the Holders held in accordance with Condition 16 (*Meeting of Holders*).

“Incurrence Test” is met if:

- (a) the Interest Coverage Ratio for the Relevant Period ending on the last day of the period covered by the most recent Financial Report (immediately preceding the date on which such additional Financial Indebtedness is incurred, such Disqualified Stock or such preferred stock is issued or such distribution, payment or merger is made, as the case may be) would have been at least 2.00, determined on a *pro forma* basis (including a *pro forma* application of any net proceeds therefrom), as if the additional Financial Indebtedness had been incurred, the Disqualified Stock or the preferred stock had been issued or the distribution, payment or merger had been made, as the case may be, at the beginning of such Relevant Period; and, unless otherwise stated in these Terms and Conditions,
- (b) the Capitalization Ratio of the Issuer on a consolidated basis is at least 20.00 per cent, determined on a *pro forma* basis (including a *pro forma* application

of the net proceeds therefrom), at the time of and immediately after giving *pro forma* effect to such incurrence;

provided that the figures for calculating the Interest Coverage Ratio (including the figures for EBITDA, Finance Charges and Net Finance Charges) *pro forma* in accordance with the above shall (as applicable) be adjusted so that:

- (i) any Financial Indebtedness that has been repaid, repurchased and cancelled by any Group Company during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period;
- (ii) any Financial Indebtedness that is to be refinanced in connection with the incurrence of such additional Financial Indebtedness shall be excluded, *pro forma*, for the entire Relevant Period;
- (iii) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
- (iv) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

“Initial Nominal Amount” has the meaning set forth in Condition 2.1 (*Nominal Amount, Currency and Denomination*).

“Insolvency Proceedings” means, with respect to any person, the winding-up, liquidation, dissolution, bankruptcy, receivership, insolvency or administration of such person or any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or of any jurisdiction in which such person carries on business or has any assets including the seeking of an arrangement, adjustment, protection or relief of creditors.

“Interest” means the interest on the Bonds calculated in accordance with Conditions 5.1 (*Interest Rate and Interest Payment Dates*) to 5.3 (*Day Count Fraction*).

“Interest Coverage Ratio” means the ratio of EBITDA to Net Finance Charges.

“Interest Payment Date” means 10 January and 10 July of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date of the Bonds being 10 January 2019 and the last Interest Payment Date being the Final Redemption Date).

“Interest Period” means, with respect to the Existing Bonds, each period beginning on (and including) the Existing Bonds Issue Date or any Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of the New Bonds or any bonds subsequently issued, each period beginning on (and including) the latest of (i) the Interest Payment Date falling immediately prior to its issuance and (ii) the Existing Bonds Issue Date, and ending on (but excluding) the next succeeding Interest Payment Date (or a

shorter period if relevant), in no case adjusted due to an application of the Business Day Convention.

“Interest Rate” means a fixed interest rate of 9.50 per cent per annum.

“Issue Date” means 13 November 2019.

“Issuer” means Mogo Finance, a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B174457.

“Listed Entity” has the meaning set forth in the definition “Equity Listing Event” above.

“Luxembourg” means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg.

“Luxembourg Insolvency Event” means in relation to any company incorporated, domiciled or resident in Luxembourg, such person in Luxembourg:

- (a) enters into a voluntary arrangement with its creditors (*concordat préventif de la faillite*) pursuant to the law of 14 April 1886 on arrangements to prevent insolvency, as amended; or
- (b) is granted a suspension of payments within the meaning of Articles 593 et seq. of the Luxembourg Commercial Code; or
- (c) is subject to controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation 24 May 1935 on controlled management; or
- (d) is itself or any of its assets the subject of any Insolvency Proceedings commenced pursuant to Articles 437 et seq. of the Luxembourg Commercial Code or any other Insolvency Proceedings pursuant to the Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended, unless the application for such proceedings is dismissed within thirty (30) days from and excluding the day it is filed (unless dismissed on the ground that the costs of the Insolvency Proceedings were likely to exceed the assets of such person (*clôture pour insuffisance d’actifs*)); or
- (e) takes any corporate action or is the subject of any legal proceedings commenced against it for its dissolution or liquidation; or
- (f) is in a situation of illiquidity (*cessation de paiements*), and without access to credit (*crédit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code.

“Make Whole Amount” means an amount equal to the sum of:

- (a) the present value on the relevant Record Date of 104.75, as if such payment originally should have taken place on the First Call Date; and

- (b) the present value on the relevant Record Date of the remaining Interest payments (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date;

both calculated by using a discount rate of fifty (50) basis points over the comparable German Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

“Management Repurchase” means the repurchase, redemption or other acquisition or retirement for value of any Equity Interest of the Issuer or any Restricted Subsidiary held by any future, current or former officer, director or employee of the Issuer or any Restricted Subsidiary (or any permitted transferee of such current or former officers, directors or employees) pursuant to any equity subscription agreement, stock option agreement, share purchase agreement, shareholders’ agreement or similar agreement; provided that the aggregate price paid for all such repurchased redeemed, acquired or retired Equity Interest may not exceed EUR 1,000,000 in any fiscal year or EUR 2,000,000 in the aggregate; provided, further, that such amount in any fiscal year may be increased by (x) the cash proceeds of any key-man life insurance policies received by the Issuer and the Restricted Subsidiaries and (y) an amount not to exceed the cash proceeds from the sale of Equity Interests of the Issuer to members of management or directors of the Issuer, any of the Restricted Subsidiaries or any of its direct or indirect parent companies to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments.

“Market Capitalization” means an amount equal to the total number of issued and outstanding shares of common stock or common equity interests of the Listed Entity on the date of the declaration of the contemplated Permitted Payment multiplied by the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive Business Days immediately preceding the date of declaration of such contemplated Permitted Payment.

“Market Loan” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or unregulated recognized market place.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Obligors’ ability to perform and comply with their payment and other undertakings under the Finance Documents or (c) the validity or enforceability of the Finance Documents.

“Material Group Company” means each Group Company holding a Net Loan Portfolio of at least EUR 7,500,000.

“Maturity Date” means 10 July 2022.

“Net Finance Charges” means, for the Relevant Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group (and excluding any (a) payment-

in-kind interest capitalized on Shareholder Loans, (b) gains arising on foreign currency revaluations of intercompany balances or (c) income on pension balances).

“Net Loan Portfolio” means, as of any date of determination, the sum of loans, securities, investments, receivables and reserves minus allowances for loss of the Group as set forth on the consolidated balance sheet as of the Relevant Period ending on the last day of the period covered by the most recent Financial Report, prepared in accordance with the Accounting Principles.

“Net Proceeds” means the proceeds from the Bond Issue, after deduction has been made for the transaction costs payable by the Issuer to the Lead Manager for the services provided in relation to the placement and issuance of the Bonds.

“New Shareholder Injections” means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Issuer or for any Shareholder Loan on terms acceptable to the Agent.

“Nominal Amount” means the Initial Nominal Amount, or, if the principal amount of the Bonds have been partially repaid, the reduced nominal amount of the Bonds.

“Obligors” means the Issuer and the Guarantors.

“Ordinary Resolution” has the meaning set forth in Condition 16.3 (*Quorum and majority*).

“Payment Day” has the meaning set forth in Condition 7.3 (*Payment Day/Due Date*).

“Parallel Debt” has the meaning set forth in Condition 10.4(a) (*Parallel Debt*).

“Paying Agent” has the meaning set forth in Condition 14.1 (*Paying Agent*).

“Permitted Basket” has the meaning set forth in item (m) of the definition “Permitted Debt” below.

“Permitted Business” means any businesses, services or activities that are the same as, or reasonably related, ancillary or complementary to, any of the businesses, services or activities in which the Issuer and its Restricted Subsidiaries are engaged on the Existing Bonds Issue Date, and reasonable extensions, developments or expansions of such businesses, services or activities.

“Permitted Debt” means any Financial Indebtedness:

- (a) incurred by the Issuer or any of the Restricted Subsidiaries under the Finance Documents (including pursuant to any Subsequent Bond issue, up to a consolidated aggregate principal amount of EUR 125,000,000 in case debt incurred in relation to marketplace lending platforms and/or peer-to-peer platforms shall be refinanced);
- (b) incurred by the Issuer or any of the Restricted Subsidiaries under any Existing Debt;
- (c) the incurrence by the Issuer or any of the Restricted Subsidiaries of Financial Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other financings, in each case, incurred for

the purpose of financing or refinancing all or any part of the purchase price or cost of design, development, construction, lease, installation or improvement of property, plant or equipment used in the business of the Issuer or any of the Restricted Subsidiaries and including any reasonable related fees or expenses incurred in connection with such acquisition or development, in an aggregate principal amount not to exceed the greater of (i) EUR 2,500,000 and (ii) 2.00 per cent. of Consolidated Total Assets at any time outstanding;

- (d) incurred by the Issuer or any of the Restricted Subsidiaries as intercompany Financial Indebtedness provided by the Issuer or a Restricted Subsidiary, provided, however, that: (i) if (A) the Issuer or any Guarantor is the obligor of any such Financial Indebtedness and (B) the payee is not the Issuer or a Guarantor, then such Financial Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due under the Finance Documents; and (ii) (A) any subsequent issuance or transfer of Equity Interests that results in any Financial Indebtedness incurred under this Condition being held by a Person other than the Issuer or a Restricted Subsidiary; and (B) any sale or other transfer of any Financial Indebtedness incurred under this Condition to a Person that is not either the Issuer or a Restricted Subsidiary will be deemed, in each case, to constitute an incurrence of such Financial Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this Condition;
- (e) arising under a derivative transaction entered into by the Issuer or a Restricted Subsidiary in connection with protection against or benefit from fluctuation in any rate or price ("**Derivative Transaction**") where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes);
- (f) the guarantee by the Issuer or any Guarantor of Financial Indebtedness of the Issuer or a Guarantor, to the extent that the guaranteed Financial Indebtedness was permitted to be incurred by another provision of these Terms and Conditions; provided that, if the Financial Indebtedness being guaranteed is subordinated to or *pari passu* with the Bonds, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Financial Indebtedness guaranteed;
- (g) incurred by the Issuer or any of the Restricted Subsidiaries as a result from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Financial Indebtedness is covered within five (5) Business Days;
- (h) incurred as a result of the Issuer or a Guarantor acquiring or merging with another entity and which is due to the fact that such entity holds Financial Indebtedness, provided that: either (i) the Issuer would be permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis including the acquired or merged entity, as the case may be, as if acquired or merged, as the case may be, at the beginning of the relevant Period ending on the last day of the period covered by the most recent Financial Report); or (ii) each of the Interest Coverage Ratio and the Capitalization Ratio of the Issuer and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect

to such acquisition or merger (in each case calculated on a *pro forma* basis including the acquired or merged entity, as the case may be);

- (i) incurred by the Issuer under a Shareholder Loan;
- (j) incurred by the Issuer or any of the Restricted Subsidiaries in the ordinary course of business under the Advance Purchase Agreements, under any pension and tax liabilities and related to any agreements under which the Issuer or a Restricted Subsidiary leases office space or other premises;
- (k) Financial Indebtedness owed on a short-term basis of no longer than thirty (30) Business Days to banks and other financial institutions incurred in the ordinary course of business of the Issuer or the Guarantors with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer or the Guarantors, in an aggregate principal amount not to exceed EUR 1,000,000;
- (l) incurred by a Guarantor as a loan and/or a buyback guarantee granted in the context of the sale, lease, license, assignment, transfer, disposal, encumbrance or pledge to marketplace lending platforms and/or peer-to-peer platforms of loans, receivables and claims owned by such Guarantor, provided that such sale, lease, license, assignment, transfer, disposal, encumbrance or pledge is limited to (unless, for the sake of clarity, if permitted by item (h), including refinancing thereof), (A) the aggregate principal amount of (i) EUR 80,000,000 plus (ii) 1.5 multiplied by any New Shareholder Injections received on or after 1 December 2020 and (B) together with any Financial Indebtedness incurred in accordance with item (m) below, 70 per cent of the Net Loan Portfolio of such Guarantor; and
- (m) Financial Indebtedness incurred by a Guarantor in an aggregate principal amount (or accreted value, as applicable) which, when taken together with the principal amount of any other Financial Indebtedness incurred under this item (m) and outstanding will not exceed 20 per cent. of the Net Loan Portfolio of such Guarantor (all such Financial Indebtedness is together referred to as the **“Permitted Basket”**).

“Permitted Loans” means:

- (a) any loan granted by the Issuer or any of the Restricted Subsidiaries as intercompany Financial Indebtedness to the Issuer or a Restricted Subsidiary;
- (b) any guarantee of Financial Indebtedness permitted to be incurred under Condition 11.4 (*Financial Indebtedness and Disqualified Stock*) and the definition “Permitted Debt” above;
- (c) any loan arising under a Derivative Transaction;
- (d) any loan existing on the Issue Date; provided that the amount of any such loan may be increased (i) as required by the terms of such loan (as in existence on the Issue Date) and (ii) as otherwise permitted under these Terms and Conditions;
- (e) any loan acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary or another Person (including by way of a

merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary) in a transaction that is permitted under these Terms and Conditions;

- (f) any loan granted in the ordinary course of business (including lease, leaseback, consumer loans or participations therein arising in the ordinary course of business);
- (g) loans or advances to employees made in the ordinary course of business of the Issuer or any Guarantor in an aggregate principal amount not to exceed EUR 2,000,000 at any time outstanding; and
- (h) loans, advances or guarantees to directors, officers and employers of the Issuer or any Guarantor to cover, travel, entertainment or moving-related expenses enacted in the ordinary course of business.

“Permitted Payments” means:

- (a) any Management Repurchase;
- (b) so long as no Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with these Terms and Conditions; and
- (c) so long as no Event of Default has occurred and is continuing (or would result therefrom), any declaration of payment by the Issuer or a Restricted Subsidiary of dividends or distributions to an employee of a Group Company in the context of employee incentive schemes, in an amount not to exceed EUR 500,000 per financial year.

“Permitted Security” means any Security:

- (a) provided in accordance with the Finance Documents;
- (b) which is an Existing Security;
- (c) provided in relation to any agreement under which the Issuer or a Restricted Subsidiary leases office space or other premises provided such lease constitutes Permitted Debt;
- (d) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (e) provided in relation to a Derivative Transaction;
- (f) incurred as a result of the Issuer or a Restricted Subsidiary acquiring another entity and which is due to that such acquired entity has provided security, provided that the debt secured with such security constitutes Permitted Debt in accordance with item (h) of the definition “Permitted Debt” above;

- (g) provided to secure Financial Indebtedness permitted by item (c) of the definition “Permitted Debt” above, covering only the assets acquired with or financed by such Financial Indebtedness;
- (h) provided to secure Financial Indebtedness permitted by item (l) of the definition “Permitted Debt” above;
- (i) over assets or property of a Restricted Subsidiary that is not a Guarantor securing Financial Indebtedness of any Restricted Subsidiary that is not a Guarantor;
- (j) over assets or property of the Issuer or any Restricted Subsidiary securing Financial Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Security in favor of the Issuer or any Restricted Subsidiary; and
- (k) provided in relation to the Permitted Basket.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Pledgors**” means the Issuer, AS “mogo” (*Latvia*), mogo OÜ (*Estonia*), UAB “mogo LT” (*Lithuania*), Mogo LLC (*Georgia*), Mogo IFN SA (*Romania*), Mogo Bulgaria OOD (*Bulgaria*), O.C.N. “MOGO LOANS” SRL (*Moldova*), MOGO Universal Credit Organization LLC (*Armenia*), OOO “Mogo Credit” (*Belarus*) and any Additional Pledgor.

“**Pledgors Accounts**” means primary bank accounts of the relevant Pledgors to be pledged in favour of the Security Agent acting for the Holders under the Account Pledge Agreements in accordance with Condition 11.11 (*Additional Transaction Securities*).

“**Put Option Trigger Event**” means any of the following events, circumstance or situation:

- (a) a Change of Control Event;
- (b) any requirement of Condition 12.1 (*Financial Conditions*) is not satisfied (unless remedied in accordance with the provisions of Condition 12.3 (*Covenant Cure*));
- (c) any ultimate beneficial owner of the Issuer is or becomes a Sanctioned Person;
- (d) buyback guarantees permitted by item (l) of the definition “Permitted Debt” above are triggered within one quarter in excess of 7.5 per cent. of all outstanding loans, receivables and claims disposed or pledged in accordance with item (l) of the definition “Permitted Debt” above provided that the buyback obligations within such quarter will exceed an amount or EUR 1,000,000; and
- (e) more than 25 per cent. of the Group’s Net Loan Portfolio is originated by companies having their registered office in a country other than Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and

Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, North Macedonia (FYROM), Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom (UK), Vatican City (Holy See).

“Record Date” means the Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Holders is to be made, (d) the date of a Holders’ Meeting or (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the German bond market.

“Redemption Date” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Condition 6 (*Maturity, Redemption, Early Redemption, Repurchase*).

“Regulated Market” means any regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (recast)).

“Related Party” shall have the same meaning as ‘related party’ under IAS 24 – Related Party Disclosures, noting that each reference to ‘reporting entity’ in the IAS 24 – Related Party Disclosures definition of ‘related party’ shall be construed to be a reference to the Issuer and its Subsidiaries. In addition, an entity shall also fall under the definition of Related Party for the purposes of these Terms and Conditions if 30% or more of the outstanding shares or other equity instruments of that entity are held by shareholders who are also shareholders (directly or indirectly) of the Issuer or its Subsidiaries.

“Relevant Period” means each period of twelve (12) consecutive calendar months.

“Restricted Payment” has the meaning set forth in Condition 11.2 (*Distributions*).

“Relevant Taxing Jurisdiction” means (a) Latvia, Luxembourg or any political subdivision or Governmental Authority thereof or therein having power to tax, (b) any jurisdiction from or through which payment on any Bond or Guarantee is made by the Issuer, any Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (c) any other jurisdiction in which the Issuer or Guarantors are incorporated or organized, resident for tax purposes.

“Restricted Subsidiaries” means any Subsidiary of the Issuer, including the Guarantors and entities established or licensed as of the Existing Bonds Issue Date and which are meant to be vertically integrated pursuant to Condition 11.13 (*Companies operating under the Group brands*), that is not an Unrestricted Subsidiary.

“Sanctioned Person” means any person, organization or vessel:

- (a) designated on the OFAC list of Specially Designated Nationals and Blocked Persons or on the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, or on the Consolidated List of Financial Sanctions

Targets maintained by the UK Treasury, or on any list of blocked persons issued under the Economic Sanctions Law of any other country;

- (b) that is, or is part of, a government of a Sanctioned Territory;
- (c) owned or controlled by, or acting on behalf of, any of the foregoing; or
- (d) located within or operating from a Sanctioned Territory,

except that “Sanctioned Person” does not include a person listed on the US Sectoral Sanctions Identifications List or Annex III of Regulation (EU) No 833/2014 of 31 July 2014, or any successor thereto.

“**Sanctioned Territory**” means any country or other territory subject to a general export, import, financial or investment embargo under Economic Sanctions Law.

“**Secured Creditors**” means the Holders.

“**Secured Obligations**” subject to any limitation under the relevant Transaction Security Documents, means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligor towards the Secured Creditors under or in connection with these Terms and Conditions and the other Finance Documents.

“**Security**” has the meaning set forth in Condition 11.5 (*Negative pledge*).

“**Security Agent**” means, initially Greenmarck Restructuring Solutions GmbH, established in 2010 and registered with the lower court of Munich, HRB 187052, with address in Widenmayerstraße 16, 80538 Munich, Germany, or subsequently any other security agent, appointed by the Secured Creditors from time to time pursuant to the Security Agent Agreement, holding the Transaction Securities on behalf of the Secured Creditors.

“**Security Agent Agreement**” means the security agent agreement entered into on or about the Existing Bonds Issue Date between the Issuer and the Security Agent, or any replacement security agent agreement entered into after the Existing Bonds Issue Date between the Issuer and the Security Agent.

“**Settlement Date**” means on or about 13 November 2019.

“**Shareholder Loan**” means any loan raised by an Obligor from its current or previous direct or indirect shareholder, if such shareholder loan (a) according to its terms, is subordinated to the obligations of the Issuer under the Finance Documents and (b) according to its terms, has a final redemption date or, when applicable, early redemption dates or instalment dates which occur only after the Maturity Date and according to its terms yield only payment-in-kind interest or where payment of principal and interest can only be made under Condition 11.2 (*Distributions*).

“**Subsequent Bond**” means any issue of Bonds in accordance with Condition 15 (*Further Issues*).

“**Subsidiary**” means, in relation to any person, any legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes

held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners or (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

“**Taxes**” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including, without limitation, interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

“**Third Party**” means any Person other than the Issuer or the Restricted Subsidiaries.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (a) the Bond Issue or a Subsequent Bond issue and (b) the listing of the Bonds on the Frankfurt Stock Exchange.

“**Transaction Security Documents**” means each security agreement, entered into or to be entered into between the Pledgors and the Security Agent (on behalf of the Secured Creditors), purporting to create a Security in favor of the Secured Creditors, in particular:

- (a) Latvian law governed security documents (the “**Latvian Transaction Security Documents**”), including:
 - (i) a Latvian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of AS “mogo” (Latvia), including (i) present and future loan receivables granted by AS “mogo” (Latvia) and (ii) all trademarks owned by AS “mogo” (Latvia) and registered in Latvia (the “**Latvian General Pledge Agreement**”);
 - (ii) a Latvian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in AS “mogo” (Latvia) (the “**Latvian Share Pledge Agreement**”);
- (b) Estonian law governed security documents (the “**Estonian Transaction Security Documents**”), including:
 - (i) an Estonian law governed commercial pledge agreement creating a first ranking commercial pledge over all the movable assets of mogo OÜ (Estonia) (the “**Estonian General Pledge Agreement**”);
 - (ii) an Estonian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in mogo OÜ (Estonia) (the “**Estonian Share Pledge Agreement**”);
 - (iii) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by mogo OÜ (Estonia) (the “**Estonian Receivables Pledge Agreement**”);

- (iv) an Estonian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by mogo OÜ (Estonia) and registered in Estonia (the “**Estonian Trademark Pledge Agreement**”);
 - (v) an Estonian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by mogo OÜ (Estonia) (the “**Estonian Account Pledge Agreement**”);
- (c) Lithuanian law governed security documents (the “**Lithuanian Transaction Security Documents**”), including:
 - (i) a Lithuanian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of UAB “mogo LT” (Lithuania) (the “**Lithuanian General Pledge Agreement**”);
 - (ii) a Lithuanian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in UAB “mogo LT” (Lithuania) (the “**Lithuanian Share Pledge Agreement**”);
 - (iii) a Lithuanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by UAB “mogo LT” (Lithuania) (the “**Lithuanian Receivables Pledge Agreement**”);
 - (iv) a Lithuanian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by UAB “mogo LT” (Lithuania) and registered in Lithuania (the “**Lithuanian Trademark Pledge Agreement**”);
 - (v) a Lithuanian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by UAB “mogo LT” (Lithuania) (the “**Lithuanian Account Pledge Agreement**”);
- (d) Georgian law governed security documents (the “**Georgian Transaction Security Documents**”), including:
 - (i) a Georgian law governed general pledge agreement creating a first ranking general pledge over all the movable assets of Mogo LLC (Georgia) (the “**Georgian General Pledge Agreement**”);
 - (ii) a Georgian law governed share pledge agreement creating a first ranking pledge over all the ownership interests directly and indirectly held by the Issuer in Mogo LLC (Georgia) (the “**Georgian Share Pledge Agreement**”);
 - (iii) a Georgian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by Mogo LLC (Georgia) (the “**Georgian Receivables Pledge Agreement**”);
 - (iv) a Georgian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Mogo LLC (Georgia) and

- registered in Georgia (the “**Georgian Trademark Pledge Agreement**”);
- (v) a Georgian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by Mogo LLC (Georgia) (the “**Georgian Account Pledge Agreement**”).
- (e) Armenian law governed security documents (the “**Armenian Transaction Security Documents**”), including:
- (i) an Armenian law governed general pledge agreement creating a first ranking general pledge over all the present and future movable assets of MOGO Universal Credit Organization LLC (Armenia), other than loan receivables (the “**Armenian General Pledge Agreement**”);
 - (ii) an Armenian law governed intangible assets pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by MOGO Universal Credit Organization LLC (Armenia), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions (the “**Armenian Intangible Assets Pledge Agreement**”);
 - (iii) an Armenian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in MOGO Universal Credit Organization LLC (Armenia) (the “**Armenian Share Pledge Agreement**”);
- (f) Bulgarian law governed security documents (the “**Bulgarian Transaction Security Documents**”), including:
- (i) a Bulgarian law governed pledge agreement creating a first ranking pledge over the changing pools of all movable assets and receivables of Mogo Bulgaria OOD (Bulgaria) existing from time to time including (i) present and future loan receivables granted by Mogo Bulgaria OOD (Bulgaria), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian General Pledge Agreement**”);
 - (ii) Bulgarian law governed share pledge agreements creating first ranking pledges over all the shares directly and indirectly held by the Issuer in Mogo Bulgaria OOD (Bulgaria) (the “**Bulgarian Share Pledge Agreements**”);
- (g) Romanian law governed security documents (the “**Romanian Transaction Security Documents**”), including:
- (i) a Romanian law governed movable hypothec agreement over certain movable assets creating a first ranking general pledge over all present and future movable assets of Mogo IFN SA (Romania) including (i) any and all present and future primary bank accounts and cash held therein, (ii) present and future loan receivables granted by Mogo IFN SA (Romania), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (iii) any

and all current and future intellectual property held by Mogo IFN SA (Romania) (the “**Romanian General Pledge Agreement**”);

- (ii) a Romanian law governed movable hypothec agreement over shares creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in Mogo IFN SA (Romania) (the “**Romanian Share Pledge Agreement**”).
- (h) Moldovan law governed security documents (the “**Moldovan Transaction Security Documents**”), including:
 - (i) a Moldovan law governed general pledge agreement creating a first ranking general pledge over all present and future claims of O.C.N. “MOGO LOANS” SRL (Moldova) including (i) present and future loan receivables granted by O.C.N. “MOGO LOANS” SRL (Moldova), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions, and (ii) primary bank accounts owned by O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan General Pledge Agreement**”);
 - (ii) a Moldovan law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by the Issuer in O.C.N. “MOGO LOANS” SRL (Moldova) (the “**Moldovan Share Pledge Agreement**”);
- (i) Belarus law governed security documents (the “**Belarus Transaction Security Documents**”), including:
 - (i) a Belarus law governed general pledge agreement creating a first ranking general pledge over present and future movable assets of OOO “Mogo Credit” (Belarus), other than loan receivables (the “**Belarus General Pledge Agreement**”);
 - (ii) a Belarus law governed receivables pledge agreement creating a first ranking general pledge over all the present and future loan receivables granted by OOO “Mogo Credit” (Belarus), except for the loan receivables that may be transferred or pledged in accordance with the Terms and Conditions (the “**Belarus Receivables Assets Pledge Agreement**”);
 - (iii) Belarus law governed share pledge agreement creating first ranking pledge over all the shares directly and indirectly held by the Issuer in OOO “Mogo Credit” (Belarus) (the “**Belarus Share Pledge Agreement**”);
- (j) Luxembourg law governed receivables pledge agreement creating a first ranking pledge over loan receivables with respect to certain loans made by the Issuer in accordance with Condition 11.6 (*Loans out*) (the “**Luxembourg Receivables Pledge Agreement**”).

“**Transaction Securities**” means the Securities granted to secure the Secured Obligations pursuant to the Transaction Security Documents.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer other than the Guarantors that is designated by the board of directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the board of directors, but only to the extent that such Subsidiary:

- (a) has no Financial Indebtedness other than Financial Indebtedness (i) as to which neither the Issuer nor any of the Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Financial Indebtedness) or (B) is directly or indirectly liable as a guarantor or otherwise and (ii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Issuer or any of the Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary); except to the extent that the Issuer or the relevant Restricted Subsidiary would be permitted to provide credit support, or be directly or indirectly liable as a guarantor or otherwise, pursuant to Condition 11.4 (*Financial Indebtedness and Disqualified Stock*);
- (b) except as permitted under these Terms and Conditions, is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;
- (c) is a Person with respect to which neither the Issuer nor any of the Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe or additional Equity Interests or (ii) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Financial Indebtedness of the Issuer or any of the Restricted Subsidiaries.

“Vote without Meeting” has the meaning set forth in Condition 16.13 (*Resolution in writing*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - **“assets”** includes present and future properties, revenues and rights of every description;
 - any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - a **“regulation”** includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - an Event of Default is continuing if it has not been remedied or waived;

- an “**enforcement**” of a Guarantee means making a demand for payment under a Guarantee;
 - a provision of law is a reference to that provision as amended or re-enacted; and
 - a time of day is a reference to Frankfurt/Main time.
- (b) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the German Central Bank (Ger: Deutsche Bundesbank) on its website (www.bundesbank.de). If no such rate is available, the most recently published rate shall be used instead.
- (c) No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. NOMINAL AMOUNT, FORM, GLOBAL BOND, TITLE

2.1 Nominal Amount, Currency and Denomination

This issue of the Issuer, in the aggregate amount of EUR 100,000,000.00 (in words: one hundred million Euros (the “**Issuer Currency**”)) is divided into EUR 25,000,000.00 (in words: twenty-five million Euros) bonds (the “**New Bonds**”), to be consolidated and form a single series with the existing EUR 75,000,000.00 (in words: seventy-five million Euros) 9.50 % Senior Secured Bonds 2018/2022 with a term from 11 July 2018 until 10 July 2022 (the “**Existing Bonds**” and, together with the New Bonds, the “**Bonds**”), payable to the bearer and ranking *pari passu* among themselves in the denomination of EUR 1,000.00 (the “**Initial Nominal Amount**”) each.

2.2 Form

The Bonds are being issued in bearer form.

2.3 Global Bond and Custody

The Bonds will be represented by a global bond (the “**Global Bond**”) deposited with, or on behalf of, a common depository for the accounts of Clearstream Banking S.A., Luxembourg (“**Clearstream, Luxembourg**”), and Euroclear Bank S.A/N.V., Brussels (“**Euroclear**”), as operator of the Euroclear system. The Global Bond will be deposited with Clearstream, Luxembourg, business address 42, Av. J.F. Kennedy, L-1855 Luxembourg, together with any successor in such capacity (the “**Clearing System**”) until all obligations of the Issuer under the Bonds have been satisfied.

The Global Bond will only be exchangeable for definitive Bonds if either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so (other than in the case of a merger or consolidation of Clearstream, Luxembourg and Euroclear).

2.4 Transfer and Title

A transfer of Bonds will be effected without charge by or on behalf of the Issuer, but upon payment by the relevant Holder of any tax or other governmental charges which may be imposed in relation to it. For the avoidance of doubt, any depositary bank used by a Holder for the safe custody of the Bonds (including without limitation the Clearing System) may charge fees for a transfer of the Bonds.

3. STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with all general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among themselves and at least *pari passu* with any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Bonds, or (ii) benefits from a guarantee or support agreement expressed to rank *pari passu* with its obligations under the Bonds, save for certain mandatory exceptions provided by statutory law.

4. GUARANTEE

4.1 Guarantee

The Guarantors have given an unconditional and irrevocable guarantee (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable by the Issuer under the Bonds.

4.2 Status of the Guarantee

The Guarantee will rank *pari passu* with all of the Guarantors' existing and future senior unsecured debt and senior to all of their existing and future subordinated debt, notwithstanding certain limitation under the laws of the relevant Guarantor's jurisdiction.

4.3 Limitations by statutory law

The obligations and liabilities of and the guarantee issued by each Guarantor under the Guarantee shall be limited if required (but only if and to the extent required) under any applicable law or regulation in the respective jurisdiction in which each of the Guarantors are incorporated.

4.4 In accordance with the Guarantee, and in addition to the payment guarantees described in Condition 4.1:

- (a) the Issuer shall procure that, to the extent applicable to the Group Companies not being Guarantors, each of such Group Company complies with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Securities*), 11.12 (*Dealings with related parties*), 11.13 (*Companies operating under the Group brands*), 11.14 (*Compliance with law*) and 11.15 (*Financial reporting and information*); and

- (b) the Guarantors shall undertake to comply with Conditions 11.2 (*Distributions*), 11.4 (*Financial Indebtedness and Disqualified Stock*), 11.5 (*Negative pledge*), 11.6 (*Loans out*), 11.7 (*Disposals of assets*), 11.8 (*Mergers*), 11.9 (*Dividend and other payment restrictions*), 11.10 (*Additional Guarantee*), 11.11 (*Additional Transaction Securities*), 11.12 (*Dealings with related parties*), 11.13 (*Companies operating under the Group brands*), 11.14 (*Compliance with law*) and 11.15 (*Financial reporting and information*).
- 4.5 Pursuant to the Guarantee the Issuer shall procure that the Guarantees and all documents relating thereto are duly executed by the relevant Guarantor in favour of the Holders and that such documents are legally valid, enforceable and in full force and effect according to their terms. The Issuer shall procure the execution of such further documentation by the Guarantors as the Agent may reasonably require in order for the Holders to at all times maintain the guarantee position envisaged under these Terms and Conditions and the Guarantees.
- 4.6 If a Holders' Meeting (Condition 16.2) has been convened, or a Vote without Meeting (Condition 16.13) instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the Guarantees, the Agent is obligated, to take actions in accordance with the Holders' decision regarding the Guarantees. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce any of the Guarantees. If the Holders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the Guarantees in accordance with the procedures set out in Conditions 16.2 (Convening of physical meeting) and 16.13 (Resolution in writing), the Agent shall promptly declare the Bonds terminated and enforce the Guarantees. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.
- 4.7 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any Guarantees, the Issuer irrevocably authorizes and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders and, for the same purpose, grant the Agent with the widest power to perform any action, enter into any agreement and execute any document. To the extent permissible by law, the powers set out in this Condition 4.7 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall, and shall procure that the Guarantors, immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties.
- 4.8 The Agent shall, upon the Issuer's written request and expense, promptly release a Guarantor from its obligations under a Guarantee:
 - (a) in connection with (i) any sale or other disposal of Equity Interests whether by direct sale or sale of a holding company of that Guarantor or by way of merger, consolidation or otherwise or (ii) any sale or other disposal of all or substantially all of the assets of that Guarantor; to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted

Subsidiary, provided however, that such sale or other disposal does not violate Condition 11.7 (*Disposals of assets*) or Condition 11.8 (*Mergers*);

- (b) Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition; and
- (c) when all the Guaranteed Obligations have been duly and irrevocably paid and discharged in full.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Bonds shall bear interest at the Interest Rate per annum on their Nominal Amount from 11 July 2018 and, with respect to the New Bonds, 10 July 2019 (each, the “**Interest Commencement Date**”). Interest shall be payable semi-annually in arrears on each Interest Payment Date, commencing on the Interest Commencement Date. Interest shall cease to accrue with the expiration of the day preceding the day of repayment.

5.2 Default Interest

If the Issuer fails to redeem the Bonds on the day on which they become due for redemption within five Business Days, default interest shall accrue on the overdue amount from, but excluding the due date up to and including the date of actual payment at a rate, which is 2 per cent. higher than the Interest Rate.

5.3 Day Count Fraction

Where interest is to be calculated in respect of a period which is shorter than or equal to a full Interest Period, the interest will be calculated on the basis of Rule 251 ICMA (ACT/ACT).

6. MATURITY, REDEMPTION, EARLY REDEMPTION, REPURCHASE

6.1 Redemption at maturity

The Issuer shall redeem the Bonds in full on the Maturity Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

6.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

6.3 Early voluntary redemption by the Issuer (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date at the applicable Call Option Amount together with accrued but unpaid Interest.

- (b) Redemption in accordance with this Condition 6.3 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

6.4 Mandatory repurchase due to a Put Option Trigger Event (put option)

- (a) Upon a Put Option Trigger Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest; during a period of thirty (30) calendar days following the earlier of (i) a notice from the Issuer of the Put Option Trigger Event pursuant to Condition 11.15 (*Financial reporting and information*) and (ii) such Holder becoming otherwise aware of the occurrence of the Put Option Trigger Event. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Put Option Trigger Event.
- (b) The notice from the Issuer pursuant to Condition 11.15 (*Financial reporting and information*) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Condition 11.15 (*Financial reporting and information*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Condition 6.4(a).
- (c) The Issuer shall, and shall procure that each Guarantor shall, comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Condition 6.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 6.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Condition 6.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Condition 6.2 (*The Group Companies' purchase of Bonds*).

6.5 Optional redemption for taxation reasons

- (a) If the Issuer or any Guarantor determines in good faith that, as a result of a Change in Tax Law, the Issuer or any Guarantor is, or on the next Interest Payment Date would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or the relevant Guarantor, the Issuer may, in its absolute discretion, decide to redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Maturity Date. The Issuer shall give not less than twenty (20) and not more than forty (40) Business Days' notice of the

redemption to the Agent and the Holders and the repayment per Bond shall be made at 100.00 per cent. of the Nominal Amount (together with accrued but unpaid Interest).

- (b) The notice from the Issuer pursuant to Condition 6.5(a) shall not be given (a) earlier than ninety (90) calendar days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to make the relevant payment of Additional Amounts if a payment in respect of the Bonds were then due and (b) unless at the time such notice is given, such obligation to pay the relevant Additional Amounts remains in effect. Prior to giving any notice of redemption pursuant to the foregoing, the Issuer shall deliver to the Agent (i) a declaration in writing stating that it is entitled to effect such redemption and setting forth a statement of facts showing that a Change in Tax Law is at hand and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (ii) a written opinion of an independent tax counsel of recognized standing who is qualified to provide tax advice under the laws of the Relevant Taxing Jurisdiction to the effect that the Issuer or Guarantor has or have been or will become obligated to pay the relevant Additional Amounts as a result of a Change in Tax Law. The Agent shall accept such declaration and opinion as sufficient evidence that a Change in Tax Law is at hand without further inquiry, in which event it shall be conclusive and binding on the Holders.
- (c) In the case of redemption due to withholding as a result of a Change in Tax Law such Change in Tax Law must become effective on or after the Issue Date.

6.6 Equity claw back

Upon an Equity Listing Event, the Issuer may on one occasion repay up to 35.00 per cent. of the total Nominal Amount (provided at least 65.00 per cent. of the total Nominal Amount remains outstanding after such repayment), in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within one hundred eighty (180) calendar days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer or the Restricted Subsidiaries as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The Issuer shall give not less than twenty (20) Business Days' notice of the repayment to the Agent and the Holders and the repayment per Bond shall be made at 104.75 per cent of the Nominal Amount or at the relevant Call Option Amount (both multiplied by the percentage redeemed), if such amount is lower (rounded down to the nearest EUR 1.00)

7. PAYMENTS

7.1 Currency

All payments on the Bonds shall be made by the Issuer in Euro.

7.2 Payments

Payments of principal, interest and all other cash payments payable on the Bonds shall be made by the Issuer on the relevant due date to the Paying Agent (Condition 14.1), for on-payment to the Clearing System for credit to the accounts of the respective accountholders in the Clearing System. All payments made to the Clearing System or to its order shall discharge the liability of the Issuer under the Bonds to the extent of the amounts so paid.

7.3 Payment Date/Due Date

For the purposes of these Terms and Conditions, “**payment date**” means the day on which the payment is actually to be made, and “**due date**” means the payment date provided for herein, without taking account of such adjustment.

8. TAXES

8.1 Withholding Tax

All payments under Conditions 4 (*Guarantee*), 5 (*Interest*) and 6 (*Maturity, Redemption, Early Redemption, Repurchase*) in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by the relevant tax authority or any political subdivision or any authority therein that has power to tax or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA, unless that withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA or any law implementing an intergovernmental approach to FATCA). In that event, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as the Holders would have received if no such withholding or deduction had been required, except if such Additional Amounts:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it under the Bond; or
- (b) are payable by reason of a change in law that becomes effective more than 30 (thirty) days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with Condition 18 (Notices), whichever occurs later; or
- (c) are required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or any law implementing an intergovernmental approach to FATCA.

8.2 Prepayment

If, as a result of any change in, or amendment to, the laws or regulations prevailing in the relevant tax jurisdiction, which change or amendment becomes effective on or after the Issue Date or as a result of any application or official interpretation of such laws or regulations not generally known before that date, taxes or duties are or will

be leviable on payments of principal or interest under the Bonds and, by reason of the obligation to pay Additional Amounts as provided in the provision above or otherwise such taxes or duties are to be borne by the Issuer, Condition 6.5 (*Optional Redemption for Taxation Reasons*) applies.

9. AGENT

9.1 Role and Duties of the Agent

- (a) By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorizes the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings as well as certain legal acts as stipulated under these Terms and Conditions (*inter alia* information rights pursuant to Condition 11.15 (*Financial reporting and information*), termination rights pursuant to Condition 13 (*Termination of the Bonds*)) relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorization for the Agent to act on its behalf. The Agent shall represent the Holders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available upon request of any Holder.
- (b) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (c) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (d) The Agent may act as agent and/or security trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- (e) The Issuer appoints the Agent also as bondholders' representative for the Holders.
- (f) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents.

9.2 Limited liability for the Agent

- (a) The Agent will only be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document and such liability being limited to an amount which corresponds to the tenfold amount of its annual fees, unless any damages are directly caused by gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle / dol*).
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Condition 16 (*Meetings of Holders*).

9.3 Replacement of the Agent

- (a) The Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or the Issuer or by way of Written Procedure initiated by the retiring Agent or the Issuer.
- (b) For the replacement of the Agent by appointment of a successor Agent pursuant to Condition 9.3(a), the provisions under Condition 16 (*Meetings of Holders*) and Condition 17 (*Appointment of Holders' Representative*) apply.

10. TRANSACTION SECURITIES

10.1 Granting of the Transaction Securities

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Pledgors have granted and will grant the Transaction Securities to the Secured Creditors as represented by the Security Agent on the terms set out in the Transaction Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Creditors and shall have all the claim rights necessary for establishment, perfection, maintenance and enforcement of the Transaction Security in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement.
- (c) Unless and until the Security Agent has received instructions from the Holders in accordance with Condition 16 (*Meeting of Holders*), the Security Agent shall (without first having to obtain the Holders' consent) be entitled to

enter into agreements with the Pledgors or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Securities or for the purpose of settling the Holders' or the Issuer's rights to the Transaction Securities, in each case in accordance with the terms of the Transaction Security Documents, the Security Agent Agreement and the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Holders.

- (d) The Agent shall be entitled to give instructions relating to the Transaction Securities to the Security Agent in accordance with the Security Agent Agreement.

10.2 Release of Transaction Securities

The Security Agent may at any time, acting on instructions of the other Secured Creditors, release any Transaction Securities in accordance with the terms of the Transaction Security Documents and the Security Agent Agreement. For the avoidance of doubt, any Transaction Security will always be released pro rata between the Secured Creditors and the remaining Transaction Security will continue to rank *pari passu* between the Secured Creditors as set forth in the Transaction Security Documents and the Security Agent Agreement.

10.3 Enforcement of Transaction Securities

- (a) The Security Agent may only take action to accelerate or enforce any Transaction Security in accordance with the terms of the Security Agent Agreement and the Transaction Security Documents.
- (b) Upon an enforcement of the Transaction Securities or following receipt of any recovery after the occurrence of an insolvency event of the Issuer, the enforcement proceeds and any amount of recoveries will, pursuant to the Security Agent Agreement, be distributed towards discharge of the liabilities under these Terms and Conditions and the Bonds.
- (c) All Transaction Securities or arrangement having similar effects may be released by the Security Agent, without the need for any further referral to or authority from anyone, upon any enforcement.

10.4 Parallel Debt

- (a) To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is secured by any Transaction Security, Guarantee or indemnity that also secures the Bonds in accordance with these Terms and Conditions (together, the "**Corresponding Debt**"), the Issuer and its relevant Subsidiaries shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the "**Parallel Debt**"). The Security Agent is a joint creditor (together with the other Secured Creditors) of the Corresponding Debt and, accordingly, the Security Agent shall have its own independent right to demand performance by the Issuer or any of its Subsidiaries thereunder.

- (b) The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).
- (c) In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Transaction Security, Guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Transaction Security Document (it being understood that the amount that is due to the Holders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Holders under the Parallel Debt or the enforcement of any Transaction Security, Guarantee or indemnity).

11. SPECIAL UNDERTAKINGS

11.1 General

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Condition 11.

11.2 Distributions

- (a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to (a) pay any dividend or make any other payment or distribution on its respective Equity Interests or make any other similar distribution or transfers of value to the Issuer's or the Guarantors' direct or indirect shareholders or the Affiliates of such direct and indirect shareholders (other than dividend or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer), (b) repurchase or redeem any of its respective Equity Interest or the Equity Interest of the Issuer or any direct or indirect parent of the Issuer (including repurchase and redemption with payment to shareholders) or (c) repay principal or pay cash interest under any Shareholder Loans, (items (a)–(c) above are together and individually referred to as a “**Restricted Payment**”); provided, however, that, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, any such Restricted Payment can be made (i) by any Guarantor if such Restricted Payment is made to the Issuer or another Guarantor and, if made by any Guarantor which is not directly or indirectly wholly-owned by the Issuer, to other Persons on a *pro rata* basis and (ii) by the Issuer or any Guarantor, provided that (A) the Issuer would, at the time of such Restricted Payment, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment as if the Restricted Payment had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and (B) the aggregate amount of all Restricted Payments (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (i) above and any Permitted Payment) of the Group made in a financial year does not exceed 25.00 per cent. of the Group's distributable profit accrued since the fiscal year in which the Bonds were issued.

- (b) As long as no Event of Default has occurred and is continuing (or would result therefrom), the restrictions under Condition 11.2(a) shall not prohibit Permitted Payments.

11.3 Listing of Bonds

The Issuer shall ensure (a) within ten (10) Business days after the Issue Date that the Bonds are admitted to trading on a Regulated Market at the Frankfurt Stock Exchange or another comparable trading segment within the EU, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (b) that, upon any further issues of Bonds pursuant to Condition 15 (*Further Issues*), the volume of Bonds listed on the relevant Regulated Market promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

11.4 Financial Indebtedness and Disqualified Stock

- (a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively for the purpose of this Condition 11.4 “**incur**”) any Financial Indebtedness or issue any Disqualified Stock or preferred stock, provided, however, that the Issuer may incur Financial Indebtedness or issue Disqualified Stock and the Guarantors may incur Financial Indebtedness and issue preferred stock if: (a) the Incurrence Test is met (calculated on a *pro forma* basis as if the additional Financial Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report); and, if a Financial Indebtedness is to be incurred, (b) such Financial Indebtedness ranks *pari passu* with or is unsecured or is subordinated to the obligations of the Issuer or the Guarantors under the Finance Documents. The foregoing shall not prohibit the incurrence of any Permitted Debt.
- (b) The Issuer shall not incur, and the Guarantors have undertaken in the Guarantee not to incur, any Financial Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer or such Guarantor unless such Financial Indebtedness is also contractually subordinated in right of payment under the Finance Documents on substantially identical terms; provided, however, that no Financial Indebtedness shall be deemed to be contractually subordinated in right of payment to any other Financial Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

11.5 Negative pledge

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, create or allow to subsist, retain, provide, prolong or renew any security of any kind (including any mortgage, lien, pledge, charge, security interest or encumbrance) (“**Security**”) over any of their assets (present or future) to secure any Financial Indebtedness, provided, however, that the Obligors have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

11.6 Loans out

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, except for Permitted Loans, be the creditor or guarantor of any Financial Indebtedness.

11.7 Disposals of assets

(a) The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, sell or otherwise dispose of Equity Interest in any Restricted Subsidiary or of all or substantially all of the Issuer's or any Guarantor's assets or operations to any Person (including the Issuer and the Guarantors). The above shall not prevent the following transactions:

- (i) the sale or other disposal of Equity Interest in any Restricted Subsidiary, other than the Guarantors, (i) to the Issuer or the Restricted Subsidiaries and (ii) to a Person other than the Issuer and the Restricted Subsidiaries provided that the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect;
- (ii) the sale or other disposal of Equity Interest in the Issuer or in any of the Guarantors or of all or substantially all of the assets or operations of the Issuer or any Guarantor to the Issuer or a Guarantor;
- (iii) the sale or other disposal of Equity Interest in any Guarantor to a Person other than the Issuer and the Guarantors provided that: (i) the seller of the Equity Interest in the Guarantor is the Issuer or a Guarantor and that the proceeds from the sale are paid to the Issuer or a Guarantor, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect; and
- (iv) the sale or other disposal of all or substantially all of the assets or operations of any Guarantor, to a Person other than the Issuer or a Guarantor provided that: (i) the proceeds from the sale or other disposal are paid to the Issuer or a Guarantor, as applicable; (ii) the transaction is carried out at fair market value and on terms and conditions customary for such transactions; and (iii) such transaction does not have a Material Adverse Effect.

(b) For the avoidance of doubt, the sale or disposal of all or substantially all of the assets or operations in the Issuer and the Restricted Subsidiaries taken as a whole shall be governed by Condition 6.4 (*Mandatory repurchase due to a Put Option Trigger Event (put option)*).

11.8 Mergers

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to, directly or indirectly, consolidate or merge with or into another Person. The above shall not prevent the following mergers, provided that they do not have a Material Adverse Effect:

- (a) mergers between or among Restricted Subsidiaries;
- (b) mergers of the Restricted Subsidiaries into the Issuer;
- (c) mergers between or among the Issuer or a Guarantor and other Guarantors;
- (d) mergers between or among the Restricted Subsidiaries (including the Obligors), provided, in the case of a merger of the Issuer or a Guarantor, that the Person formed by or surviving any such merger (if other than the Issuer or a Guarantor, as the case may be) assumes all the obligations of the Issuer or the Guarantor, as the case may be, under these Terms and Conditions and the Guarantee (as applicable) pursuant to accession agreements reasonably satisfactory to the Agent;
- (e) mergers of the Issuer or a Restricted Subsidiary on the one side and a Third Party on the other side, provided that: (i) the Issuer or the Restricted Subsidiary, as applicable, is the surviving Person; and (ii) the Issuer would, on the date of the merger, have been permitted to incur at least EUR 1.00 of additional Financial Indebtedness pursuant to the Incurrence Test (calculated on a *pro forma* basis as if the merger had been made at the beginning of the Relevant Period ending on the last day of the period covered by the most recent Financial Report) or have, both an Interest Coverage Ratio and a Capitalization Ratio not lower than it was immediately prior to giving effect to such transaction;
- (f) mergers of a Restricted Subsidiary, other than the Issuer or the Guarantors, on the one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration will be held by the Group Company that held the shares of the Restricted Subsidiary previous to the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers; and
- (g) mergers of a Guarantor on one side and a Third Party on the other side, where the Person formed by or surviving such merger is the Third Party, provided that: (i) the shares in the surviving entity received as consideration and any other consideration are held by the Issuer or a Guarantor, as applicable, post the merger; and (ii) the merger is carried out at fair market value and on terms and conditions customary for such mergers.

11.9 Dividend and other payment restrictions

The Issuer shall not, and the Guarantors have undertaken in the Guarantee not to create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to: (a) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of the Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Financial Indebtedness owed to the Issuer or any of the Restricted Subsidiaries; (b) make loans or advances to the Issuer or any of the Restricted Subsidiaries; or (c) sell, lease or transfer any of its properties or assets to the Issuer or any of the Restricted Subsidiaries; in each case, only if such encumbrance or restriction result in a Material Adverse Effect and unless such encumbrance or restriction is contained in or related to Financial Indebtedness constituting a Permitted Debt, Permitted Security or Permitted Loan or is otherwise

permitted to be incurred under these Terms and Conditions and the terms and conditions for the Existing Bonds.

11.10 Additional Guarantee

The Issuer shall procure that any Restricted Subsidiary of the Issuer which is not a Guarantor as of the Issue Date shall become a guarantor of the Bonds within three (3) months after the grant of the first loan to its customers (an “**Additional Guarantor**”). Such Additional Guarantor shall be a “Guarantor” and such new Guarantee shall be a “Guarantee” for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to guarantee the Bonds to the extent that such new Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

11.11 Additional Transaction Securities

The Issuer shall (a) procure that any Restricted Subsidiary of the Issuer which is not a Pledgor as of the Issue Date shall enter into transaction security documents with the Security Agent substantially equivalent to the existing Transaction Security Documents (an “**Additional Pledgor**”) and (b) grant a pledge over the shares of such Additional Pledgor to the Security Agent, within ninety (90) calendar days after any such Restricted Subsidiary becomes or has become a Material Group Companies. Such Additional Pledgor shall be a “Pledgor” and such new transaction security documents shall be “Transaction Security Documents” for the purpose of these Terms and Conditions. Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Restricted Subsidiary to grant the Transaction Securities to the extent that such new Transaction Securities by such Restricted Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Restricted Subsidiary or any liability for the officers, directors or shareholders of such Restricted Subsidiary.

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that any Additional Pledgor enter into an Account Pledge Agreement within ninety (90) calendar days after such Restricted Subsidiary becomes an Additional Pledgor, and such Account Pledge Agreements shall be “Transaction Security Documents” for the purpose of these Terms and Conditions.

11.12 Dealings with related parties

The Issuer shall, and the Guarantors have undertaken in the Guarantee to conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Related Parties of such direct and indirect shareholders at arm’s length terms.

11.13 Companies operating under the Group brands

Subject to applicable local law requirements and limitations, the Issuer shall use best effort to procure that it shall vertically integrate within the Group any entity outside of the Group currently operating or existing under the Group brands so that any such

entity shall become effectively a Restricted Subsidiaries and, subject to Condition 11.10 (*Additional Guarantee*) above, an Additional Guarantor. Any such integration, subject to applicable local law requirements and limitations, shall occur for a price equal to the lower of (i) the costs incurred by the shareholders of and (ii) market price of such entities, and by no later than 11 July 2019. If such integration is not possible due to applicable local law requirements and limitations, the Issuer shall integrate such entities within the Group through a licensing agreement. The Issuer shall, and the Guarantors have undertaken in the Guarantee to, procure that all future operations in new countries shall be established only through Restricted Subsidiaries.

11.14 Compliance with laws

The Issuer shall, and the Guarantors have undertaken in the Guarantee to (a) comply in all material respects with all laws and regulations applicable from time to time and (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorization, approval, licence or other permit required for the business carried out by a Group Company.

11.15 Financial reporting and information

(a) The Issuer shall:

- (i) prepare and make available the annual audited unconsolidated and consolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (ii) prepare and make available the quarterly interim unaudited consolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than forty-five (45) calendar days after the expiry of each relevant interim period;
- (iii) hold quarterly earning calls with investors in the Bonds;
- (iv) issue a Compliance Certificate to the Agent and make it available on its website (A) in connection with the incurrence of Financial Indebtedness, the issuance of Disqualified Stock or preferred stock, the payment or distribution of any Restricted Payment and a merger under Condition 11.8 (*Mergers*) which requires that the Incurrence Test is met, (B) in connection with the Financial Reports being made available and (C) at the Agent's request, within twenty (20) calendar days from such request;
- (v) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website; and
- (vi) promptly notify the Agent (and, as regards a Put Option Trigger Event, the Holders) upon becoming aware of the occurrence of (i) a

Put Option Trigger Event or an Equity Listing Event, (ii) an Event of Default or (iii) a default or an event of default, howsoever described, under the Existing Bonds, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

- (b) The Issuer shall notify the Agent of any transaction referred to in Condition 11.7 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the transaction which the Agent deems necessary (acting reasonably) and, if applicable, (b) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (b) above.
- (c) The Issuer shall notify the Agent of any merger referred to in Condition 11.8 (*Mergers*) and shall, upon request by the Agent, provide the Agent with (a) any information relating to the merger which the Agent deems necessary (acting reasonably), including, in case of a merger where the Issuer or a Guarantor is not the surviving entity pursuant to Condition 11.8 an opinion by legal counsel, that the accession agreement executed in connection therewith, these Terms and Conditions and/or the Guarantee are legally valid and binding obligations of the successor Person in accordance with their terms.

11.16 Agent Agreement

- (a) The Issuer shall, in accordance with the Agent Agreement:
 - (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;
 - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
 - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agent Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

11.17 Longo branded entities

The Issuer undertakes to the benefit of the Holders to use best efforts to ensure that the payment of the outstanding purchase price of Longo branded entities is made according to the following repayment schedule:

- By 31.12.2020 – EUR 2m
- By 31.03.2021 – EUR 1.5m
- By 30.06.2021 – EUR 1.5m
- By 30.09.2021 – EUR 2m
- By 31.12.2021 – EUR 2.1m
- By 31.03.2022 – EUR 2.1m.

11.18 Related Party acquisitions

The Issuer shall not, and procures that no member of the Group, acquire any Related Party other than through the integration of such Related Party by increasing the Group's equity, or combining the equity of the target Related Party with the Group's equity.

12. FINANCIAL COVENANTS

12.1 Financial Conditions

The Issuer shall ensure that either:

- (a) the Interest Coverage Ratio for the Relevant Period is at least 1.25.; and
- (b) the Capitalization Ratio for the Relevant Period is at least:
 - (i) 8.00 per cent until the end of the financial year ending on 31 December 2018;
 - (ii) 10.00 per cent until the end of the financial year ending on 31 December 2019; and
 - (iii) 15.00 per cent until the end of the financial year ending on 31 December 2020 and until full repayment of the Bonds; or
- (c) should the Interest Coverage Ratio and the Capitalization Ratio be lower than the thresholds set out under Conditions 12.1(a) and 12.1(b) above
 - (i) the Cash and Cash Equivalents of the Group are at least EUR 5,000,000 and shall remain at least EUR 5,000,000 for as long as the Interest Coverage Ratio and the Capitalization Ratio are lower than the thresholds set out under Conditions 12.1(a) and 12.1(b) above;
 - (ii) the Interest Coverage Ratio is at least 1.25, starting as of 31 March 2021 and calculated on a relevant period of
 - (A) three (3) consecutive calendar months until the end of the interim quarter ending on 31 March 2021;
 - (B) six (6) consecutive calendar months until the end of the interim quarter ending on 30 June 2021;

- (C) nine (9) consecutive calendar months until the end of the interim quarter ending on 30 September 2021; and
 - (D) twelve (12) consecutive calendar months until the end of the financial year ending on 31 December 2021; and
- (iii) the Capitalization Ratio for the Relevant Period is at least
- (A) 11.50 per cent as from the Relevant Period ending on 31 December 2020;
 - (B) 12.50 per cent as from the Relevant Period ending on 31 March 2021;
 - (C) 13.50 per cent as from the Relevant Period ending on 30 June 2021; and
 - (D) 15.00 per cent as from the Relevant Period ending on 30 September 2021 and until full repayment of the Bonds.

12.2 Financial Testing

The financial covenants set out in Condition 12.1 (*Financial Conditions*) shall be calculated in accordance with the Accounting Principles and tested by reference to each of the Financial Report of the Issuer delivered pursuant to Condition 11.15(a)(i) and 11.15(a)(ii) and/or each Compliance Certificate delivered pursuant to Condition 11.15(a)(iv)(B).

12.3 Covenant Cure

- (a) The shareholders of the Issuer may cure or prevent a breach of the financial covenants in Condition 12.1 (*Financial Conditions*) (and any Event of Default arising as a result thereof) if, prior to or within ninety (90) calendar days of the earlier of (i) the date on which the relevant Financial Report and Compliance Certificate are to be delivered and (ii) the date that such Financial Report and Compliance Certificate were in fact delivered to the Agent pursuant to the terms of this Agreement for any Relevant Period in which such failure to comply was (or would have been) first evidenced, the Issuer receives the cash proceeds of New Shareholder Injections from the shareholders of the Issuer (the “**Equity Cure**”), in an amount at least sufficient to ensure that the financial covenants set out above would be complied with if tested again as at the last day of the same Relevant Period on the basis that any Equity Cure so provided shall be included for the Relevant Period as if provided immediately prior to the last day of such Relevant Period (the “**Adjustment**”).
- (b) Any new equity and/or subordinated debt so provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such Relevant Period and shall be included (without double counting) in all relevant covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.
- (c) In relation to any Equity Cure provided prior to the date of delivery of the relevant Compliance Certificate for the Relevant Period, such Compliance

Certificate shall set out the revised financial covenants for the Relevant Period by giving effect to the Adjustment set out above and confirming that such Equity Cure has been provided.

- (d) In relation to any such Equity Cure so provided following the date of delivery of the relevant Compliance Certificate for the Relevant Period, immediately following the proceeds of that Equity Cure being provided to it, the Issuer shall provide a revised Compliance Certificate to the Agent setting out the revised financial covenants for the Relevant Period by giving effect to the Adjustment.
- (e) If, after giving effect to the Adjustment, the requirements of the relevant financial covenants are met, then the requirements thereof shall be deemed to have been satisfied at the relevant original date of determination and any default, Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Finance Documents.

13. TERMINATION OF THE BONDS

13.1 The Agent is entitled, on behalf of the Holders, to terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

(a) Non-payment

any Obligor fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within ten (10) Business Days of the due date;

(b) Other obligations

the Issuer or any other Group Company does not comply with the Finance Documents in any other way than as set out under item (a) (Non-payment) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);

(c) Cross-default and cross-acceleration

(i) an event of default, howsoever described, occurs under the Existing LV Bonds;

(ii) any Financial Indebtedness of any Material Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or

- (iii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under item (ii) and/or (iii) above, individually or in the aggregate exceeds an amount corresponding to EUR 10,000,000 (or its equivalent in any other currency) and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

(d) Insolvency

- (i) any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness other than the Bonds;
- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company; or
- (iii) a Luxembourg Insolvency Event occurs with respect to the Issuer.

(e) Insolvency proceedings

any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Group Companies other than the Issuer or the Guarantors, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganization (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;

(f) Mergers and demergers

unless allowed under Condition 11.8 (*Mergers*), the Issuer or any Guarantor merges with a Person other than the Issuer or a Guarantor, or is subject to a demerger, with the effect that the Issuer or the Guarantor is not the surviving entity;

(g) Creditors' process

any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding EUR 10,000,000 (or its equivalent in any other currency) and where such process (i) is not discharged within thirty (30) calendar days or (ii) is being made in bad faith by the claimant, as evidenced by the Issuer to the Agent (such evidence to be accepted or dismissed by the Agent in its sole discretion);

(h) Impossibility or illegality

it is or becomes impossible or unlawful for the Issuer or the Guarantors to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable;

(i) Loss of business license

any Guarantor loses its business license and such loss of business license has a Material Adverse Effect;

(j) Continuation of the business

any Group Company ceases to carry on its business (except if due to a merger or a disposal of assets as permitted under Conditions 11.7 (*Disposals of assets*) and 11.8 (*Mergers*)) and such event has a Material Adverse Effect.

13.2 Termination for payment prematurely may only occur if the cause of termination is continuing at the time of the Agent's declaration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned in Condition 13.1(d) (*Insolvency*).

13.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.

13.4 The Issuer is obligated to inform the Agent immediately if any circumstance of the type specified in Conditions 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Condition 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Condition 13.1 and provide the Agent with all documents that may be of significance for the application of this Condition 13.

13.5 The Issuer is only obligated to inform the Agent according to Condition 13.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Frankfurt Stock Exchange (or any other stock exchange, as applicable). If such a conflict would exist pursuant to the listing contract with the relevant stock exchange or otherwise, the Issuer shall however be obligated to either seek the approval from the relevant stock exchange or undertake other reasonable measures,

including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Condition 13.4

- 13.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Condition 13.1, the Agent shall decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Condition 16 (*Meetings of Holders*). If the Holders vote in favor of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and whether such event has a Material Adverse Effect.
- 13.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Condition 16 (*Meetings of Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 13.8 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Condition 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Condition 16 (*Meetings of Holders*).
- 13.10 If the Bonds are declared due and payable in accordance with the provisions in this Condition 13, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount.

14. AGENTS

14.1 Paying Agent

The Issuer has appointed Banque Internationale à Luxembourg, to act as paying agent (the "**Paying Agent**"). Changes of address shall be notified in accordance with Condition 18 (*Notices*). In no event will the specified office of the Paying Agent be within the United States or its possessions.

14.2 Calculation Agent

The Issuer has appointed Banque Internationale à Luxembourg, to act as calculation agent (the "**Calculation Agent**"). Changes of address shall be published in

accordance with Condition 18 (*Notices*). In no event will the specified office of the Calculation Agent be within the United States or its possessions.

14.3 Substitution

The Issuer will procure that there will at all times be a paying agent as well as a calculation agent. The Issuer may at any time, by giving not less than 30 days' notice appoint another bank of good reputation as Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of any bank as Paying Agent. In the event of such termination or any of such bank being unable or unwilling to continue to act as Paying Agent in the relevant capacity, the Issuer will appoint another bank of good reputation as Paying Agent in the relevant capacity. Such appointment or termination will be published without undue delay in accordance with Condition 18 (*Notices*), or, should this not be possible, be published in another appropriate manner.

14.4 Binding Determinations

All determinations, calculations and adjustments made by any Agent will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Holders.

15. FURTHER ISSUES

The Issuer reserves the right to issue from time to time, without the consent of the Holders, additional bonds with substantially identical terms as the Bonds (as the case may be, except for the issue date, interest, commencement date and/or issue price), including in a manner that the same can be consolidated to form a single series of bonds and increase the aggregate principal amount of the Bonds. The term "**Bond**" will, in the event of such consolidation, also comprise such additionally issued bonds. The Issuer shall, however, not be limited in issuing additional bonds, which are not consolidated with the Bonds and which provide for different terms, as well as in issuing any other debt securities.

16. MEETINGS OF HOLDERS

16.1 General

Articles 470-3 – 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the "**Companies Law**") shall be derogated by this Condition 16.

16.2 Convening of physical meetings

The Issuer may, and shall upon the request in writing signed by any one or more of the Holders holding not less than 10 per cent of the principal amount of all the Bonds for the time being outstanding, convene a meeting of the Holders to be held at such place and by any means as the Issuer shall determine.

At least fourteen (14) clear days' notice shall be given by the Issuer to the Holder by simple letter or electronic mail, or through the Clearing System in the conditions provided in Condition 18 (*Notices*). The notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted. The notice shall state that the Holder is entitled to appoint a proxy to attend and vote on such Holder's behalf for the purposes of Conditions 16.7 (*Poll*) and 16.8 (*Voting*).

Any notice given through the Clearing System shall be deemed to have been given to each Holder on the day after the day on which the said notice was given to the Clearing System.

The accidental failure to give notice to or the non-receipt of notice by the Holder shall not invalidate the proceedings of or any resolution passed at any meeting.

16.3 Quorum and majority

Modification of the Conditions (i) to change the maturity of the Bonds or the date on which interest (if any) is payable in connection with the Bonds, (ii) to reduce the nominal amount of or reduce the interest rate (if any) payable in connection with the Bonds, (iii) to amend the redemption conditions, (iv) to increase or decrease the total interest and Redemption Amount (v) to change majority required to pass a resolution or (vi) to make any other change or amendment to the Conditions or the Transaction Security Documents (other than any modification, authorization or waiver as described in Condition 16.14 (*Amendments and waivers not requiring a Holders' resolution*) below) may only be made by a resolution approved by two-thirds of votes cast (an "**Extraordinary Resolution**").

Other resolutions concerning, inter alia, (i) the approval of any conservatory measure taken in the common interest of the Holders, (ii) the determination of any other measures aimed at defending the Holders' interests or the exercise by the Holders of their rights will be taken by a resolution approved by a simple majority of votes cast (an "**Ordinary Resolution**").

The quorum at any meeting for passing an Extraordinary Resolution or an Ordinary Resolution will be one or more persons holding or representing not less than 50 per cent of the nominal amount of the relevant Bonds for the time being outstanding. Any resolution passed at any meeting of the Holders will be binding on all the relevant Holders (whether or not they were present at the meeting at which such resolution was passed).

If no quorum is present within thirty (30) minutes from the time appointed for any meeting of the Holders, the meeting shall be adjourned to such day (not being less than fourteen (14) days nor more than twenty-eight (28) days after the date of the original meeting) and time and place as the chairman directs. At any such adjourned meeting the Holder or Holders or proxies for Holders present, regardless of the number of Bonds held or represented by them, will constitute a quorum for all purposes. At least seven (7) days' notice of any adjourned meeting of the Holders shall be given. Notice of any adjourned meeting shall, so far as possible, be given in the same manner as for the original meeting and such notice shall state that the Holder or Holders or proxies for the Holders present at such meetings, regardless of the number or the Bonds held or represented by them, will constitute a quorum. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting from which the adjournment took place.

16.4 Chairman

The Issuer may nominate in writing a person to preside as chairman at a meeting but if no such person is nominated or, if at any meeting the person nominated shall not be present within five minutes after the time appointed for holding the meeting the Holders present shall choose one of their number to be pro tempore chairman for this

meeting. No chairman is requested for a decision that is taken by way of resolution in writing as set out in Condition 16.13 (*Resolution in writing*) below.

16.5 Attendance of members of the board of directors of the Issuer and advisors

The members of the board of directors and the legal and other professional advisors of the Issuer and any other person authorized in that behalf by the Issuer may attend and speak at any meeting.

16.6 Resolutions taken during a physical meeting

A resolution put to the vote of the meeting shall be decided on a show of hands unless before the declaration of the result on the show of hands a poll is demanded by the chairman or by one or more Holders present in person or by proxy and holding or representing in aggregate not less than 5 per cent of the relevant Bonds for the time being outstanding. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

16.7 Poll

If a poll is duly demanded it shall be taken in such manner and at such time and place as the chairman may direct except that a poll demanded on the election of a chairman or any question of adjournment shall be taken at the meeting without adjournment.

No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven (7) days' notice shall be given.

The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

The result of a poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

16.8 Voting

On a poll every Holder who is present in person or by proxy or, in the case of a corporation, by its authorized representatives shall have one vote for every Bond held by him. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

No objection shall be raised to the qualification of any person voting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

16.9 Equality of votes

In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting shall not be entitled to a casting vote.

16.10 Adjournment of meeting

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. No notice of any such adjourned meeting need be given except when the meeting is adjourned for fourteen (14) days or more, in which event at least seven (7) clear days' notice shall be given.

16.11 Proxies

The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorized in writing or, if the appointor is a corporation, signed by an attorney or officer so authorized. The Issuer may but shall not be bound to require evidence of the authority of any such attorney or officer.

A person appointed to act as proxy need not be a Holder. The chairman of the meeting may be designated as a proxy in an instrument of proxy without being named. An instrument of proxy shall be valid for any adjournment of the meeting to which it relates unless the contrary is stated on it.

The instrument appointing a proxy and the power of attorney under which it is signed or a notarially certified copy of such power of attorney shall be deposited at the Issuer's registered office or at such place as may be specified in the notice convening the meeting or any document accompanying such notice not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll to which such instrument relates. Any instrument of proxy not deposited as provided in this Condition 16.11 shall be invalid.

The instrument appointing a proxy shall not have been granted more than twelve (12) months before the meeting at which it is purported to be used.

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given unless notification in writing of the death, insanity or revocation shall have been received at the registered office of the Issuer prior to the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.

16.12 Minutes

The chairman shall procure that minutes of all resolutions and proceedings at every meeting shall be produced and duly entered in books to be provided for that purpose by the Issuer. Any such minutes as aforesaid if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting of the Holders shall be conclusive evidence of the matters contained in the minutes and until the contrary is proved every such meeting in respect of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed at such meeting to have been duly passed.

16.13 Resolution in writing

Notwithstanding the above, a resolution in writing signed as described in this Condition 16.13 (“**Vote without Meeting**”) shall be valid and effectual as if it had been passed at a meeting of the Holders duly convened and held. Such resolution in writing may consist of several documents in the like form each signed by or on behalf of one or more such persons.

A resolution in writing signed by or on behalf of the holders of not less than two-thirds in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Holders.

A resolution in writing signed by or on behalf of the holders of a simple majority in principal amount of the Bonds for the time being outstanding shall for all purposes be as valid and effectual as an Ordinary Resolution passed at a meeting of Holders.

A resolution in writing, for which the Holders will express their approval or disapproval electronically, shall for all purposes be as valid and effectual as an Ordinary Resolution or, as the case may be, an Extraordinary Resolution as if it had been passed at a meeting of the Holders duly convened and held.

16.14 Amendments and waivers not requiring a Holders’ resolution

The Issuer and the Agent may determine, without liability to any person therefor, any modification of the Terms and Conditions or the Transaction Security Documents, or waiver of any rights thereof, which is, in the opinion of the Issuer and the Agent, of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law and which is in the opinion of the Issuer and the Agent not materially prejudicial to the interests of the Holders. Any such modification, authorization or waiver will be binding on the Holders and such modification will be notified to the Holders as soon as practicable in accordance with Condition 18 (*Notices*).

17. APPOINTMENT OF HOLDERS’ REPRESENTATIVE

17.1 The Holders may by majority resolution provide for the dismissal of the Agent who acts pursuant to Condition 9.1(e) also as Holders’ representative and shall provide by majority resolution for the appointment of another Holders’ representative. Such appointment of the Holders’ representative may at the same time also include the appointment as agent under Condition 9 (*Agent*). In the event that such Holders’ representative/Agent is to be authorized to consent to a material change in the substance of the Terms and Conditions or other material matters, the appointment may only be passed by a Qualified Majority.

17.2 If the Holders’ representative is also appointed in its capacity as Agent pursuant to Condition 9 (*Agent*), the provisions of Condition 9 (*Agent*) apply to such appointed Holders’ representative and Agent.

18. NOTICES

18.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address Widenmayerstraße 16, 80538 Munich, Germany on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg or such address notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;
- (c) if to a Guarantor, shall be given to the address stated in the Guarantee or such address notified by the Guarantor to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Guarantor to the Agent from time to time; and
- (d) if to the Holders, shall be published on the Issuer's website and/or otherwise in accordance with the provisions of legal regulations. A notice will be deemed to be made on the day of its publication (in case of more than one publication, on the day of the first publication). As long as the Bonds are cleared, the Issuer shall also make notifications to the clearing system for communication by the clearing system to the Holders or directly to the Holders, provided this complies with the rules of the stock exchange on which the Bonds are listed. Notifications vis-à-vis the clearing system will be deemed to be effected seven (7) days after the notification of the clearing system, direct notifications of the Holders will be deemed to be effected upon their receipt.

18.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Condition 18.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Condition 18.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Condition 18.1

18.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

19. PRESCRIPTION

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of payments relating to principal) or five (5) years (in the case of payments relating to interest) as from the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) as from the date on which notice is duly given to the Holders in accordance with Condition 18 (*Notices*) stating that, upon further presentation of the Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

20. APPLICABLE LAW AND PLACE OF JURISDICTION

20.1 Governing Law

The Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

20.2 Jurisdiction

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Bonds shall be the courts of Luxembourg, Grand Duchy of Luxembourg. The Issuer and the Holders hereby submit to the jurisdiction of such court.