Terms and Conditions of the Bonds — Sosna Royal Invest series 11/2023 (complete text, effective 27 May 2025)

Sosna Royal Invest a.s.

TERMS AND CONDITIONS OF THE BONDS

Sosna Royal Invest series 11/2023

ISIN CZ0003556623

FULL TEXT OF THE TERMS AND CONDITIONS

after amendments approved by the Meeting of Bondholders on May 27, 2025

effective as of May 27, 2025

full text prepared on May 27, 2025

Issuer: Sosna Royal Invest a.s.

IČO 117 05 281

Aviatická 1092/8, Ruzyně, 161 00 Praha 6, Czech Republic

CONTENTS

Sosna Royal Invest series 11/2023 - full text effective as of May 27, 2025

SOSNA ROYAL INVEST A.S.

TERMS AND CONDITIONS OF THE BONDS

Sosna Royal Invest series 11/2023

These terms and conditions (the “Terms and Conditions of the Bonds”) govern the rights and obligations of the Issuer and the Bondholders, as well as more detailed information about the Issue and the Bonds.

These Terms and Conditions of the Bonds have been prepared in accordance with Act No. 190/2004 Coll., on Bonds, as amended (the “Bonds Act”).

These Terms and Conditions of the Bonds relate to the bonds more specifically defined in Article 1 (the “Bonds”).

Unless otherwise stated in these Terms and Conditions of the Bonds, words and expressions with an initial capital letter have the meaning set forth in Article 1.

1. SUMMARY DESCRIPTION OF THE BONDS

| Issuer: | Sosna Royal Invest a.s. |

| | IČO: 117 05 281 |

| | LEI: 315700BRNJ4QGLSSGE87 |

| | with its registered office at Aviatická 1092/8, Ruzyně, 161 00 Praha 6, Czech Republic |

| | registered in the Commercial Register maintained by the Municipal Court in Prague, file no. B 26539 |

| Name of the Bonds: | Sosna Royal Invest series 11/2023 |

| ISIN identification code: | CZ0003556623 |

| Issuer’s account number: | 2755053003/5500 |

| IBAN: | CZ7555000000002755053003 |

| SWIFT: | RZBCCZPP |

| Maintained with: | Raiffeisenbank a.s., Prague |

| Currency: | USD / EUR / CZK |

| Principal Amount of the Bond: | 1,000 USD (one thousand United States dollars) |

| Form of the Bonds: | Order securities |

| Type of the Bonds: | Certificated securities |

| Issue Price: | 100% of the Principal Amount of the Bonds as of the Issue Date |

| Minimum Investment: | 1 (one) Bond |

| Issue Date: | 12/1/2023 |

| Issue Period: | The Issue Period for subscription of the Bonds begins on 12/1/2023 and ends on 12/1/2024, with the possibility of extension. |

| Additional Issue Period: | May be applied |

| Expected Issue Volume: | 1,000,000 USD (one million United States dollars) |

| Maximum Issue Volume: | 1,000,000 USD (one million United States dollars) |

| Numbering of the Bonds: | 0001/11-2023 to 1000/11-2023 |

| Interest: | Fixed rate of 25.0% per annum up to and including May 26, 2025; fixed rate of 10.0% per annum from May 27, 2025. |

| Commencement date of the first Interest Period: | As of the date of issuance of the Bond, but not earlier than 12/1/2023 |

| Interest Period: | Interest is paid in a lump sum as of the maturity date of the Bond. |

| Date on which the right to payment of Interest arises: | As of the Final Maturity Date of the Bond, including all Interest not yet paid |

| Record Date for payment of Interest: | Final Maturity Date |

| Early Maturity Date: | The day following the expiration of the six-month period under Article 9.2.3 of these Terms and Conditions of the Bonds |

| Final Maturity Date: | 36 (thirty-six) months from the date of issuance of the Bond, but no later than 12/1/2027 |

| Record Date for repayment of the Principal Amount: | 36 (thirty-six) months from the date of issuance of the Bond, but no later than 12/1/2027 |

| Issue: | Issue of fungible Bonds issued pursuant to these Terms and Conditions of the Bonds |

| Bonds: | Individual bonds issued within the Issue |

| Administrator: | Issuer |

| Designated Office: | Sosna Royal Invest a.s. |

| | IČO: 117 05 281 |

| | Aviatická 1092/8, Ruzyně, 161 00 Praha 6, Czech Republic |

| | e-mail: info@sosnaroyal.com tel.: +420 242 488 299 |

| Websites: | www.sosnaroyalinvest.com and www.sosnaroyal.com |

The Issuer undertakes to repay the amounts due, in particular the principal of the Bond and the Interest, in the manner and within the time limits set forth in these Terms and Conditions of the Bonds.

Activities relating to the issuance of the Bonds, redemption of the Bonds and payment of Interest on the Bonds shall be performed by the Issuer, unless it decides otherwise during the existence of the Issue.

2. IMPORTANT NOTICES

These Terms and Conditions of the Bonds are the terms and conditions of the Bonds within the meaning of the Bonds Act.

Any possible offer of the Bonds that the Issuer has made or will make, including distribution of the Terms and Conditions of the Bonds to selected investors in the Czech Republic or abroad, is made pursuant to the provisions of Article 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus, i.e., the offer of the Bonds is intended for investors acquiring Bonds with an aggregate consideration of at least EUR 100,000 per investor for each individual offer. The distribution of the Terms and Conditions of the Bonds and the offer, sale or purchase of the Bonds are restricted by law in certain countries. The Issuer has not applied for approval or recognition of these Terms and Conditions of the Bonds in any other state.

The Czech National Bank does not supervise this Issue of Bonds or the Issuer.

3. DESCRIPTION OF THE BONDS

3.1 TYPE, FORM, PRINCIPAL AMOUNT AND OTHER CHARACTERISTICS OF THE BONDS

The Bonds are issued in the type and form specified in Article 1 of these Terms and Conditions of the Bonds.

Each Bond has the Principal Amount specified in Article 1 of these Terms and Conditions of the Bonds.

The Issuer is entitled to issue the Bonds as global certificates replacing individual Bonds. If the Bonds are issued as global certificates, their owner has the right to request the Issuer to replace the global certificates with individual Bonds. The owner’s request for replacement of global certificates with individual Bonds must be delivered to the Issuer in writing. The Issuer is obligated to comply with the owner’s request within 30 days of receipt thereof. The Issuer is obligated to invite the owner in writing to take delivery of the individual Bonds. The Bonds shall be delivered to the owner only against return of the global certificate.

3.2 BONDHOLDERS

The holder of a Bond (a “Bondholder”) is the person recorded in the list of Bondholders maintained by the Issuer (the “List of Bondholders”). A Bondholder may be an individual or a legal entity. The Issuer may reject a subscriber.

Unless a legal regulation or a court decision delivered to the Issuer at the address of the Designated Office provides otherwise, the Issuer shall regard each Bondholder as its authorized owner in all respects and make payments to such Bondholder in accordance with these Terms and Conditions of the Bonds.

Persons who are owners of the Bonds and who, for any reason, are not recorded in the List of Bondholders are obligated to inform the Issuer without delay of this fact and of the title to the acquisition of ownership of the Bonds, by notice delivered to the Designated Office.

3.3 TRANSFER OF THE BONDS

Ownership of a Bond is transferred in accordance with the Civil Code by endorsement and contract at the moment of its delivery. Notice of a change of Bondholder must bear an officially certified signature.

3.4 OTHER RIGHTS ATTACHED TO THE BONDS

Separation of the right to Interest is excluded.

No pre-emptive or exchange rights of Bondholders are attached to the Bonds.

The transferability of the Bonds is restricted. A valid transfer of ownership of a Bond always requires the written consent of the Issuer’s statutory body. A Bondholder interested in transferring a Bond to another person must send the Issuer a written request for approval of the transfer of the Bonds by the statutory body; the request must bear the officially certified signature of the Bondholder. The Issuer’s statutory body is obligated to respond to the Bondholder’s request, i.e., to approve or disapprove the transfer of the Bonds, within 30 days. Ownership of a Bond, if consent to the transfer is granted by the statutory body, is transferred in accordance with Article 3.3 of the Terms and Conditions of the Bonds.

3.5 UNDERTAKING OF EQUAL TREATMENT

The Issuer undertakes to treat all Bondholders equally under the same conditions.

3.6 CREDIT RATING

No credit rating of the Issuer has been performed. No separate financial rating of the Issue has been performed, and the Issue therefore has no separate rating.

3.7 NOTIFICATION OF CHANGES

Changes on the part of a Bondholder must be notified to the Issuer within 10 business days of their occurrence. The change must be notified in writing. Changes of contact details may be notified to the Issuer in writing or by electronic mail without signature verification. Notice of a change of Bondholder and a change of the Bondholder’s bank account number designated for payment of Interest and the Principal Amount of the Bond must bear an officially certified signature. Notice of a change of Bondholder must always contain precise identification of the acquirer of the Bonds and the information necessary for the acquirer of the Bonds to be contacted by the Issuer.

4. BASIC CHARACTERISTICS OF THE BOND ISSUE

4.1 INFORMATION ABOUT THE ISSUER AND OWNERSHIP STRUCTURE

The Issuer, Sosna Royal Invest a.s., was established on August 1, 2021. The company focuses on investment activities in the real estate sector, both within the European Union and abroad, primarily in the United Arab Emirates (Dubai, Abu Dhabi) and also in the United States of America, specifically in the state of Florida. The Issuer specializes in particular in:

- purchase of investment apartments for the purpose of their subsequent lease to end users, both in the form of long-term and short-term leases with higher yield;
- pre-sale and subsequent sale of investment apartments and houses to end users before their completion;
- acquisition of real estate for the purpose of further lease, reconstruction or construction and subsequent appreciation of the investment.

The Issuer is a joint-stock company that has issued 1,000 ordinary shares, each with a nominal value of CZK 10,000 (in words: ten thousand Czech crowns), and 2,000 ordinary shares, each with a nominal value of CZK 1,000 (in words: one thousand Czech crowns). All shares are registered certificated securities.

The beneficial owner of Sosna Royal Invest a.s. is Lenka Macurová, born on April 4, 1975, permanently residing at Příčná 1892/4, Nové Město, 110 00 Praha 1, holder of a 95% shareholding. Other minority shareholders are PhDr. Juraj Šedovič, born on June 19, 1962, permanently residing at Janovice č.p. 54, 739 11 Janovice, holder of a 4% shareholding, and Bc. Blanka Szotková, born on November 19, 1977, permanently residing at Paříkova 362/3, Vysočany, 190 00 Praha 9, holder of a 1% shareholding.

4.2 ISSUE DATE

The Issue Date is specified in Article 1 of these Terms and Conditions of the Bonds.

4.3 ISSUE PERIOD

The Issue Period is specified in Article 1 of these Terms and Conditions of the Bonds.

4.4 TOTAL PRINCIPAL AMOUNT OF THE ISSUE, ADDITIONAL ISSUE PERIOD

The Issuer intends to issue the Bonds in the Expected Issue Volume specified in Article 1 of these Terms and Conditions of the Bonds.

If the Issuer does not issue all Bonds as of the Issue Date, it may issue the remaining Bonds at any time during the Issue Period and, where applicable, also after the expiration of the Issue Period during an Additional Issue Period that the Issuer may set and shall make information thereon available in accordance with applicable legal regulations.

The Issuer may issue the Bonds in a smaller Issue volume than the Expected Issue Volume if the Expected Issue Volume has not been subscribed by the end of the Issue Period.

The Issuer may, as of the Issue Date or during the Issue Period or the Additional Issue Period, issue Bonds in a volume greater than the Expected Issue Volume, up to the Maximum Issue Volume specified in Article 1 of these Terms and Conditions of the Bonds.

The Bonds may be issued all at once as of the Issue Date and/or in tranches after the Issue Date during the Issue Period and/or the Additional Issue Period.

The Issuer may set an Additional Issue Period repeatedly.

Without undue delay after the expiration of the Issue Period and/or the Additional Issue Period, the Issuer shall notify the Bondholders of the aggregate Principal Amount of all issued Bonds, but only if the aggregate Principal Amount of all issued Bonds is lower or higher than the Expected Issue Volume. The Issuer shall make this fact available in the same manner as these Terms and Conditions of the Bonds.

4.5 ISSUE PRICE

The Issue Price of the Bonds is specified in Article 1 of these Terms and Conditions of the Bonds.

4.6 SUBSCRIPTION PRICE

The Subscription Price of a Bond as of the Issue Date is equal to the Issue Price.

The Subscription Price of Bonds subscribed after the Issue Date shall be equal to the sum of the Issue Price and the corresponding unpaid accrued interest income (the “AI”). If so agreed in the Subscription Agreement, the investor shall pay only the Principal Amount of the Bond upon subscription of the Bond, and the unpaid amount corresponding to the AI on the day of payment for the Bond shall be set off by the Issuer against its obligation to pay the first following Interest on the Bond.

4.7 MINIMUM SUBSCRIPTION

One subscriber must subscribe at least such number of Bonds as corresponds to the Minimum Investment specified in Article 1 of these Terms and Conditions of the Bonds. Proposals to subscribe for a smaller number of Bonds are ineffective and the Issuer shall not comply with them.

4.8 METHOD AND PLACE OF SUBSCRIPTION OF THE BONDS

The Bonds may be subscribed at the Designated Office.

The Issuer shall enter into an agreement on the subscription and purchase of the Bonds with the subscribers of the Bonds, the subject of which shall be the Issuer’s obligation to issue, and the potential acquirers’ obligation to purchase, the Bonds under the conditions set forth in the agreement on the subscription and purchase of the Bonds (the “Subscription Agreement”).

The Bonds shall be issued by the Issuer to the subscriber pursuant to the Subscription Agreement within 10 business days after the subscription or purchase price is credited to the Issuer’s bank account. A condition for the issuance of the Bonds is also delivery of the signed Subscription Agreement to the address of the Designated Office.

The subscription or purchase price of the Bonds shall be paid by the subscriber by wire transfer to the bank account and under the conditions set forth in the Subscription Agreement.

The Issuer shall issue the Bonds to the subscriber after payment of the subscription or purchase price of the Bonds by marking on the Bond the name, surname, date of birth (for individuals), or business name and IČO (for legal entities), and the address of residence or registered office of the first owner of the Bond. These data shall be recorded in the List of Bondholders and the Bonds shall be delivered to the first Bondholder. Delivery of a Bond to the first Bondholder is always possible only after payment of the subscription or purchase price, on business days and by prior arrangement with the Issuer. The place of delivery is the Designated Office. Upon written request of the first Bondholder contained in the Subscription Agreement or sent in accordance with these Terms and Conditions of the Bonds and bearing the certified signature of the Bondholder, the Bonds may be sent by mail for delivery into the Bondholder’s own hands to the address designated by the Bondholder in the Subscription Agreement or written request. The Bonds are sent by the Issuer by mail for delivery into the Bondholder’s own hands at the Bondholder’s risk.

4.9 PURPOSE OF THE ISSUE

The funds obtained from the Issue of the Bonds shall be used by the Issuer to finance and develop real estate investment projects in the territory of the United Arab Emirates, the United States of America and also in selected states of the European Union, including the Czech Republic, primarily as follows: a) United Arab Emirates (Dubai, Abu Dhabi)

- purchase of investment apartments with the aim of their subsequent lease to the end user (both long-term and short-term);
- pre-sale of apartments in the development phase and their subsequent sale to the end user.

b) United States of America - State of Florida (Miami, Naples, Tampa and surrounding areas)

- purchase, reconstruction and sale of family houses and vacation properties (so-called “house flipping”);
- construction of new residential properties (“build & sell”) or their subsequent lease and management with the aim of long-term yield;
- long-term holding of real estate to generate rental income and asset value growth.

c) European Union and Czech Republic

- purchase of development land and building complexes suitable for construction of apartment buildings and family houses;
- implementation of smaller development projects on own land, including engineering, utility connection and subdivision;
- purchase, reconstruction and further sale of real estate in selected regions of the European Union and in the Czech Republic;
- long-term lease of real estate for the purpose of stable income.

Through this Issue, the Issuer finances a diversified investment portfolio focused on stable rental yield, rapid commercial realizations (pre-sales and flipping) and value appreciation of real estate in attractive markets in Europe, the USA and the Middle East.

5. STATUS

The Bonds constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer, which are and shall be equal in order of satisfaction (pari passu) both among themselves and at least equal to all other present and future unsubordinated and unsecured obligations of the Issuer, except for those obligations of the Issuer for which mandatory provisions of legal regulations or a contract between the Issuer and the Bondholders provide otherwise.

6. INTEREST

6.1 INTEREST, METHOD OF ACCRUAL, INTEREST PERIODS AND PAYMENT OF INTEREST

The Interest on the Bonds is set as a fixed interest rate of 25.0% per annum up to and including May 26, 2025, and 10.0% per annum effective as of May 27, 2025.

Interest accrues from the date of issue of the Bonds, i.e., from 12/1/2023 (inclusive), until the date of repayment of the Principal Amount of the Bonds or their early maturity, if any.

The Bonds do not have regular Interest Periods. All Interest shall be paid in a lump sum as of the maturity date of the Bond, together with the Principal Amount of the Bond. The payment shall also include all Interest not yet paid that pertains to the relevant Bond.

The Issuer is entitled to decide that payment of Interest and/or repayment of the Principal Amount of the Bond will not be made in monetary form, but in the form of a gratuitous transfer of the Issuer’s ordinary shares, with such transfer being made in a converted ratio according to the following rules:

- each Bondholder shall be allocated the corresponding number of ordinary shares of the Issuer;
- the nominal value of one Bond is 1,000 USD;
- the conversion shall be made according to the foreign exchange market rate announced by the Czech National Bank as of the date of performance (the “Decisive Rate”);
- the resulting amount in CZK shall be rounded down to whole thousands of Czech crowns;
- the corresponding number of shares of the Issuer with a nominal value of CZK 1,000 per share shall be assigned to this value.

The Bondholder hereby expressly acknowledges and agrees that, in the event of payment in shares, no entitlement arises to any additional payment or compensation for amounts below the threshold of CZK 1,000 rounded down.

Payment of a monetary amount or transfer of shares shall be made no later than 10 business days from the maturity date or early maturity date of the Bond, whichever occurs earlier.

6.2 END OF INTEREST ACCRUAL

The Bonds shall cease to bear interest on the Final Maturity Date or the Early Maturity Date of the Bonds, as defined in Article 9.1 and Articles 12.4.2 and 12.4.3 of these Terms and Conditions of the Bonds, unless, after fulfillment of all conditions and requirements, repayment of the amount due has been unlawfully withheld or refused by the Issuer. In such case, Interest shall continue to accrue pursuant to Article 6.1 of these Terms and Conditions of the Bonds until the date on which all amounts due as of that date are paid by the Issuer to the Bondholders in accordance with the Terms and Conditions of the Bonds.

6.3 DAY COUNT CONVENTION FOR CALCULATION OF INTEREST

For the purposes of calculating Interest for a period shorter than one year, one year shall be deemed to contain 360 (three hundred sixty) days divided into 12 (twelve) months of 30 (thirty) days each, provided that in the case of an incomplete month the number of days actually elapsed shall be used (30E/360 standard).

6.4 DETERMINATION OF INTEREST

The amount of Interest pertaining to one Bond for any period shorter than one year shall be determined as the product of the Principal Amount of such Bond, the Interest rate (expressed as a decimal) and the relevant day fraction calculated according to the day count convention for calculation of Interest pursuant to Article 6.3 of these Terms and Conditions of the Bonds.

The total amount of Interest on all Bonds of one Bondholder shall be rounded down to whole United States dollars.

7. REDEMPTION AND REPURCHASE

7.1 MATURITY OF THE BONDS

Unless the Bonds are repurchased by the Issuer and cancelled as set forth in Articles 7 and 9 of these Terms and Conditions of the Bonds, the Principal Amount of the Bonds shall be repaid in a lump sum on the Final Maturity Date.

7.2 REPURCHASE OF THE BONDS

The Issuer may repurchase the Bonds at any time for an agreed price or by the procedure under Article 9.2 of the Terms and Conditions of the Bonds.

7.3 CANCELLATION OF THE BONDS

Bonds repurchased by the Issuer shall not be cancelled, and it shall be at the Issuer’s discretion whether it will hold them in its assets and possibly resell them, or whether it will decide on their cancellation.

If the Issuer decides to cancel the Bonds repurchased by it, the rights and obligations under such Bonds shall cease without further action by virtue of merger of the right and obligation (debt) in one person.

7.4 PRESUMPTION OF REPAYMENT

Each relevant obligation of the Issuer under the Bonds shall, for the purposes of this Article, be deemed fully and duly repaid on the date on which:

(a) the relevant amounts of the Principal Amount of the Bonds and/or accrued Interest payable pursuant to these Terms and Conditions of the Bonds have been remitted to the Authorized Person by wire transfer to the bank account notified to the Issuer and have simultaneously been debited from the Issuer’s bank account; or

(b) the Issuer transfers ordinary shares of the Issuer to the Bondholder in accordance with the Issuer’s decision under Article 6.1 of these Terms and Conditions of the Bonds, to the extent corresponding to the total amount of performance converted according to the foreign exchange rate of the Czech National Bank as of the date of transfer and under the conditions set forth in these Terms and Conditions of the Bonds.

In the case of performance through shares, the moment of fulfillment of the obligation shall be deemed to be the day on which the shares were physically delivered, or the day on which the Bondholder was enabled to dispose of the shares, for example by transfer to a securities account designated by the Bondholder or by delivery of certificated shares.

The Issuer is not obligated to provide any further compensation, interest or additional payments if the obligation has been fulfilled in the above manner.

8. PAYMENT TERMS

8.1 CURRENCY OF PAYMENTS

The Issuer undertakes to pay Interest and repay the Principal Amount of the Bonds primarily in United States dollars (USD).

Interest shall be paid and the Principal Amount of the Bonds shall be repaid to the Authorized Persons (as defined below) in accordance with these Terms and Conditions of the Bonds and the relevant tax, foreign exchange and other legal regulations of the Czech Republic effective as of the date of payment.

However, the Issuer reserves the right to replace monetary performance with a transfer of ordinary shares of the Issuer, in a ratio corresponding to the converted value of the nominal amount and any Interest as of the maturity date. The conversion shall be made according to the following rules:

- the nominal value of one Bond is 1,000 USD;
- the amount to be paid (principal and Interest) shall be converted into Czech crowns according to the foreign exchange market rate announced by the Czech National Bank as of the date of performance (Decisive Rate);
- the resulting amount shall be rounded down to whole thousands of Czech crowns and, for this amount, the corresponding number of ordinary shares of the Issuer with a nominal value of CZK 1,000 per share shall be issued.

The Issuer is not obligated to pay any residual amount below CZK 1,000 that remains after rounding, and the Bondholder shall not be entitled to any further performance, compensation or Interest for such value.

If (a) the United States dollar or its successor currency ceases to exist and (b) this is not contrary to a mandatory provision of a legal regulation, (i) the denomination of the Bonds shall be changed to euro (EUR) and (ii) all obligations under the Bonds shall automatically and without further notice be payable in EUR.

The conversion into euro shall be made according to the official exchange rate (fixed conversion coefficient) in accordance with the legal regulations applicable as of the date of such change. Such change of currency shall not be deemed an amendment to the Terms and Conditions of the Bonds and shall not affect the validity, enforceability or content of the rights and obligations of the Issuer.

8.2 PAYMENT DATES

Payments of Interest and repayment of the Principal Amount of the Bonds shall be made within the time limits specified in these Terms and Conditions of the Bonds (each such day also a “Performance Date”).

If a Performance Date falls on a day other than a Business Day, the Issuer’s obligation to pay the amounts in question shall arise on the next following Business Day, without the Issuer being obligated to pay interest or any other additional amounts for such time delay. For the avoidance of doubt, if pursuant to the preceding sentence payment is postponed to the next following Business Day, the relevant Record Date shall not be postponed.

For the purposes of these Terms and Conditions of the Bonds, “Business Day” means any day (except Saturday and Sunday) on which banks in the Czech Republic are open and interbank payments in United States dollars are settled.

8.3 PERSONS ENTITLED TO RECEIVE PAYMENTS UNDER THE BONDS

8.3.1 Interest Income

Unless otherwise provided in these Terms and Conditions of the Bonds, the persons entitled to whom the Issuer shall pay Interest on the Bonds are the persons recorded as Bondholders in the List of Bondholders at the end of the Record Date for payment of Interest (each such person also an “Authorized Person”).

8.3.2 Principal Amount

Unless otherwise provided in the Terms and Conditions of the Bonds, the persons entitled to whom the Issuer shall repay the Principal Amount of the Bonds are the persons recorded as Bondholders in the List of Bondholders at the end of the Record Date for repayment of the Principal Amount or the Early Maturity Date (each such person also an “Authorized Person”).

8.4 MAKING PAYMENTS

The Issuer shall provide performance to Authorized Persons under these Terms and Conditions of the Bonds in one of the following ways:

a) Wire transfer

Payment of Interest and/or repayment of the Principal Amount of the Bonds shall be made by wire transfer to the bank account of the Authorized Person specified in the Subscription Agreement.

Specification of the bank account is a mandatory requirement of this agreement.

In the case of foreign accounts, the account number must be specified in IBAN format, including a valid SWIFT code.

A change of the Authorized Person’s bank account must be made by written instruction on the Issuer’s form and delivered to the address of the Designated Office no later than on the Record Date. The instruction must:

bear an officially certified signature;

contain full identification of the account and, where applicable, the authorization of the signing person;

for legal entities, be supplemented by an extract from the Commercial Register not older than 3 months.

The Issuer is entitled to require a power of attorney or other confirmation if a representative acts on behalf of the Authorized Person.

b) Performance in the form of ordinary shares of the Issuer

The Issuer is entitled to decide that performance shall, instead of wire transfer, be made in the form of a transfer of ordinary shares of the Issuer, in the converted ratio pursuant to Article 6.1 of these Terms and Conditions of the Bonds.

In such case, the Authorized Person is obligated to provide:

- data necessary for the transfer of shares, in particular identification data, an address for delivery of certificated shares or the number of a securities account;
- all cooperation necessary for the proper transfer of the shares into its ownership.

The Issuer shall not be liable for any delay in performance for reasons on the part of the Authorized Person, in particular if the Authorized Person delivers incomplete or incorrect information, fails to submit the required documents on time or refuses to provide the cooperation necessary for the transfer of shares.

c) Tax and legal formalities

If an international treaty for the avoidance of double taxation is applied, the Authorized Person is obligated to deliver a valid certificate of tax residence and other attachments requested by the Issuer or the relevant tax administrator.

The Issuer does not verify the correctness of the delivered documents and is not liable for damage caused by delay or a defect in the instruction.

The Issuer is entitled to require an apostille or other recognition of foreign official documents and an official translation into Czech or English of documents prepared in a foreign language.

8.5 TIMELINESS OF WIRE TRANSFERS AND NON-MONETARY PAYMENTS

The Issuer’s obligation to pay any amount due in connection with the Bonds, whether Interest or the Principal Amount of the Bond, shall be deemed duly and timely fulfilled:

(a) if the monetary amount is remitted to the Authorized Person to the bank account specified in the Subscription Agreement pursuant to Article 8.4 of these Terms and Conditions of the Bonds or on the basis of a duly delivered Instruction, and such amount is debited from the Issuer’s bank account no later than 5 business days from the date on which the entitlement arises; or

(b) if performance is made in the form of a transfer of ordinary shares of the Issuer in accordance with Article 6.1 of these Terms and Conditions of the Bonds, whereby the moment of fulfillment of the obligation shall be deemed to be the day on which the shares were delivered to the Authorized Person, or the day on which the Authorized Person was enabled to freely dispose of such shares, for example by transfer to a securities account or personal acceptance.

If the Authorized Person notifies the Issuer of incorrect or incomplete data necessary for making the payment, including data for the transfer of shares, or does not notify any such data, the Issuer’s obligation shall be deemed duly and timely fulfilled if the monetary amount is debited from the Issuer’s account or performance in the form of shares is prepared and available by the Issuer no later than 15 business days from the date on which the Issuer received the necessary data in accordance with Article 8.4 of these Terms and Conditions of the Bonds.

The Issuer shall not be liable for any delay in performance if caused by the failure to supply or late delivery of documents or data by the Authorized Person, errors in the Instruction or other circumstances beyond the Issuer’s control.

In such cases, the Authorized Person shall not be entitled to any interest, Interest, additional payment or any other compensation for the time delay in performance.

8.6 CHANGE IN THE METHOD OF MAKING PAYMENTS

The Issuer may decide to change the method of making payments. Such change must not cause harm to the Bondholders. Such decision shall be made available to the Bondholders in the same manner in which these Terms and Conditions of the Bonds were made available.

9. EARLY MATURITY OF THE BONDS BY DECISION OF THE ISSUER AND BONDHOLDER’S REQUEST FOR REPURCHASE OF BONDS BY THE ISSUER

9.1 EARLY MATURITY OF THE BONDS BY DECISION OF THE ISSUER

9.1.1 Decision on Early Maturity by the Issuer

The Issuer has the right to decide on the early maturity of the Bonds and to redeem the issued Bonds before the Final Maturity Date.

9.1.2 Maturity

The Issuer has the right to redeem the Bonds early as of a date determined by it (such date, in addition to other dates so designated in these Terms and Conditions of the Bonds, also an “Early Maturity Date”), provided that it announces the decision on early redemption of the Bonds by e-mail message or registered letter to the address specified in the List of Bondholders at least 30 days before the Early Maturity Date.

Notice of early redemption of the Bonds by decision of the Issuer is irrevocable and obligates the Issuer to accept for early redemption all Bonds whose early maturity it has decided. The Bondholder is obligated to provide the Issuer with all cooperation that the Issuer may require in connection with such early redemption.

All outstanding Bonds shall be redeemed by the Issuer at their Principal Amount together with accrued and not yet paid proportional Interest against their presentation by the Bondholders to the Issuer at the Designated Office. From the Early Maturity Date, the Bonds called by decision of the Issuer shall not bear interest.

9.2 BONDHOLDER’S REQUEST FOR REPURCHASE OF BONDS BY THE ISSUER

9.2.1 Bondholder’s Request

A Bondholder is entitled to request the Issuer to repurchase the Bonds owned by the Bondholder. The Issuer is obligated to assess such request and decide on its acceptance under the conditions set forth in these Terms and Conditions of the Bonds.

A request for repurchase (the “Repurchase Request”) must be in writing and must contain:

- an unambiguous request for repurchase of the Bonds;
- precise identification and number of the Bonds to which the request relates;
- the preferred form of performance (monetary form or form of ordinary shares of the Issuer), whereby the final decision on the form of performance shall belong exclusively to the Issuer.

The Issuer reserves the right to perform the obligation arising from the repurchase by transferring ordinary shares of the Issuer in the ratio and under the conditions set forth in Article 6.1 of these Terms and Conditions of the Bonds.

The Issuer is entitled to reject the Repurchase Request without further action if its implementation could cause material harm to the company, in particular of an economic, investment or operational nature, or would lead to a threat to the Issuer’s liquidity, strategic investments or other important financial interests.

The Issuer shall inform the Bondholder in writing of any rejection of the Repurchase Request no later than 15 business days from the date of delivery of the Repurchase Request.

The Repurchase Request must be signed by the Authorized Person, whose signature must be officially certified unless the request is signed directly before the Issuer; it must be supplemented with the identification data of the Authorized Person and all necessary requirements pursuant to Article 8.4 of these Terms and Conditions of the Bonds and supported by documents necessary for the performance according to the selected form.

9.2.2 Fee for a Request for Repurchase of Bonds

In order to submit a Repurchase Request, the Bondholder is obligated to pay to the specified account of the Issuer a request processing fee of 5.0% of the total value of the Bonds that are the subject of the Bondholder’s request for payment. The Bondholder shall pay the full amount of the fee to the Issuer’s account within 10 days from delivery of the Repurchase Request to the Issuer, on the basis of a document issued by the Issuer. The period for repurchase of the Bonds shall begin to run from the date of delivery of the Repurchase Request to the Issuer and payment of the fee to the Issuer’s account. If the full amount of the request processing fee is not paid no later than 30 days from delivery of the issued payment document, the request shall automatically lapse and the Issuer shall not be obligated to further accept such request. The Issuer shall inform the Bondholder of the lapse of the request by electronic means.

9.2.3 Maturity

If the Issuer accepts the Repurchase Request by written or electronic notice, the Bondholder shall become entitled to repurchase of the Bonds by the Issuer after the expiration of a six-month period, which begins to run on the first day of the month following the date of delivery of the Repurchase Request to the Issuer in written form with the officially certified signature of the Bondholder, by registered mail or in person to the address of the Designated Office.

9.2.4 Purchase Price

The purchase price of the Bonds repurchased by the Issuer on the basis of a duly submitted and accepted Repurchase Request shall correspond to the Principal Amount of the Bonds being repurchased and the entitlement to all Interest accrued as of the repurchase date and not yet paid relating to such Bonds, all in accordance with these Terms and Conditions of the Bonds.

The Issuer reserves the right to pay the Purchase Price and Interest in the form of a transfer of ordinary shares of the Issuer instead of performance in monetary form, whereby the conversion shall be made as follows:

- the nominal value of each Bond is 1,000 USD;
- the conversion of the amount in USD into Czech crowns shall be made according to the foreign exchange market rate announced by the Czech National Bank as of the date of transfer (Decisive Rate);
- the resulting amount in CZK shall be rounded down to whole thousands of Czech crowns;

ordinary shares of the Issuer with a nominal value of CZK 1,000 per share shall be transferred for the value so converted.

Residual amounts below the threshold of CZK 1,000 arising from rounding shall not be paid or otherwise compensated and the entitlement to them shall cease.

10. LIMITATION PERIOD

The rights attached to the Bonds shall become time-barred upon the expiration of 3 (three) years from the date on which they could have been exercised for the first time.

11. ADMINISTRATOR

11.1 ADMINISTRATOR AND DESIGNATED OFFICE

The Administrator of the Issue is the Issuer.

The Designated Office is at the address specified in Article 1 of these Terms and Conditions of the Bonds.

11.2 ADDITIONAL AND DIFFERENT ADMINISTRATOR AND OTHER DESIGNATED OFFICE

The Issuer reserves the right at any time to appoint an Administrator and designate another or additional Designated Office, or to appoint additional payment agents.

Notice of the appointment of an Administrator or Designated Office or of the appointment of additional payment agents shall be made available by the Issuer to the Bondholders in the same manner in which these Terms and Conditions of the Bonds were made available.

11.3 RELATIONSHIP OF THE ADMINISTRATOR TO THE BONDHOLDERS

When performing activities under any administration agreement entered into, the Administrator acts as the representative of the Issuer. The Administrator does not guarantee or otherwise secure the obligations of the Issuer arising from the Bonds. When performing activities under the administration agreement, the Administrator is not in any legal relationship with the Bondholders or Authorized Persons, unless otherwise provided in the agreement with the Administrator or by law. This is without prejudice to the legal relationships of the Administrator with the Bondholders or Authorized Persons under contracts other than the administration agreement.

12. MEETING OF BONDHOLDERS, AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

12.1 POWERS AND CONVENING OF THE MEETING OF BONDHOLDERS

12.1.1 Right to Convene a Meeting of Bondholders

The Issuer or a Bondholder may convene a meeting of Bondholders (the “Meeting”) if necessary to decide on the common interests of the Bondholders, in accordance with the Terms and Conditions of the Bonds.

The costs of organizing and convening the Meeting shall be borne by the convener, unless legal regulations provide otherwise.

If the convener is a Bondholder, the convener is obligated, with the necessary advance notice, but no later than 30 calendar days before the intended holding of the Meeting, to deliver to the Issuer by registered mail to the address of the Designated Office a notice of the holding of the Meeting so that it can be published without undue delay (see Article 12.1.3, taking into account the method of publication pursuant to Article 13). For the avoidance of doubt, in such case the Issuer shall not be obligated to examine in any way the requirements of such notice and shall not be liable in any way for the content of such notice. The convener is also obligated to deliver to the Issuer, by notice addressed to the address of the Designated Office, a request for procuring proof of the number of all Bonds entitling participation in the Meeting convened by it, i.e., a complete copy of the List of Bondholders. Simultaneously with the notice convening the Meeting, the Bondholder is obligated to send the agenda of the Meeting, including the proposed amendments and requests. The Issuer is obligated to provide reasonable cooperation to the convener, the Bondholder, for the due convening of the Meeting, at least to the extent of publishing information on the convening of the Meeting on its websites specified in Article 1 of these Terms and Conditions of the Bonds and providing a copy of the List of Bondholders.

12.1.2 Meeting Convened by the Issuer

The Issuer is obligated to convene the Meeting without delay in the cases specified below in this Article 12.1.2 and in other cases provided by applicable legal regulations (the “Material Changes”):

(a) a proposal to amend the Terms and Conditions of the Bonds, or amendments thereto, if the consent of the Meeting to the amendment of the Terms and Conditions of the Bonds is required by legal regulations;

(b) a proposal for transformation of the Issuer;

(c) a proposal to enter into a control agreement or profit transfer agreement, regardless of which contracting party the Issuer is;

(d) a proposal to enter into an agreement on the basis of which an enterprise or part thereof is disposed of, regardless of which contracting party the Issuer is, provided that due and timely redemption of the Bonds or payment of Interest on the Bonds may be jeopardized;

(e) if the Issuer is in default in satisfying the rights attached to the Bonds for more than 30 calendar days from the date on which the right could have been exercised.

12.1.3 Notice Convening the Meeting

The convener is obligated to announce the notice convening the Meeting in the manner specified in Article 13 of these Terms and Conditions of the Bonds no later than 30 calendar days before the date of the Meeting.

If the convener is a Bondholder, the convener is obligated to deliver the notice convening the Meeting pursuant to Article 12.1.1 of these Terms and Conditions of the Bonds to the Issuer within the same time limit.

If the convener is the Issuer, it is obligated to announce the convening of the Meeting on the websites specified in Article 1 of these Terms and Conditions of the Bonds no later than 15 calendar days before the date of the Meeting. The notice convening the Meeting must contain at least (a) the business name, IČO and registered office of the Issuer, (b) identification of the Bonds at least to the extent of the name of the Bond and Issue Date, (c) the place, date and time of the Meeting, whereby the place, date and time of the Meeting must be determined so as to limit as little as possible the ability of the Bondholders to attend the Meeting; the place of the Meeting may only be the city of Prague, the date of the Meeting must fall on a Business Day, and the time of the Meeting must fall between 9 a.m. and 5 p.m., (d) the agenda of the Meeting and, if an amendment within the meaning of Article 12.1.2 of these Terms and Conditions of the Bonds is proposed, also the proposal for such amendment and its justification, and (e) the day that is the Record Date for participation in the Meeting.

The Meeting is entitled to decide only on draft resolutions specified in the notice convening it. Decision-making on draft resolutions that were not included on the agenda of the Meeting in the notice convening it is permissible only if all Bondholders who are entitled to vote at such Meeting are present at the Meeting.

If the reason for convening the Meeting ceases to exist, the Meeting shall be cancelled in the same manner in which it was convened, no later than 7 calendar days before the date of its holding.

12.2 PERSONS ENTITLED TO ATTEND AND VOTE AT THE MEETING, ATTENDANCE OF OTHER PERSONS

12.2.1 Persons Entitled to Attend and Vote at the Meeting, Record Date for Participation in the Meeting

Only the following are entitled to attend and vote at the Meeting:

(a) a Bondholder who is recorded as a Bondholder in the List of Bondholders at the end of the day that is 7 calendar days prior to the date of the relevant Meeting (the “Record Date for Participation in the Meeting”); or (b) a person who proves to be the proxy of a Bondholder under letter (a) for the purposes of such Meeting. Transfers of Bonds made after the Record Date for Participation in the Meeting shall be disregarded.

12.2.2 Voting Rights

Each Bondholder has such number of votes as corresponds to the ratio between the Principal Amount of the Bonds owned by such Bondholder and the aggregate Principal Amount of all issued and outstanding or uncancelled Bonds as of the Record Date for Participation in the Meeting.

Bonds owned by the Issuer as of the Record Date for Participation in the Meeting that have not been cancelled by decision of the Issuer within the meaning of Article 7.3 of these Terms and Conditions of the Bonds shall be disregarded for the purposes of the Meeting.

If the Meeting decides on removal of the Joint Representative (as defined below) pursuant to Article 12.3.3 of these Terms and Conditions of the Bonds, the Joint Representative may not exercise voting rights with the Bonds that it owns, and its votes shall not be counted in the total number of votes for the purposes of the quorum of the Meeting.

12.2.3 Attendance of Other Persons at the Meeting

The Issuer is required to attend the Meeting, and representatives of the Administrator, if appointed, the Joint Representative (as defined below), unless otherwise a person entitled to attend the Meeting, and guests invited by the Issuer are also entitled to attend the Meeting. Persons ensuring the conduct of the Meeting, such as the chairperson of the Meeting, minutes clerk and notary, shall also attend the Meeting.

12.2.4 Attendance at the Meeting Using Remote Communication Means

In the notice convening the Meeting, the Issuer may set organizational and technical conditions under which Bondholders may attend the Meeting using electronic means enabling direct remote transmission of the Meeting by image and sound and/or direct two-way communication between the Meeting and the Bondholder or direct written expression by the Bondholder on proposed resolutions of the Meeting through e-mail communication to the Issuer’s e-mail address specified in the Subscription Agreement for the Bonds, in advance of the date of the Meeting. In the case of e-mail communication, the Bondholder is verified through the use of the e-mail address specified in the Subscription Agreement or notified to the Issuer for registration in the List of Bondholders. A Bondholder who exercises the right under the conditions so set shall be deemed present at the Meeting with all rights arising therefrom.

12.3 CONDUCT OF THE MEETING, DECISION-MAKING OF THE MEETING

12.3.1 Quorum

The Meeting has a quorum if attended by Bondholders entitled to vote in accordance with Article 12.2 of these Terms and Conditions of the Bonds whose Principal Amount represents more than 30% of the aggregate Principal Amount of the issued and outstanding or uncancelled Bonds. Before the opening of the Meeting, the convener shall provide information on the number of all Bonds whose holders are entitled to attend and vote at the Meeting.

12.3.2 Chairperson of the Meeting

A Meeting convened by the Issuer shall be chaired by a chairperson appointed by the Issuer. A Meeting convened by a Bondholder shall be chaired by a chairperson elected by a simple majority of the Bondholders present with whom the right to vote at the relevant Meeting is associated, whereby until the election of the chairperson the Meeting shall be chaired by a person designated by the convener.

12.3.3 Joint Representative

The Meeting may, by resolution, elect an individual or legal entity as joint representative and authorize such person to perform activities pursuant to the Bonds Act (the “Joint Representative”).

The Meeting may remove the Joint Representative in the same manner in which the Joint Representative was elected, or elect another Joint Representative, whereby the election of a new Joint Representative shall have the effect of removal of the existing Joint Representative, unless the existing Joint Representative was removed by a separate resolution of the Meeting.

The resolution of the Meeting shall specify the extent to which the Joint Representative is authorized to perform acts on behalf of the Bondholders.

12.3.4 Decision-Making of the Meeting

The Meeting decides on submitted matters in the form of resolutions.

Adoption of a resolution by which (a) a proposal under Article 12.1.2 of these Terms and Conditions of the Bonds is approved or (b) the Joint Representative is appointed or removed requires the consent of at least three quarters of the votes of the Bondholders present with whom voting rights are associated in accordance with Article 12.2 of these Terms and Conditions of the Bonds.

Other resolutions are adopted if they receive a simple majority of the votes of the Bondholders present with whom voting rights are associated in accordance with Article 12.2 of these Terms and Conditions of the Bonds.

12.3.5 Adjournment of the Meeting and Substitute Meeting

If within one hour from the scheduled start of the Meeting the Meeting does not have a quorum, such Meeting shall be dissolved without further action. This is without prejudice to the right of the Issuer or the Bondholders to convene a new Meeting in accordance with these Terms and Conditions of the Bonds.

If the Meeting was convened for the purpose of deciding on an amendment to the Terms and Conditions of the Bonds and if within one hour from the scheduled start of the Meeting the Meeting does not have a quorum, such Meeting shall be dissolved without further action. If still necessary, the convener shall convene a substitute Meeting so that it is held within 6 weeks from the date for which the original Meeting was convened. The holding of a substitute Meeting with an unchanged agenda shall be announced to the Bondholders no later than 15 days from the date for which the original Meeting was convened.

The substitute Meeting is capable of adopting resolutions regardless of the conditions specified in Article 12.3 of these Terms and Conditions of the Bonds.

12.4 CERTAIN OTHER RIGHTS OF BONDHOLDERS

12.4.1 Amendments to the Terms and Conditions of the Bonds

For the avoidance of doubt, the consent of the Meeting of Bondholders is not required (a) for an amendment to the Terms and Conditions of the Bonds directly caused by a change in legal regulation, (b) for an amendment to the Terms and Conditions of the Bonds that does not concern the position or interests of the Bondholders, or (c) if none of the issued Bonds is owned by a person other than the Issuer.

Without undue delay after any amendment to the Terms and Conditions of the Bonds, the Issuer shall make available to investors, in the manner in which the Terms and Conditions of the Bonds were made available, such amendment to the Terms and Conditions of the Bonds and the full text of the Terms and Conditions of the Bonds after the amendment made.

An investor who, before the amendment to the Terms and Conditions of the Bonds for which the prior consent of the Meeting of Bondholders is required is made available, agreed to purchase or subscribe for a Bond and has not yet acquired ownership of such Bond, is entitled to withdraw from the purchase or subscription within 5 business days after the amendment to the Terms and Conditions of the Bonds is made available.

12.4.2 Consequence of Voting Against Certain Resolutions of the Meeting

If the Meeting has consented to Material Changes, then a person who was entitled as a Bondholder to attend and vote at the Meeting pursuant to Article 12.2 of these Terms and Conditions of the Bonds and who, according to the minutes of such Meeting, voted at the Meeting against the proposed resolution of the Meeting or did not attend the relevant Meeting (the “Applicant”) may, within 30 days from publication of the resolution of the relevant Meeting, demand payment of the Principal Amount of the Bonds of which the Applicant was the owner as of the Record Date for Participation in the Meeting and which the Applicant has not disposed of since such moment, as well as the proportional Interest on such Bonds accrued in accordance with these Terms and Conditions of the Bonds and not yet paid.

The Applicant must exercise this right by written notice (the “Request”) addressed to the Issuer at the address of the Designated Office.

The above amounts become payable 30 days after the day on which the Request was delivered to the Issuer (such date, in addition to other dates so designated in these Terms and Conditions of the Bonds, also an “Early Maturity Date of the Bonds”).

The provisions of Article 8 of these Terms and Conditions of the Bonds shall otherwise apply mutatis mutandis to early redemption of the Bonds pursuant to Article 12.4.2.

12.4.3 Resolution on Early Maturity of the Bonds at the Request of Bondholders

If any of the matters specified in Article 12.1.2(b) to (e) of these Terms and Conditions of the Bonds is on the agenda of the Meeting and the Meeting does not consent to such Material Changes, the Meeting may, even beyond the agenda, decide that if the Issuer proceeds contrary to the resolution of the Meeting, the Issuer is obligated to redeem early the Principal Amount and a proportional part of the Interest to those Bondholders who request it (Applicant). The Applicant shall exercise this right by written notice (Request) addressed to the Issuer and delivered to the address of the Designated Office.

The above amounts become payable 30 days after the day on which the Request was delivered to the Issuer (such date, in addition to other dates so designated in these Terms and Conditions of the Bonds, also an “Early Maturity Date of the Bonds”).

The provisions of Article 8 of these Terms and Conditions of the Bonds shall otherwise apply mutatis mutandis to early redemption of the Bonds pursuant to Article 12.4.3.

12.4.4 Requirements of the Request

The Request must state the number of Bonds whose redemption the Applicant requests in accordance with this Article. The Request must be in writing, signed by persons authorized to act on behalf of the Applicant, and their signatures must be officially certified.

Within the same time limit, the Applicant must also deliver to the Designated Office all documents required for making the payment pursuant to Article 8 of these Terms and Conditions of the Bonds.

12.4.5 Minutes of the Meeting

The convener, by itself or through a person authorized by it, shall prepare minutes of the Meeting within 30 days from the date of the Meeting, stating the conclusions of the Meeting, in particular the resolutions adopted by such Meeting.

If the convener of the Meeting is a Bondholder, the minutes of the Meeting must also be delivered to the Issuer at the address of the Designated Office no later than within 30 days from the date of the Meeting.

All decisions of the Meeting that must be published must be delivered with the necessary advance notice determined by the Issuer so that the time limit set by legal regulations and these Terms and Conditions of the Bonds for their publication can be observed.

The Issuer is obligated to keep the minutes of the Meeting until the expiration of the limitation period for rights under the Bonds. The minutes of the Meeting are available for inspection by the Bondholders during normal business hours at the Designated Office.

The Issuer is obligated to publish all decisions of the Meeting within 30 days from the date of the Meeting, in the manner set forth in Article 13 of these Terms and Conditions of the Bonds.

If the Meeting discussed a resolution on a Material Change, a notarial deed must be prepared on attendance at the Meeting and on the decision of the Meeting. If the Meeting adopted such resolution, the notarial deed must state the names of those persons entitled to attend the Meeting who validly voted for the adoption of such resolution and the numbers of Bonds owned by such persons as of the Record Date for Participation in the Meeting.

13. NOTICES

Information relating to the exercise of rights of Bondholders, notice of the holding of the Meeting and any other notice to Bondholders shall be valid and effective if prepared in the Czech and English languages and posted on the websites specified in Article 1 of these Terms and Conditions of the Bonds. If mandatory provisions of relevant legal regulations or these Terms and Conditions of the Bonds prescribe another method for making available or publishing any notice under these Terms and Conditions of the Bonds, such notice shall be deemed validly made available or published by its being made available or published as prescribed by the relevant legal regulation. If any notice is made available or published in more than one manner, the date of such notice shall be deemed to be the date of its first making available or publication.

Pursuant to the Bonds Act, these Terms and Conditions of the Bonds were made available free of charge to acquirers of the Bonds on the websites specified in Article 1 of these Terms and Conditions of the Bonds and at the registered office of the Issuer on an information medium that allows investors to reproduce the Terms and Conditions of the Bonds in unchanged form and to retain the Terms and Conditions of the Bonds so that they may be used at least until the maturity date of the Bonds.

14. RISKS ASSOCIATED WITH AN INVESTMENT IN THE BONDS

14.1 RISKS ASSOCIATED WITH THE BONDS

The Bonds do not constitute insured receivables

No statutory or other insurance applies to the receivables of Bondholders in the event of the Issuer’s inability to meet its obligations under the issued Bonds. In this respect, receivables under the Bonds differ, for example, from receivables from deposits with banks or from receivables arising from the inability of a securities dealer to meet its obligations consisting in the delivery of customers’ assets.

Interest rate risk

A Bondholder is exposed to the risk of a decrease in the price of the Bond as a result of a change in market interest rates. Bond prices and the level of market interest rates move inversely. The holder of a bond with a fixed interest rate may therefore be affected by the risk of a decrease in the price of such bond if market interest rates increase.

Liquidity risk of the Bonds

The liquidity risk of the issued Bonds is low. The Bonds may be sold on the secondary market if the Bondholder finds a person interested in purchasing the Bonds. The Bondholder also has the possibility, under the conditions set forth in Article 9.2.1, to request the Issuer to repurchase all or part of the Bonds owned by the Bondholder. However, the Issuer is not obligated to comply with the Repurchase Request.

Early redemption risk

The Issuer is entitled to redeem the Issue of Bonds early on the basis of its own decision. A Bondholder of such Issue is exposed to the risk of lower than expected Interest due to early redemption.

14.2 RISKS ASSOCIATED WITH THE ISSUER

Credit risk of the Issuer

As a result of an unfavorable market environment, an incorrect decision by its management or other external or internal factors, the Issuer may become unable to meet its due obligations, including obligations under the issued Bonds. The Issuer applies management and control mechanisms aimed at reducing this risk.

Risk of loss of key persons

The activities of the Issuer’s key persons are decisive for the overall management of the Issuer and its ability to implement and carry out its business strategy. The Issuer believes that it is able to retain and motivate these persons; nevertheless, it cannot guarantee this fact. The possible loss of these persons could negatively affect the Issuer’s business, results of operations and financial situation.

Regional risk, political risk

Regional (country) risk consists of an additional negative effect on investments, interest rates or exchange rates compared to the rest of the world. It is usually associated with a change in the development of the economy as a result of the monetary policy of the central bank, the fiscal policy of the government or external influences. The second cause of increased risk in the region (country) is international political risk. The international policy of leaders (the government) may cause negative development of real estate prices, interest rates and exchange rates.

Force majeure risk

A force majeure event may occur that is beyond the Issuer’s control, e.g., wars, rebellions, natural disasters, nationalization of the Issuer’s assets, unlawful intervention by state authorities (e.g., by ordering action, refraining from action, prohibition of activity), unlawful imposition of fines and sanctions by state authorities, unlawful freezing of accounts, unlawful seizure of assets, etc., which will have a negative impact on the Issuer’s results of operations.

Competition risk

The Issuer participates in economic competition in a competitive industry. For this reason, it must respond flexibly to the changing market situation and the behavior of competition. In conditions of strong competition, it may happen that it will not be able to respond appropriately to the competitive environment, which could lead to a deterioration of the Issuer’s economic situation.

When purchasing the Bonds, the investor should consider all the risks stated above.

15. TAXATION OF THE BONDS IN THE CZECH REPUBLIC APPLICABLE AS OF THE ISSUE DATE

The tax laws of the Bondholder’s Member State and the tax laws of the country of the Issuer’s registered office may have an impact on income derived from the securities.

The following text is only a summary of certain tax aspects relating to the acquisition, ownership and disposition of the Bonds and does not seek to be a comprehensive summary of all tax-relevant aspects that may be significant for a decision to purchase the Bonds. This summary is based on legal regulations effective as of the Issue Date and may be subject to subsequent change, including with possible retroactive effects. The Issuer recommends that prospective acquirers of the Bonds consult their legal and tax advisors regarding the tax consequences of purchasing, selling and holding the Bonds and receiving payments of interest on the Bonds under the tax and foreign exchange regulations applicable in the Czech Republic and in the countries in which they are resident, as well as in the countries in which Interest from holding and selling the Bonds may be taxed.

Principal

Repayment of the Principal Amount of the Bonds shall be made without withholding of tax or fees of any kind, unless such withholding of taxes or fees is required by the relevant legal regulations of the Czech Republic effective as of the date of such payment. If any such withholding of taxes or fees is required by the relevant legal regulations of the Czech Republic effective as of the date of such payment, the Issuer shall not be obligated to pay the Bondholders any additional amounts as compensation for such withholding of taxes or fees.

Interest

Interest paid to an individual who is a Czech tax resident is subject to tax at the rate of 15%.

Interest paid to an individual who is a Czech tax resident or carries on business in the Czech Republic through a permanent establishment and who acquired the Bond in the course of business in the Czech Republic is subject to personal income tax at the rate of 15%. If the tax base exceeds 48 times the average wage, tax at the rate of 23% applies to the part of the tax base exceeding 48 times the average wage.

Interest paid to a legal entity that is a Czech tax resident, or is not a Czech tax resident and at the same time carries on business in the Czech Republic through a permanent establishment, forms part of the general tax base and is subject to corporate income tax at the rate of 19%.

Gains/losses from sale

Gains from the sale of the Bonds realized by an individual who is a Czech tax resident, or who is not a Czech tax resident but carries on business in the Czech Republic through a permanent establishment, or who is not a Czech tax resident and whose income from the sale of the Bonds is derived from a purchaser who is a Czech tax resident, or from the Czech permanent establishment of a purchaser who is not a Czech tax resident, are included in the general personal income tax base and are subject to tax at the rate of 15%. If the tax base of an individual entrepreneur who acquired the Bond in the course of business exceeds 48 times the average wage, tax at the rate of 23% applies to the part of the tax base exceeding 48 times the average wage.

Losses from the sale of the Bonds are generally non-deductible for non-entrepreneur individuals (the person does not include the Bond in business assets), unless taxable gains from the sale of other securities are also reported in the same tax period; in such case, losses from the sale of the Bonds may be considered tax-deductible up to the amount of gains from the sale of other securities (i.e., an individual non-entrepreneur cannot report an overall loss from the sale of securities in the given year).

Gains from the sale of the Bonds realized by a legal entity that is a Czech tax resident, or that is not a Czech tax resident and at the same time carries on business in the Czech Republic through a permanent establishment, or that is not a Czech tax resident and whose income from the sale of the Bonds is derived from a purchaser who is a Czech tax resident, or from the Czech permanent establishment of a purchaser who is not a Czech tax resident, are included in the general corporate income tax base and are subject to tax at the rate of 19%. Losses from the sale of the Bonds are generally tax-deductible for this category of persons.

Income from the sale of the Bonds by individuals who do not include the Bond in business assets may, under certain conditions, be exempt from income tax if a period of at least 3 years elapses between the acquisition and sale of the Bonds. Income from the sale of the Bonds by individuals who do not include the Bond in business assets may also be exempt from tax if the income from the sale of securities and income from units attributable to a unit certificate upon dissolution of a mutual fund in aggregate do not exceed CZK 100,000 for the taxpayer in the tax period.

In the case of the sale of the Bonds by an owner who is not a Czech tax resident and at the same time is not a tax resident of a Member State of the European Union or the European Economic Area to a purchaser who is a Czech tax resident, or to a person who is not a Czech tax resident and at the same time carries on business in the Czech Republic through a permanent establishment and purchases the Bonds into the assets of such permanent establishment, the purchaser is generally obligated, when paying the purchase price of the Bonds, to withhold income tax security at the rate of 1% of such income. The tax administrator may, but is not required to, consider the tax obligation of the taxpayer (the selling tax non-resident) to have been fulfilled by the withholding pursuant to the preceding sentence; however, the obligation to file a tax return pursuant to the following sentence shall not cease. In this case, the seller is generally obligated to file a tax return in the Czech Republic, or the tax administrator may assess the tax until the end of the period for tax assessment. The withheld tax security is credited against the total tax liability of the tax non-resident. The amount of tax security is rounded up to whole CZK.

16. GOVERNING LAW AND LANGUAGE

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

The Terms and Conditions of the Bonds may be translated into other languages. In such case, if there is any conflict between different language versions, the Czech version shall prevail.

This full text reflects the Terms and Conditions of the Bonds after the amendments approved by the Meeting of Bondholders on May 27, 2025. The approved amendments became effective on May 27, 2025.

Full text prepared on May 27, 2025

Sosna Royal Invest a.s.

Lenka Macurová

Chairwoman of the Board of Directors