

## TERMS AND CONDITIONS OF THE NOTES

### 1 FORM, DENOMINATION AND TITLE; CURRENCY OF PAYMENT

Up to € 50,000,000.00 1.20 per cent. Notes due 2024 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 and forming a single series therewith) of Petrol, Slovenska energetska družba, d.d., Ljubljana ("the **Issuer**") are in uncertified and dematerialised registered form in the denomination of €1,000.00.

The Notes are issued in accordance with the provisions of the Dematerialised Securities Act (*Zakon o nematerializiranih vrednostnih papirjih* (ZNVP-1)) as entries in the central register (the "**Central Register**") maintained by KDD d.d., Tivolska cesta 48, SI-1000 Ljubljana, Slovenia ("**KDD**"). No global or definitive Notes or interest coupons will be issued in respect of the Notes in any circumstances.

The Notes are transferable in accordance with the provisions of the ZNVP, other applicable Slovenian legislation and the rules and regulations applicable to, and/or issued by, KDD. Title to the Notes will pass by registration in the Central Register.

Each person to whose account a Note is credited in the Central Register will be considered as the legal holder of such a Note (each such person a "**Noteholder**"). Any certificate or other document issued by KDD as to the number of Notes standing to the account of any person shall be conclusive and binding for all purposes.

No person other than the Issuer and the respective Noteholder shall have any right to enforce any term or condition of any Note. Notwithstanding the aforesaid, the right to receive payments in respect of a Note may be enforced by the Beneficiary (as defined in Condition 5.1) of such payments or by an Accountholder (as defined in Condition 5.3).

"€" or "**euro**" means currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

### 2. STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will at all times rank pari passu and without any preference among themselves and at least equally with all the other present and future unsecured and unsubordinated indebtedness of the Issuer.

### 3. INTEREST

The Notes bear interest from 21 June 2017 (the "**Issue Date**") at the Interest Rate, payable in arrear on 21 June in each year commencing 21 June 2018 (each, an "**Interest Payment Date**"), subject as provided in Condition 5.

Each Note will cease to bear interest from the due date for final redemption. If

payment of principal is improperly withheld or refused, the Beneficiary of such payment will be entitled to receive interest at the rate specified above (after as well as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Beneficiary (as defined in Condition 5.1) or (b) the day which is five Business Days after the Issuer has notified the Beneficiaries that all sums due in respect of such principal and interest will be paid subject only to the receipt by the Issuer of a notice specifying the missing details (if any) in accordance with Condition 5.2 (except to the extent that there is any subsequent default in payment).

The amount of interest due in respect of any Notes will be calculated by reference to the aggregate principal amount of Notes held by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01.

Where interest is to be calculated in respect of a period which is shorter than an Interest Period, it will be calculated on the basis of the number of days in the relevant period, from and including the first day of such period to but excluding the last day of such period, divided by the number of days in the Interest Period in which such period falls.

As used herein:

- (i) "**Business Day**" means any day which is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007 is operating;
- (ii) "**Interest Rate**" means 1.20 per cent per annum; and
- (ii) "**Interest Period**" means the period from and including the Issue Date to but excluding the first Interest Payment Date and each period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

#### **4. REDEMPTION AND PURCHASE**

##### **4.1 Principal amount of the Notes**

The principal of a Note at any given time is equal to the nominal amount of such Note.

##### **4.2 Scheduled redemption**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 21 June 2024, subject as provided in Condition 5.

##### **4.3 Redemption for taxation reasons**

If:

- (a) as a result of any change in, or amendment to, the laws or regulations or any

change in the application or official interpretation of such laws or regulations which becomes effective after the Issue Date, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 6; and

- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption. The notice of redemption pursuant to this Condition 4.3 shall contain a certificate of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and shall be accompanied by an opinion of independent legal adviser of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

#### 4.4 Redemption at the option of the Noteholders

If at any time while any Notes remain outstanding there occurs a Change of Control (as defined below) together with a Negative Rating Event (as defined below), a "**Put Event**" will be deemed to occur.

For the purposes of this Condition:

- (a) A "**Change of Control**" shall be deemed to have occurred if any person or group of persons ("**Relevant Person(s)**") acting together pursuant to an agreement or understanding (whether formal or informal) gains Control of the Issuer, provided that a Change of Control shall not (i) include Control exercisable by the Republic of Slovenia, or by any entity or entities (together or individually) Controlled by the Republic of Slovenia from time to time; or (ii) be deemed to have occurred if the shareholders of the Relevant Person(s) are the same persons who constitute all of the shareholders of the Issuer.
- (b) "**Change of Control Period**" means the period commencing on the Relevant Announcement Date (as defined below) and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).
- (c) "**Control**" of an entity means (i) holding a majority of the voting rights or issued equity share capital (or equivalent) of such entity or (ii) having the

right to appoint or remove a majority of the board of directors (or equivalent) of such entity or (iii) controlling a majority of the voting rights of such entity.

(d) A "**Failure to Obtain Rating Event**" shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period.

– (e) A "**Negative Rating Event**" shall be deemed to have occurred, if:

(i) on the Relevant Announcement Date the Notes carry an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better), from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or

(ii) on the Relevant Announcement Date the Notes carry a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or by its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (being from Ba1 to Ba2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or

(iii) on the Relevant Announcement Date the Notes carry no credit rating and a Failure to Obtain Rating Event also occurs within the Change of Control Period,

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then only sub paragraph (i) will apply; and

in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (i) and (ii) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Failure to Obtain Rating Event above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

- (f) "**Rating Agency**" means Moody's Investors Service, Inc. ("**Moody's**"), Fitch Ratings Ltd. ("**Fitch**") or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("**S&P**") or any of their respective successors or any rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time.
- (g) "**Relevant Announcement Date**" means the date that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any).
- (h) "**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

If a Put Event occurs, each Noteholder will have the option (a "**Put Option**") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 4.3 above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the date falling 30 days after a Put Event Notice is given (the "**Put Date**") at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to (but excluding) the Put Date.

Promptly upon (and in any event within 14 days after) the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the Put Option.

If 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 4.4, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 45 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

#### 4.5 Purchase and cancellation

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Any Notes so purchased may be cancelled or held and resold.

### 5. PAYMENTS

#### 5.1 Principal and interest

Payments of principal and interest will be made in accordance with the laws and regulations and the rules of KDD in force at the time of such payment. Each payment so made will discharge the Issuer's obligation in respect thereof.

In this Condition 5:

- (a) "**Beneficiary**" means, in relation to any amount payable in respect of a Note, the person which is, according to the entries in the Central Register at the Relevant Time (as defined below), entitled to receive such amount;
- (b) "**Relevant Time**" means, in relation to any amount payable in respect of a Note, the end of the last KDD Business Day (as defined below) prior to the due date for such amount; and
- (c) "**KDD Business Day**" means any day which is a day on which KDD is open for business.

## 5.2 Information required for effecting payment

If an amount of principal or interest under the Notes cannot be paid to a Beneficiary due to the fact that such Beneficiary has failed to provide the information required for effecting the payment of such amount, such Beneficiary can notify the required information to the Issuer in the manner as may from time to time be specified in a notice given by or on behalf of the Issuer in accordance with Condition 14.

If a Beneficiary of any amount payable in respect of a Note fails to notify the required information in accordance with the foregoing before the third KDD Business Day prior to the due date for payment of such amount, such Beneficiary shall not be entitled to payment of the amount due until the fifth business day after the required information has been properly provided in accordance with the foregoing, and the relevant Beneficiary shall not be entitled to any interest or other payment in respect of any such delay.

## 5.3 Assignment of Clearing Systems' rights

In the case of an Event of Default described in Condition 8.1, any right to receive payment in respect of a Note held at the Relevant Time by Clearstream Banking, société anonyme or Euroclear Bank SA/NV (each a "**Clearing System**", and together the "**Clearing Systems**") or by any other person on behalf of a Clearing System (each such person a "**Fiduciary**") shall be deemed assigned on the due date for such payment to the person recorded in the records of the relevant Clearing System as the holder of such Note at the Relevant Time (the "**Accountholder**") (in which regard a statement of accounts issued by the relevant Clearing System and, where applicable, its Fiduciary as to the nominal amount of Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding evidence of a right to receive such payment) and such Accountholder shall be entitled to enforce the obligation of the Issuer to make such payment (including any further interest due in accordance with Condition 3 to the euro account of the Beneficiary of such payment (being the relevant Clearing System or, where applicable, its Fiduciary).

## 5.4 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal

or other laws and regulations, but without prejudice to the provisions of Condition 6 The Issuer shall bear all commissions or expenses shall charged by its payment services provider in respect of such payments.

#### 5.5 Payments on Business Days

If the due date for payment of any amount in respect of any Note is not a Business Day, the Beneficiary shall not be entitled to payment of the amount due until the next succeeding Business Day and shall not be entitled to any interest or other payment in respect of any such delay.

#### 5.6 Paying agent

The Issuer reserves the right at any time to appoint or terminate the appointment of a paying agent who acts solely as an agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Beneficiaries.

### 6. TAXATION

All payments of principal and interest in respect of the Notes by the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Slovenia or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal an interest on the Notes (a "**Tax**"), unless such withholding or deduction is required by law.

In that event, the Issuer shall pay to each Beneficiary such additional amounts as will result in the receipt by the Beneficiary of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- (a) in respect of any amount payable in respect of a Note received by or on behalf of a person who is subject to such Tax in respect of such payment by reason of his being connected with the Republic of Slovenia (or any political subdivision thereof) otherwise than merely by holding such Note or receiving principal or interest in respect thereof; or
- (b) in respect of any amount payable in respect of a Note received by or on behalf of a person who would not be liable for or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the Issuer or relevant tax authority if, after having been requested to make such a declaration or claim, such person fails to do so; or
- (c) in respect of any amount payable in respect of a Note received more than 30 days after the Relevant Date (as defined below) except to the extent that the recipient thereof would have been entitled to such additional payment on the

last day of such 30 day period; or

- (d) if and to the extent that such withholding or deduction would have been required to be made pursuant to the laws applicable on the Issue Date.

In these Conditions, "Relevant Date" means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the payment in question is improperly withheld or refused, the day on which the Issuer has notified the relevant Beneficiary that the amount in question will be paid subject only to the receipt by the Issuer of a notice specifying the details of its euro account in accordance with Condition 5.2 (except to the extent that there is any subsequent default in payment).

– Any reference in these Conditions to principal or interest in respect of the Notes shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 6.

## 7. **NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding the Issuer will not, and will ensure that other member of the Group will not, create or have outstanding any Security upon any of its assets to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness (each as defined below), unless the Issuer, in the case of the creation of a Security, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes are secured by such Security equally and rateably with the Relevant Indebtedness; or
- (b) such Security is provided as is approved by an Extraordinary Resolution (as defined in Condition 10.1).

In these Conditions:

- (i) "**Guarantee**" means, in relation to any Relevant Indebtedness of any person, any obligation of another person to pay or redeem such Relevant Indebtedness including (without limitation):
- (1) any obligation to purchase such Relevant Indebtedness;
  - (2) any obligation to lend or deliver money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Relevant Indebtedness;
  - (3) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and
  - (4) any other agreement to be responsible for such Relevant Indebtedness;
- (ii) "**Relevant Indebtedness**" means any obligations having an original maturity



of more than one year arising out of financial instruments which are or are intended to be or are capable of being listed, quoted or dealt in or traded on any stock exchange or other organised market for securities (whether or not initially distributed by way of public offering);

- (iii) "**Subsidiary**" means, in relation to a person (Person A), each company which is (or would be, if Person A would be a company) considered, in accordance with the Slovenian Companies Act (Zakon o gospodarskih družbah, ZGD-1), to be a subsidiary ("odvisna družba") of either Person A or of another Subsidiary of Person A.;
- (iv) "**Group**" means the Issuer and its Subsidiaries from time to time;
- (v) "**Security**" means a mortgage, pledge, lien, assignment or other security interest over any asset securing any obligation of any person or any other agreement or arrangement having a similar effect (excluding, for the avoidance of doubt, Guarantees).

## **8. EVENTS OF DEFAULT**

### **8.1 Events of default**

At the request of its holder, each Note shall become immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (each an "**Event of Default**") occurs and is continuing:

- (a) the Issuer fails to pay any amount of principal or interest in respect of the Notes within 10 days of the due date for payment thereof; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by any Noteholder; or
- (c) any of the following events occurs in respect of indebtedness for borrowed money owed by the Issuer or any other member of the Group either as a principal debtor or as a guarantor or indemnitor which, individually or in aggregate, amounts to at least €50,000,000 (or its equivalent in any other currency):
  - (i) such indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of an event of default (however described); or
  - (ii) the Issuer or any other member of the Group fails to make any payment in respect of such indebtedness when due nor within any originally applicable grace period; or
  - (iii) any Security given by the Issuer or any other member of the Group for such indebtedness becomes enforceable; or

- (d) one or more final and binding judgment(s) or order(s) for the payment, individually or in aggregate, of any amount in excess of €50,000,000 (or its equivalent in another currency) is rendered against the Issuer or any other member of the Group and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment or is not contested in good faith by the Issuer or any such Subsidiary within a period of 30 days after the date(s) thereof with such contesting in good faith continuing thereafter; or
- (e) (1) the Issuer or a Material Subsidiary (as defined below) becomes insolvent or is unable to pay its debts as they fall due, (2) an administrator (upravitelj prisilne poravnave) or liquidator (stečajni upravitelj) of the Issuer or a Material Subsidiary or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or a Material Subsidiary is appointed (or application for any such appointment is made), (3) by reason of its financial difficulties the Issuer or a Material Subsidiary takes any action for a readjustment or deferment of any of its obligations owed to persons which are not members of the Group or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (4) the Issuer or a Material Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business; or
- (f) an order is made or an effective resolution is passed by any competent authority for the winding up, liquidation or dissolution of the Issuer or a Material Subsidiary save (1) for the purposes of reorganisation on terms approved by an Extraordinary Resolution (as defined in Condition 10.1), or (2) for the purposes of a reorganisation whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries ; or
- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e) to (h) above.
- (h) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes; or
- (i) if any action, condition or thing at any time required to be taken, fulfilled or done in order (1) to enable the Issuer lawfully to enter into and perform and comply with its obligations under and in respect of, the Notes, or (2) to ensure that those obligations are legal, valid, binding and enforceable is not taken, fulfilled or done.

## 8.2 Definition of Material Subsidiary

In these Conditions, "**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer whose total assets or EBITDA (excluding intra-Group items) then equals 10 per cent. or more of the Group Total Assets or EBITDA of the Group.

For this purpose:

- (a) the total assets or EBITDA of a Subsidiary of the Issuer will be determined from its latest annual financial statements (consolidated if it has Subsidiaries) upon which the Issuer's latest annual audited consolidated financial statements have been based;
- (b) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest annual audited consolidated financial statements of the Issuer have been prepared, the total assets or EBITDA of that Subsidiary will be determined from its latest annual audited financial statements;
- (c) the Group Total Assets or EBITDA of the Group will be determined from the Issuer's latest annual audited consolidated financial statements, adjusted (where appropriate) to reflect the total assets or EBITDA of any company or business subsequently acquired or disposed of; and
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; whether or not a Subsidiary is a Material Subsidiary in any subsequent Measurement Period after that disposal will be determined by reference to the subsequent annual financial statements of that Subsidiary and the Group.

However:

- (A) the first determination of whether a company which becomes a Subsidiary of the Issuer after the issue of the Notes is or is not a Material Subsidiary shall be made by reference to its latest annual audited financial statements and the latest annual audited consolidated financial statements of the Group (as adjusted pursuant to (iii) above) as applicable, in each case for the financial year prior to the financial year of the Issuer in which the date of that company's acquisition falls; and
- (B) if there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer provided by the Issuer to the Noteholders that in the auditors' opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

For the purposes of this definition, "**total assets**" of a company means total assets as they appear in the financial statements of that company (consolidated if prepared) less the aggregate of total intangible assets and total liabilities of that company (on a consolidated basis if applicable), calculated by reference to that company's audited financial statements (consolidated if prepared).

Where:

- (1) "**Group Total Assets**" means total assets as they appear in the consolidated financial statements of the Issuer less the aggregate of total intangible assets and total liabilities of the Issuer on a consolidated basis, calculated by reference to the most recent annual audited consolidated financial statements of the Issuer.
- (2) "**EBITDA**" means, in relation to any person and for any Measurement Period, operating profit plus cash dividends received from subsidiaries, associates and jointly controlled entities plus any depreciation and amortisation. For the purposes of the definition of Material Subsidiary, cash dividends received shall be calculated by reference to the relevant person's cashflow statement and each of operating profit, depreciation and amortisation shall be calculated by reference to the relevant person's consolidated (or, if that is not available, unconsolidated) income statement of profit and loss or profit and loss account, as applicable.
- (3) "**Measurement Period**" means a period of 12 months ending on the last day of a financial year of the Issuer.

## 9. PRESCRIPTION

Claims for principal shall become void unless claimed for payment within five years of the appropriate Relevant Date (as defined in Condition 6. Claims for interest shall become void unless claimed for payment within three years of the appropriate Relevant Date.

## 10. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

### 10.1 Definitions

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

- (a) "**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Condition 10.4;
- (b) "**Extraordinary Resolution**" means a resolution passed at a Meeting duly convened and held in accordance with this Condition 10 by a majority of at least:
  - (i) in the case of a Reserved Matter, 75 per cent. of the aggregate principal amount of the outstanding Notes; or
  - (ii) in the case of a matter other than a Reserved Matter, 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding Notes which are represented at that meeting;
- (c) "**Meeting**" means a meeting of Noteholders (whether originally convened or resumed following an adjournment);
- (d) a Note shall be considered to be "**outstanding**" unless one or more of the following events has occurred:

- (i) it has been redeemed in full or purchased under Condition 4, and if purchased under Condition 4, has been cancelled in accordance with Condition 4.5; or
  - (ii) for the purposes of Condition 10, it is being held by or on behalf of the Issuer or another member of the Group;
- (e) **"Initiator"** means the Issuer in the capacity of the person convening the Meeting;
- (f) **"Proxy"** means, in relation to any Meeting, a person appointed to vote on behalf of one or more Noteholders, other than:
- (i) any such person whose appointment has been revoked and in relation to whom the Issuer has been notified in writing of such revocation by the time which is at least 24 hours before the time fixed for such Meeting; and
  - (ii) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;
- (g) **"Reserved Matter"** means, subject as provided in the paragraph below (Matters requiring unanimity), any proposal of the Initiator:
- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
  - (ii) to change the currency in which any amount due in respect of the Notes is payable or the manner in which any payment is to be made;
  - (iii) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution, Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
  - (iv) to change this definition, the definition of "Extraordinary Resolution", the definition of "outstanding" or the definition of "Written Resolution";
  - (v) to change or waive the provisions of the Notes set out in Condition 2; or
  - (vi) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 8.1.

- (h) **"Matters requiring unanimity"**: means any proposal:
- (i) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes or the waiver of immunity by any of them, in respect of actions or proceedings brought by any Noteholder, in each case set out in Condition 15;
  - (ii) to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer (except in such case where an exchange of Notes is to occur solely as a result of the operation of Condition 12) or any other person, which would result in the Conditions as so modified being less favourable to the holders of Notes which are subject to the Conditions as so modified than:
    - (A) the provisions of the other obligations or securities of the the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
    - (B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series having the largest aggregate principal amount; or
  - (iii) to modify the provisions of this paragraph above (Matters requiring unanimity)
- which may only be given effect with the consent of the Issuer and the holders of all of the outstanding Notes;
- (i) **"Voter"** means, in relation to any Meeting, any person registered in the Central Register as the holder of any Note 48 hours before the time fixed for such Meeting or a Proxy appointed by such Noteholder;
  - (j) **"Written Resolution"** means a resolution in writing signed by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a Reserved Matter, or 66<sup>2</sup>/<sub>3</sub> per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter. Any Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders;
  - (k) **"24 hours"** means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the relevant Meeting is to be held (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and
  - (l) **"48 hours"** means 2 consecutive periods of 24 hours.

## 10.2 Convening of Meeting

The Issuer may convene a Meeting at any time and the Issuer shall be obliged to do so upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes.

## 10.3 Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders. The notice shall set out (i) the full text of any resolutions to be proposed, (ii) details of the manner in which Proxies may be appointed and the deadline for any such appointment, which shall be 24 hours before the time fixed for such Meeting and (iii) the name of the Chairman appointed by the Initiator.

## 10.4 Chairman

An individual (who may, but need not, be a Noteholder) appointed by the Initiator may take the chair at the respective Meeting. If the individual appointed is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Initiator may appoint a Chairman.

## 10.5 Quorum

The quorum at any Meeting convened to vote on an Extraordinary Resolution will be:

- (i) one or more persons present and holding or representing more than 50 per cent. of the aggregate principal amount of the outstanding Notes; or
- (ii) where a Meeting is adjourned and rescheduled owing to a lack of quorum, at any rescheduled Meeting, one or more persons present and holding or representing at least 25 per cent. of the aggregate principal amount of the outstanding Notes,

provided, however, that any proposals relating to a Reserved Matter may only be approved by an Extraordinary Resolution passed at a Meeting at which one or more persons present and holding or representing at least 75 per cent. of the aggregate principal amount of the outstanding Notes form a quorum.

## 10.6 Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (i) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (ii) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place

as the Chairman determines;

provided, however, that the Meeting shall be dissolved if the Initiator so decides and no Meeting may be adjourned more than once for want of a quorum.

#### 10.7 Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but 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.

#### 10.8 Notice following adjournment

Condition 10.3 shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- (i) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (ii) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

#### 10.9 Participation

The following may attend and speak at a Meeting:

- (i) Voters;
- (ii) representatives of the Issuer;
- (iii) the financial advisers of the Issuer;
- (iv) the legal counsel to the Issuer;
- (v) the financial advisers of the Noteholders present or represented at the Meeting;
- (vi) the legal counsel to the Noteholders present or represented at the Meeting; and
- (vii) any other person approved by the Meeting.

#### 10.10 Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a



particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

#### 10.11 Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

#### 10.12 Votes

Every Voter shall have: (i) on a show of hands, one vote; and (ii) on a poll, one vote in respect of each Note represented or held by him.

A Voter shall not be obliged to exercise all votes to which he is entitled or (in case of a poll) to cast all the votes which he/she exercises in the same way.

#### 10.13 Validity of Votes by Proxies

If the Initiator requires, a notarised copy of each document appointing a Proxy and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Initiator shall not be obliged to investigate the validity of any such appointment or the authority of any Proxy.

Any vote by a Proxy shall be valid even if the appointment of such Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Initiator has not been notified in writing of such amendment or revocation by the time which is at least 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; provided, however, that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed as a Proxy to vote at the Meeting when it is resumed.

#### 10.14 Powers

A Meeting shall have the power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person and subject to Matters requiring unanimity, which shall require the consent of the holder of each Note::

- (i) to approve any Reserved Matter;
- (ii) to approve any proposal by the Initiator for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in

respect of the obligations of the Issuer under or in respect of the Notes, other than any Matters requiring unanimity;

- (iii) to approve the substitution of any person for the Initiator (or any previous substitute) as principal obligor under the Notes;
- (iv) to waive any breach or authorise any proposed breach by the Initiator of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- (v) to authorise any person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (vi) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- (vii) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

#### 10.15 Extraordinary Resolution binds all holders

Any Extraordinary Resolution duly passed at a Meeting duly convened and held in accordance with this Condition 10 and approved by the Issuer shall be binding upon all Noteholders whether or not present at such Meeting, and whether or not they voted in favour, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given by the Initiator to the Noteholders within 14 days of the conclusion of the Meeting in accordance with Condition 14.

#### 10.16 Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

#### 10.17 Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution and shall be binding on all Noteholders whether or not signed by them.

### 11. MANIFEST ERROR

The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error or for the purposes of any amendment which is of a formal, minor or technical nature as determined by a major international law firm and evidenced by a signed legal opinion from that law firm.

## 12. EXCHANGE OF THE NOTES

If (a) an Extraordinary Resolution is passed or a Written Resolution is signed, approving in each case an amendment, modification, variation or abrogation of any provision of the Notes or these Conditions or the substitution of any person for the Issuer as obligor under the Notes; or (b) an amendment of the Notes or these Conditions is permitted pursuant to Condition 11, such amendment, modification, variation, abrogation or substitution shall, to the extent required under Slovenian law, be effected by way of deemed redemption of the Notes prior to their scheduled maturity date and by the the Issuer procuring that, on the Exchange Date (as defined below). Replacement Notes (as defined below) are credited to the account of each Noteholder with KDD in exchange for each Note which had been credited to the account of such Noteholder with KDD at close of business on the KDD Business Day prior to the Exchange Date.

It shall be deemed that each Noteholder has consented to the exchange of Notes in accordance with the foregoing and has authorised KDD to debit its securities account maintained with KDD accordingly.

In this Condition 13:

- (i) "**Exchange Date**" means the date specified by the Issuer in a notice given to the Noteholder in accordance with Condition 14 not less than seven days before such date; and
- (ii) "**Replacement Notes**" means securities differing from the Notes solely in such respects as had been approved by the relevant Extraordinary Resolution or Written Resolution or as permitted pursuant to Condition 11.

## 13. FURTHER ISSUES

the Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 14. NOTICES

A notice to a Noteholder or a Beneficiary shall be valid if either (at the sole discretion of the Issuer, subject to any mandatory provisions of the applicable law) (a) sent to such Noteholder or Beneficiary at the address registered for a Noteholder or Beneficiary in the Central Register or at the address notified by such a person to the Issuer in accordance with this Condition 14, and any such notice shall be deemed to have been given on the eighth day following the day the notice was sent by mail or (b) published in the manner required by the then applicable law for publication of regulated information. Any such notice given by publication shall be deemed to have been given on the date of publication or, if so published more than once on different dates, on the date of the first publication.

Notices to the Issuer shall be sent by letter, by e-mail or by facsimile to the following

address:

Petrol d.d., Ljubljana  
Dunajska cesta 50  
SI-1000 Ljubljana  
Slovenija  
Fax: + 386 (0)1 47 14 108

E-mail: [investor.relations@petrol.si](mailto:investor.relations@petrol.si); uros.kalan@petrol.si

or, in any case, to such other address or fax number or for the attention of such other person or department as the Issuer has specified for a particular purpose by prior notice to the Noteholders and Beneficiaries.

Notices to the Issuer shall be valid upon receipt by the addressee provided, however, that any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day or on any day which is not a Business Day in the place of the addressee shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

All notices hereunder shall only be valid if made (a) in the case of Notices to the Noteholders or Beneficiaries, in English and Slovenian; and (b) in the case of Notices to the Issuer, in English or Slovenian or in any other language provided that such notices are accompanied by a certified English or Slovenian translation thereof. Any certified English or Slovenian translation delivered hereunder shall be certified a true and accurate translation by a professionally qualified translator or by some other person competent to do so.

## **15. GOVERNING LAW AND JURISDICTION**

### **15.1 Governing law**

The Notes and any non-contractual obligations arising out of or in connection with these are governed by and shall be construed in accordance with Slovenian law.

### **15.2 Jurisdiction**

The Issuer agrees for the benefit of the Noteholders and Beneficiaries that the courts of the Republic of Slovenia shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (collectively, "**Proceedings**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### **15.3 Non-exclusivity**

The submission to the jurisdiction of the courts of the Republic of Slovenia shall not (and shall not be construed so as to) limit the right of any Noteholder or Beneficiary to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

#### 15.4 Consent to enforcement, etc.

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

#### 15.5 Waiver of immunity

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise and whether on the grounds of sovereignty or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer or the Republic of Slovenia agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.