

Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

**To the bondholders in:**

ISIN: NO 0010820616

Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000 callable bond issue 2018/2022

Oslo, 3 April 2020

**Summons to Bondholders' Meeting**

Nordic Trustee AS acts as trustee (the “**Bond Trustee**”) for the holders of bonds (the “**Bondholders**”) in the above listed bond issue with ISIN NO 001 0820616 with total outstanding amount of EUR 70,000,000 (the “**Bonds**” or the “**Bond Issue**”) issued by Sand Hill Petroleum B.V. as issuer (the “**Issuer**” or the “**Company**”). The Issuer and its subsidiaries are referred to as the “**Group**”.

All capitalized terms used herein shall have the meaning assigned to them in the bond terms dated 12 April 2018 and made between the Bond Trustee and the Issuer (as amended and restated by the amendment and restatement agreement dated 20 December 2019, the “**Bond Terms**”), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Terms.

The information in this summons letter regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

**1. BACKGROUND**

With reference to the proposal set forth in the summons issued by the Company on 4 December 2019, which was approved by the Bondholders' Meeting on 19 December 2019, the Bond Terms were amended and restated with effect from 28 January 2020. The amendments to the Bond Terms were agreed and implemented in an effort to attain operational and financial stability for the Company both in the short term and for the remaining tenor of the Bonds.

However, the Company's financial position has since then materially weakened due to further declines in European gas prices and world oil prices, affecting the Company's revenue, EBITDA and liquidity. Given the current gas market outlook, and further exacerbated by the turmoil in the financial markets caused by the Covid-19 virus, it is unlikely that the situation will improve in the short term.

For further information about the Issuer and its business and updated financials, please see the presentation published by the Issuer on <https://newsweb.oslobors.no/> together with this Summons, and the reports published on [www.shpbv.eu](http://www.shpbv.eu).

The Company's business operations have been and continue to be dependent on the revenues and available cash being sufficient to cover its capital expenditures, which in 2020 will ensure the fulfilment of work commitments, safe and efficient operations with workovers and limited investment in production facilities and related infrastructure. Notwithstanding the USD 12,800,000 equity injections made in the fourth quarter of 2019, the Company will not be able to recover from the current financial situation without, *inter alia*, a further extension of the waiver and suspension of the financial covenants and certain amendments allowing the Company to access and retain more cash for its general corporate purposes.

In view of the foregoing the Company has engaged ABG Sundal Collier ASA as its financial advisor (the “**Advisor**”).

Bondholders are encouraged to read all these documents to obtain an understanding of the Proposal.

## 2. THE PROPOSAL

### 2.1 Summary

Pursuant to the Bond Terms the original financial covenants have been adjusted, and the financial covenants are currently suspended in full until (and including) 31 December 2020 in respect of the Minimum Liquidity covenant and for each Relevant Period expiring on or before 31 December 2020 in respect of both the Leverage Ratio and the Current Ratio.

In order for the Company to manage its liquidity requirements and allow the Company time to continue to work on strategic alternatives in an orderly process, including without limitation a sale or merger of the Company or its business, the Company is proposing a further 9 (nine) months extension of the waiver period for the Minimum Liquidity and Leverage Ratio covenants to and including 30 September 2021, deletion of the Current Ratio covenants, permission to access the cash in the Debt Service Retention Account on the terms described herein and the introduction of a temporary payment in kind (PIK) feature on the accruing interest on the Bonds up to and including the Interest Payment Date in April 2021, summarised as follows (the “**Proposal**”):

- (i) the Issuer is granted a further waiver from, and the Leverage Ratio covenant is suspended in full, for each Relevant Period expiring on or before 30 September 2021 (the “**Waiver Period**”);
- (ii) after the Waiver Period, the Leverage Ratio requirement is reinstated for the Relevant Periods expiring on 31 December 2021 and 31 March 2022 at 2.50:1x;
- (iii) the Current Ratio covenant is deleted in full;
- (iv) the Issuer is granted a further waiver from, and the existing minimum Liquidity covenant is suspended in full, until (and including) 30 September 2021; thereafter, the minimum Liquidity requirement remains at EUR 3,000,000 for the remaining tenor of the Bonds;
- (v) the existing obligation in Clause 9.2 (a) to transfer 1/6 of the interest payable under the Bonds on the next Interest Payment Date to the Debt Service Retention Account is discontinued, and Clause 9.2 (a) is deleted;
- (vi) the funds deposited on the Debt Service Retention Account are released to the Issuer for application towards general corporate purposes of the Group;
- (vii) the exception from the distribution restriction related to purchase or redemption of ordinary shares or preference shares from any member of the management or any employees of a Group Company is deleted; and
- (viii) the Bond Terms are amended as set forth in Section 2.2 below and Annex 2 attached to this Summons to accommodate:
  - a. the PIK interest terms and conditions;
  - b. the release to the Issuer of the funds in the Debt Service Retention Account;
  - c. the termination of the obligation to maintain and fund the Debt Service Retention Account;
  - d. the amendments to the distributions undertaking; and
  - e. the adjustments to the financial covenants described in (i), (ii), (iii) and (iv) above.

## 2.2 Amendments to the Bond Terms

The amendments proposed to be made to the Bond Terms are:

a) PIK interest

Subparagraph (a) of Clause 9.1 (*Calculation of interest*) of the Bond Terms shall be amended to read:

*“(a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period. In respect of the period from, but not including, the Interest Payment Date in October 2019 to and including the Interest Payment Date in April 2021 the accruing interest shall be paid on each Interest Payment Date as payment-in-kind interest (“**PIK Interest**”) through the issuance of additional Bonds. Any additional Bonds issued in payment of PIK Interest shall have the same terms and conditions as the Bonds and will be treated as a single class for all purposes of these Bond Terms.”*

Subparagraph (b) of Clause 9.1 (*Calculation of interest*) is not amended.

The following shall be added as a new subparagraph (c) of Clause 9.1 (*Calculation of interest*) of the Bond Terms:

*“(c) The Issuer shall pay any accrued PIK Interest on the Bonds by issuing additional Bonds to the Bondholders on each relevant Interest Payment Date. The amount of additional Bonds issued to a Bondholder shall be calculated as the product of (x) the aggregate amount of accrued PIK Interest on the Bonds for the interest period ending on the relevant Interest Payment Date and (y) a fraction, the numerator of which is the aggregate amount of Bonds held by that Bondholder and the denominator of which is the aggregate amount of all the Outstanding Bonds, provided that the total amount of additional Bonds issued to a Bondholder shall be rounded down to the nearest EUR 1.00.”*

To accommodate the PIK Interest calculation and issue of additional bonds, the Bonds shall be split so that the Nominal Amount of each Bonds is EUR 1, and Clause 2.1 (c) of the Bond Terms shall be amended to read:

*“The Initial Nominal Amount of each Bond is EUR 1.”*

b) Termination of the obligation to fund the Debt Service Retention Account

In Clause 1.1 (*Definitions*), the definition of “Debt Service Retention Account”, and references to this term in the Bond Terms, shall be deleted.

Clause 9.2 (*Payment of interest*) of the Bond Terms shall be amended to read:

*“Subject to subparagraph (c) of Clause 9.1, interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.”*

Clause 9.3 (*Application of funds on the Debt Service Retention Account*) of the Bond Terms shall be deleted in its entirety.

c) Distributions

In Clause 1.1 (*Definitions*), the definition of “Shareholder Loan” shall be amended to read:

*“**Shareholder Loan**” means any loan to the Issuer from a direct or indirect shareholder of the Issuer. Any Shareholder Loan shall be fully subordinated to the rights of the Bondholders and the Bond Trustee under the Finance Documents, be on terms satisfactory to the Bond Trustee, with maturity date after the Maturity Date for the Bonds and with no cash interest.”*

Clause 13.11 (Distributions) of the Bond Terms shall be amended to read:

*“The Issuer shall not declare or make any dividend payment, repurchase of shares, repay any loans, grant any loans or make any other distributions, whether in cash or in kind to its direct or indirect shareholders (including but not limited to total return swaps involving any shares issued).”*

d) Financial covenants

Paragraph (a) of Clause 13.22 (*Financial covenants*) shall be amended to read:

*“(a) The Issuer shall comply with the following:*

*(i) Leverage Ratio*

*The Issuer shall ensure that the Group maintains a Leverage Ratio in respect of the Relevant Periods expiring on 31 December 2021 and 31 March 2022 equal to or lower than 2.50:1x.*

*(ii) Minimum Liquidity*

*The Issuer shall ensure that the Group, from and including 1 October 2021, at all times maintains minimum Liquidity of EUR 3,000,000.”*

Paragraphs (b) through (f) of Clause 13.22 (*Financial covenants*) shall not be amended.

The entering into effect of the amendments to the Bond Terms as set out above shall be subject to, inter alia, the execution of an amended and restated bond agreement, including the amendment and restatement agreement relating thereto, documenting the amendments, and the customary closing conditions for their effectiveness (together the “**Amended Bond Terms**”).

A draft of the Amended Bond Terms is included in this summons as Annex 2, redlined against the existing Bond Terms to show the changes.

## **2.3 The requested resolutions of the Bondholders in respect of the Proposal**

The Issuer has requested the Bond Trustee to summon a Bondholders’ Meeting to consider the Proposal and resolve the following:

- (i) to approve the Proposal and the Amended Bond Terms;
- (ii) to authorise and instruct the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Proposal, including without limitation to (a) prepare, finalise and enter into the Amended Bond Terms and any necessary agreements and other documentation deemed appropriate in connection with documenting the decisions made by the Bondholders’ Meeting according to this summons, and (b) for and on behalf of the Bondholders, take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the Proposal, including the granting of waivers, giving of instructions, consents, approvals and directions, and (c) for and on behalf of the Bondholders in the Bond Issue, take such further actions and negotiate, agree, enter into, sign and execute such agreements and

documents that are required to complete and give effect to the Proposal, including the granting of waivers, the splitting of the Bonds, giving of instructions, consents, approvals and directions (including to the securities depository (VPS) and account operators);

- (iii) to authorise and instruct the Bond Trustee to, within 5 Business Days after the Effective Date (as defined below), release to the Issuer the amounts deposited on the Debt Service Retention Account, and furthermore authorise and instruct the Bond Trustee to consent to the closing of the Debt Service Retention Account, and to release the Transaction Security over this account;
- (iv) to approve and agree that the Bond Trustee may consent and agree to further amendments of the Proposal or the Amended Bond Terms where such amendments (a) are of minor or technical nature, (b) are otherwise consistent with the principles of the Proposal, and (c) in the opinion of the Bond Trustee do not have a Material Adverse Effect on the rights and interests of the Bondholders;
- (v) to waive any Event of Default resulting from the taking of any steps contemplated by and consistent with the Proposal;
- (vi) to approve and agree that the Bond Trustee may exercise (or refuse to exercise) any discretion, consent or approval required or contemplated in the exercise (or non-exercise) of any such discretion which is connected with the matters referred to in this summons letter (including without limitation waive any time periods or deadlines) or the Proposal, and that neither the Bond Trustee nor the Bondholders shall have any liability whatsoever to any Bondholders or any other person in connection with the exercise (or non-exercise) of any such discretion which is exercised in good faith; and
- (vii) to waive any obligation of the Issuer in any of the Bond Terms that are reasonably necessary to waive in order to implement the Proposal.

### 3. FURTHER INFORMATION

For more detailed information about the Issuer, please see [www.shpbv.eu](http://www.shpbv.eu) or contact:

Mark Semple: +31 20 301 2198

The Bondholders may also contact the Advisor for further information on the Proposal:

Hans Petter Felle: +47 22 01 61 31

Ola Nygård: +47 22 01 61 86

The Advisor acts solely for the Issuer and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisor with respect to the Issuer, and the Advisor expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to the information contained herein).

### 4. CONDITIONS

Save for the waiver of the financial covenants which shall be effective from the Bondholders' approval, the Proposal shall become effective on the date (the "**Effective Date**") on which each of the following conditions precedent have been satisfied (or waived), as determined by the Bond Trustee:

- (i) the Proposal having been duly approved by the necessary 2/3 majority of Voting Bonds present at the Bondholders' Meeting, as per paragraph (g) of Clause 15.1 (*Authority of the Bondholders' Meeting*) of the Bond Terms;
- (ii) the delivery to the Bond Trustee of the Amended Bond Terms duly executed by the parties thereto;

- (iii) the delivery to the Bond Trustee of any legal opinions as may be reasonably required by the Bond Trustee in relation to the implementation of the Proposal and confirming the due execution by the parties thereto of the Amended Bond Terms;
- (iv) all necessary corporate resolutions of all the parties (except the Bond Trustee) to the Amended Bond Terms having been duly made and delivered to the Bond Trustee; and
- (v) repetition of all representations and warranties in Clause 7 of the Bond Terms (as amended) on the date of the Amended Bond Terms and on the Effective Date.

Other than the waivers and amendments contemplated by the Proposal, the terms and conditions of the Bond Terms will remain unchanged and continue to apply in their existing form.

## **5. EVALUATION OF THE PROPOSAL**

### **5.1 The Issuer's evaluation**

In the Issuer's opinion, the Proposal represents the best alternative for the Bondholders given the current circumstances. It will allow the Issuer time and financial flexibility to manage its liquidity requirements and consider strategic alternatives for the benefit of the Issuer and its stakeholders, including the Bondholders.

### **5.2 The Bond Trustee's disclaimer/non-reliance**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee.

The Bondholders must independently evaluate the Proposal and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisors regarding the effect of the Proposal.

## **6. BONDHOLDERS' MEETING**

The Bondholders are hereby summoned to a Bondholders' Meeting for the Bond Issue.

**Time:** 22 April 2020 at 13:00 CET

**Place:** The premises of Nordic Trustee AS  
Kronprinsesse Märthas plass 1, 0161 Oslo – 7th floor

**Agenda:**

1. Approval of the summons
2. Approval of the agenda
3. Election of two persons to co-sign the minutes together with the chairman
4. Request for adoption of the Proposal

**It is proposed that the Bondholders' Meeting resolve the following:**

*“The Bondholders Meeting approves the Proposal as described in Section 2 (The Proposal) of the summons for this Bondholders' Meeting, subject to the conditions set out in Section (4) (Conditions).*

*The Bond Trustee is authorised and instructed to enter into the Amended Bond Terms, any amendments required to the Finance Documents and take any other action as may be required in relation thereto.”*

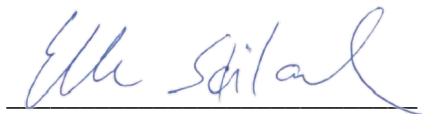
To approve the Proposal, Bondholders representing at least 2/3 of the Voting Bonds represented in person or by proxy at the meeting must vote in favour of the Proposal. In order to have a quorum at least 50 per cent. of the Voting Bonds must be represented at the relevant Bondholders' Meeting.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody, i.e. the owner is not registered directly in the VPS, the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise Nordic Trustee AS to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee AS to vote, must then be returned to Nordic Trustee AS in due time before the meeting is scheduled (by scanned e-mail or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on the bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee AS, to notify Nordic Trustee AS by telephone or by e-mail (norway@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place. Please note that those who intend to register their proxies electronically with VPS must do so within 20:00 hours (8 pm) (Oslo time) the Business Day before the meeting takes place.



Yours sincerely

**Nordic Trustee AS**

Enclosed:

Annex 1	Bondholder's Form
Annex 2	Amended Bond Terms

**SECOND AMENDED AND RESTATED BOND TERMS**

**FOR**

**Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000  
callable bond issue 2018/2022**

**ISIN NO 0010820616**



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SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE – ESCROW ACCOUNT

~~SCHEDULE 3 RELEASE NOTICE – DEBT SERVICE RETENTION ACCOUNT~~

SCHEDULE [34](#) LIST OF GUARANTORS

SCHEDULE [45](#) LIST OF HYDROCARBON LICENCES

**THESE BOND TERMS**, originally entered into on 12 April 2018, and as most recently amended and restated by the [second](#) amendment and restatement agreement dated [•] [April 2020](#)~~December 2019~~, are entered into on [•] ~~December 2019~~ [April 2020](#) between:

ISSUER:	Sand Hill Petroleum B.V., a private limited liability private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated and existing under the laws of the Netherlands with registration number 56038038 and LEI-code 724500IJXLCAZIUMZY11; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

## 1. INTERPRETATION

### 1.1 Definitions

The following terms will have the following meanings:

**"Abandonment Collateral"** means any cash collateral account securing any counter-indemnity obligations in respect of guarantees provided by any Obligor for mining plot related abandonment obligations in Hungary in an aggregate amount of up to EUR 1,000,000.

**"Account Bank"** means the bank in which any of the Obligor's bank accounts are held, such bank to be either (i) a commercial bank, savings bank, treasury branch, trust company or other commercial lender with at least A- rating from S&P Global Ratings or Fitch Ratings Ltd or A3 rating from Moody's Investors Services Limited or a comparable rating from a recognized credit ranking agency for its long-term debt obligations; or (ii) a bank in which an Obligor at no time has deposited an aggregate amount exceeding EUR 4,000,000 (or the equivalent thereof in any other currency).

**"Affiliate"** means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over that person.

~~**"Amendment and Restatement Agreement"** means the Amendment and Restatement Agreement made between the Issuer and the Bond Trustee on [•] December 2019.~~

**"Annual Financial Statements"** means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with IFRS (save for the consolidated annual financial statements of the Issuer for any year ended on or before 31 December 2017, which shall be prepared in accordance with Dutch GAAP), such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

**"Bond Terms"** means these terms and conditions, including all Schedules which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

**"Bond Trustee"** means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

**"Bond Trustee Fee Agreement"** means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

**"Bondholder"** means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

**"Bondholders' Meeting"** means a meeting of Bondholders as set out in Clause 14 (*Bondholders' Decisions*).

**"Bonds"** means the debt instruments issued by the Issuer pursuant to these Bond Terms.

**"Business Day"** means a day on which both the relevant CSD settlement system is open, and which is a TARGET-Day.

**"Business Day Convention"** means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

**"Call Option"** has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

**"Call Option Repayment Date"** means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**"Change of Control Event"** means the occurrence of an event or a series of events whereby a person, or group of persons acting in concert (other than Warburg Pincus International LLC and its affiliated entities and any funds, partnerships or other investment vehicles managed or directly or indirectly controlled by them, and any Subsidiaries thereof) gain Decisive Influence over the Issuer.

**"CSD"** means the central securities depository in which the Bonds are registered, being Verdigpapijsentralen ASA (VPS).

"**Current Assets**" means, at any time, the aggregate book value of the consolidated assets of the Group which are treated as current assets in accordance with IFRS less the aggregate book value of any restricted cash (where restricted cash means cash which is held in accounts that are both pledged and blocked).

"**Current Liabilities**" means, at any time, the aggregate book value of the consolidated liabilities of the Group which are treated as current liabilities in accordance with IFRS, excluding the current portion of long term debt, and liabilities to non-controlling interests.

"**Current Ratio**" means, at any time, the ratio of Current Assets to Current Liabilities.

"**Compliance Certificate**" means a statement substantially in the form set out in Schedule 1 (*Compliance Certificate*) hereto.

~~"**Debt Service Retention Account**" means an account, to be established by the Issuer with an Account Bank or NT Services AS prior to the first disbursement from the Escrow Account, and pledged and blocked as security for the Issuer's obligations under the Finance Documents.~~

~~"**Debt Service Retention Account Pledge**" means the pledge over the Debt Service Retention Account, where the bank operating the account has waived any set-off rights.~~

"**Decisive Influence**" means a person having, as a result of an agreement and/or other legally binding arrangement and/or through the direct and/or indirect ownership of shares and/or ownership interests in another person:

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

"**Default Notice**" means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

"**Default Repayment Date**" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"**Dutch GAAP**" means generally accepted accounting practices and principles in the Netherlands.

"**EBITDA**" means, for any Relevant Period (on a consolidated basis for the Group) operating profit before deducting any amount attributable to interest, taxes, depreciation, amortisation, impairment and non-cash expenses, and excluding any items of a one-off, non-recurring, extraordinary or exceptional nature for that Relevant Period, after:

- (a) deducting the amount of any operating profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests; and
- (b) including the Group's share of the operating profits or losses (before deducting any amount attributable to interest, taxes, depreciation, amortisation, impairment and non-cash expenses, and excluding any items of a one-off, non-recurring, extraordinary or exceptional nature for that Relevant Period) of any entity (which is not a Group Company) in which any member of the Group has an ownership interest.

"**Effective Date**" has the meaning ascribed to such term in the [Second](#) Amendment and Restatement Agreement.

"**Endrőd Gas Plant**" means the Endrőd gas processing facility located at Mezőtúr (Endrőd), Hungary and owned by OGDC and associated surface facilities for gathering, processing and grid tie-in.

"**Escrow Account**" means an account in the name of the Issuer held with an Account Bank or NT Services AS, pledged and blocked as security for the Issuer's obligations under the Finance Documents.

"**Escrow Account Pledge**" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"**Event of Default**" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"**Exchange**" means the Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs.

"**Existing Financial Indebtedness**" means any Financial Indebtedness under the Prepayment Contract, the Revolving Credit Facility and the HMA Guarantee Facility.

"**Field Development Capex**" means at all times, capital expenditures related to oil and gas facilities, equipment, drilling, infrastructure, pipelines, tie-in of wells, completion of producing wells and seismic in relation to Producing Blocks.

"**Finance Documents**" means these Bond Terms, the Bond Trustee Fee Agreement, the Guarantees, any Transaction Security Document, any Security Agent Agreement, any subordination agreement with respect to any Shareholder Loan and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS as at the date of these Bond Terms, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under IFRS are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under IFRS;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under IFRS; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

**"Financial Reports"** means the Annual Financial Statements and the Interim Accounts.

**"Financial Support"** means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

**"First Call Date"** means the Interest Payment Date falling in April 2020.

**"Group"** means the Issuer and its Subsidiaries from time to time.

**"Group Company"** means any person which is a member of the Group.

**"Guarantees"** means the Norwegian law corporate guarantees (in Norwegian: "*selvskyldnergarantier*") issued or to be issued by each of the Guarantors in favour of the Security Agent (on behalf of the Secured Parties) as security for all of the Issuer's obligations

under the Finance Documents, in form and substance satisfactory to the Security Agent (on behalf of the Secured Parties).

"**Guarantor**" means the companies set out in [Schedule 3](#)~~Schedule 4~~ (*List of Guarantors*) hereto and any Subsidiary which has become a Guarantor pursuant to Clause 13.21 (*Additional Guarantors*).

"**Hedging Collateral Account**" means any cash collateral account securing Permitted Hedging.

"**HMA Guarantee Facility**" means the guarantee from K&H Bank Zrt. obtained by OGDC in favour of the Hungarian Mining Authority of maximum HUF 1 billion (or the equivalent thereof in any other currency), and the refinancing of any such facility (subject to the borrowing limit).

"**Hungarian Civil Code**" means Act V of 2013 on the civil code, as amended from time to time.

"**Hydrocarbon Licenses**" means the concessions, licences, production sharing contracts or similar carrying the rights to explore, develop and extract hydrocarbon resources, which are held by the Group Companies as set out in [Schedule 4](#)~~Schedule 5~~ (*List of Hydrocarbon Licences*) hereto, as well as any such future concessions, licences, production sharing contracts or similar acquired by any of the Group Companies.

"**IFRS**" means International Financial Reporting Standards, and guidelines and interpretations issued thereto by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

"**Initial Nominal Amount**" means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Insolvent**" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) no. 2015/848 on insolvency proceedings (as amended).

"**Intercompany Loans**" means any existing and future loan provided by an Obligor to another Obligor, such loans at all times to be subject to a first priority assignment or pledge (as applicable) in favour of the Security Agent (on behalf of the Secured Parties) as security for all amounts outstanding under the Finance Documents.

"**Interest Payment Date**" means the last day of each Interest Period, the first Interest Payment Date being 13 October 2018 and the last Interest Payment Date being the Maturity Date.

**"Interest Period"** means, subject to adjustment in accordance with the Business Day Convention, the 6 months period between (i) 13 October and 13 April and (ii) 13 April and 13 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**"Interest Rate"** means 9.00 per cent. per annum.

**"Interim Accounts"** means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with IFRS (save for the unaudited consolidated quarterly financial statements of the Issuer for any quarterly period ended on or before 31 March 2018 that shall be prepared in accordance with Dutch GAAP), and include a report of construction progress and activities, a profit and loss account, balance sheet, cash flow statement and management commentary or report from the Issuer's board of directors.

**"ISIN"** means International Securities Identification Number, being the identification number of the Bonds.

**"Issue Date"** means 13 April 2018.

**"Issuer"** means the company designated as such in the preamble to these Bond Terms.

**"Issuer's Bonds"** means any Bonds which are owned by the Issuer or any Affiliate of the Issuer. **"Konyár Gas Plant"** means the Konyár gas processing facility under construction at Konyár, Hungary by OGD Berettyóújfalu Koncessziós Kft. and associated surface facilities for gathering, processing and grid tie-in.

**"Leverage Ratio"** means, in respect of any Relevant Period, the ratio of Net Interest Bearing Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

**"License Documents"** means:

- (a) the Hydrocarbon Licenses and any authorization required for the lawful exploration, exploitation, development or operation of the Hydrocarbon Licenses or the production, transportation or sale of production therefrom;
- (b) each agreement for the sale or marketing of production, including the current Offtake Contracts;
- (c) each material agreement (other than the agreements set forth in items (a) and (b) above) related to the Hydrocarbon Licenses, including any material decommissioning security agreement, any material pipeline transmission agreement, any material drilling agreement, any material equipment supply agreement, any material installation and/or supply contract or material maintenance and management agreement;
- (d) each present and future contract or policy of insurance and reinsurance in respect of the Hydrocarbon Licenses in which the Issuer and/or any relevant Group Company has or may from time to time have an interest; and
- (e) any other document designated as such by the Issuer and the Bond Trustee.



"**Liquidity**" means at any time the freely available and unrestricted amounts standing to the credit of the Pledged Accounts, and for the avoidance of doubt excluding the Escrow Account, ~~and the Debt Service Retention Account.~~

"**Listing Failure Event**" means that the Bonds have not been admitted to listing on the Exchange within 12 months following the Issue Date, or in case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on the Exchange. "**Make Whole Amount**" means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 105.5 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to and including the First Call Date,

where the present value shall be calculated by using a discount rate of 2.83 per cent.

"**Managers**" means ABG Sundal Collier ASA and Pareto Securities AS.

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the business, financial condition or operations of the Issuer and/or the Group taken as a whole;
- (b) the ability of the Issuer and/or any Guarantor to perform and comply with its obligations under any of the Finance Documents; or
- (c) the validity or enforceability of any of the Finance Documents.

"**Maturity Date**" means 13 April 2022, adjusted according to the Business Day Convention.

"**Net Interest Bearing Debt**" means, at any time, the sum of all interest bearing Financial Indebtedness of the Group on a consolidated basis according to IFRS (however excluding any Shareholder Loan and, for the avoidance of doubt, any liability under any preference shares in the Issuer (equity instrument), the HMA Guarantee Facility and any Permitted Hedging), less the amount standing to the credit of the Pledged Accounts from time to time.

"**Nominal Amount**" means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any) pursuant to Clause 10 (*Redemption and repurchase of Bonds*) or any other amount following a split of Bonds pursuant to Clause 16.2 (*The duties and authority of the Bond Trustee*), paragraph (j).

"**Obligor**" means the Issuer and any Guarantor(s).

"**Offtake Contracts**" means:

- (a) the Raw Gas Sale and Purchase Agreement with MOL Hungarian Oil and Gas Plc. dated on 6 July 2017;
- (b) the Condensate Sale and Purchase Agreement with MOL Hungarian Oil and Gas Plc. dated on 6 July 2017;
- (c) the Prepayment Contract; and
- (d) the Gas Sales Contract with Hungarian Gas Trade Ltd. dated on 28 November 2017.

"**OGDC**" means O&GD Central Kft., registration number 01-09-930680.

"**Original Bond Terms**" means the original bond terms dated 12 April 2018 and made between the Issuer and the Bond Trustee, as amended by the amendment agreement made between the Issuer and the Bond Trustee on 25 May 2018 relating to disbursement from the Escrow Account and the amendment agreement made between the Issuer and the Bond Trustee on 5 March 2019 relating to disbursement from the Escrow Account and the establishment and perfection of property mortgage.

"**Outstanding Bonds**" means any Bonds not redeemed or otherwise discharged.

"**Overdue Amount**" means any amount required to be paid by an Obligor under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"**Partial Payment**" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"**Paying Agent**" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"**Payment Date**" means any Interest Payment Date or any Repayment Date.

"**Permitted Encumbrances**" means:

- (a) Security provided under the Finance Documents;
- (b) Security provided in respect of the Existing Financial Indebtedness as at the Issue Date, in each case as described herein;
- (c) any Security arising by operation of law in the ordinary course of business;
- (d) any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its regular banking arrangements for the purpose of netting debit and credit balances of Group Companies;
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a

default or omission by any Group Company that is continuing for a period of more than thirty (30) calendar days;

- (f) any cash deposit for counter-indemnity obligations in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument, issued by a bank or financial institution in respect of any underlying liability of a Group Company up to a maximum of EUR 1,000,000 and in the ordinary course of business of the Group;
- (g) any Security subsisting as a result of any Group Company acquiring another entity after the Issue Date which entity already had provided Security for Financial Indebtedness permitted under paragraph (d) of the definition of "Permitted Financial Indebtedness", provided that such Security was not created in contemplation of the acquisition, the principal amount secured has not been increased in contemplation of or since the acquisition and such Security is discharged and released within ninety (90) days of completion of such acquisition; in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (h) any Permitted Hedging Security;
- (i) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;
- (j) any Abandonment Collateral;
- (k) any Security created for the benefit of the providers of financing for the refinancing of the Bonds in full, provided that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such Financial Indebtedness); and
- (l) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any Group Company other than any permitted under the preceding paragraphs) does not at any time exceed EUR 3,000,000 (or the equivalent thereof in any other currency).

**"Permitted Financial Indebtedness"** means:

- (a) any Existing Financial Indebtedness, provided, however that no drawdown shall be permitted on the Revolving Credit Facility after the Issue Date, and the maximum Financial Indebtedness permitted under the Prepayment Contract shall be EUR 8,000,000;
- (b) any Financial Indebtedness incurred under the Finance Documents;
- (c) any Financial Indebtedness incurred under any Intercompany Loans;

- (d) any Financial Indebtedness incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity holding indebtedness, provided that such indebtedness is either (i) repaid, or (ii) otherwise refinanced with other Permitted Financial Indebtedness within ninety (90) days of completion of such acquisition or transfer;
- (e) any Financial Indebtedness incurred under any pension and tax liabilities incurred in the ordinary course of business;
- (f) any Financial Indebtedness incurred under a Shareholder Loan;
- (g) any Financial Indebtedness arising under the Permitted Hedging; and
- (h) any Financial Indebtedness not included under (a) to (g) above of which the outstanding amount does not exceed EUR 3,000,000 or the equivalent thereof in any other currency at any time.

**"Permitted Hedging"** means any hedging or derivative arrangements entered into to manage or hedge, directly or indirectly, actual or anticipated exposures arising in the ordinary course of business and on a non-speculative basis.

**"Permitted Hedging Security"** means Security in the form of any Hedging Collateral Account in respect of a Permitted Hedging of maximum 75 per cent. of the Group's next three (3) years' forecasted hydrocarbon production from Producing Blocks.

**"Pledged Accounts"** means all accounts held by the Obligor, including but not limited to:

- (a) the Escrow Account (in connection with the settlement of the Bonds); and

~~(b) —the Debt Service Retention Account; and~~

~~(c)~~(b) any account that is held by the Issuer with banks in the Netherlands,

but excluding the following accounts:

- (i) the cash collateral account held by OGDC related to the HMA Guarantee Facility in an amount up to EUR 1,500,000;
- (ii) any Hedging Collateral Account;
- (iii) any cash collateral account securing counter-indemnity obligations in respect of a guarantee, bond, standby or documentary letter of credit issued by a bank or financial institution in respect of any underlying liability of a Group Company in the ordinary course of business of the Group up to a maximum of EUR 1,000,000;
- (iv) any Abandonment Collateral; and
- (v) any cash collateral security granted pursuant to paragraph (l) of the definition of "Permitted Encumbrances".

**"Prepayment Contract"** means the pre-payment gas sales contract between OGDC and Hungarian Gas Trading Ltd., a 100 per cent. owned Subsidiary of MVM Group, in an outstanding amount of EUR 8,000,000, entered into in November 2017, for processed gas to be delivered between December 2017 and June 2019.

**"Producing Blocks"** means the Hydrocarbon License(s) (including mining plots) with producing hydrocarbon wells.

**"Put Option"** shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Put Option Event"** means a Listing Failure Event or a Change of Control Event.

**"Put Option Repayment Date"** means the settlement date for the Put Option Event pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Quarter Date"** means each 31 March, 30 June, 30 September and 31 December.

**"Receivables Pledge"** means a first priority pledge of the accounts receivable of OGDC securing the obligations under the Revolving Credit Facility and the HMA Guarantee Facility on a pari passu basis.

**"Relevant Jurisdiction"** means the country in which the Bonds are issued, being Norway.

**"Relevant Period"** means each period of twelve (12) months ending on a Quarter Date.

**"Relevant Record Date"** means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
  - (i) the date falling three (3) Business Days after the Summons have been published; or,
  - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

**"Repayment Date"** means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

**"Revolving Credit Facility"** means the revolving short-term multi-currency credit facility in the name of OGDC of maximum HUF 1 billion (or the equivalent thereof in any other currency), and the refinancing of any such facility (subject to the borrowing limit).

**"Romanian Hydrocarbon Licenses"** means the EX-1 Voivozi and the EX-5 Adea Hydrocarbon Licenses held by SHP.

**"Romanian License Extension"** means the receipt of a duly executed extension from the competent Romanian authority(ies) of the deadline for completion of the mandatory minimum works program attached to this first phase of the exploration period under each of the Romanian Hydrocarbon Licenses until at least 1 October 2019.

**"Schedule"** means each of the schedules to these Bond Terms.

**"Second Amendment and Restatement Agreement"** means the second amendment and restatement agreement made between the Issuer and the Bond Trustee on [●] April 2020.

**"Secured Obligations"** means all present and future obligations and liabilities of the Issuer under the Finance Documents.

**"Secured Parties"** means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

**"Securities Trading Act"** means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

**"Security"** means any encumbrance, mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Agent"** means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

**"Security Agent Agreement"** means any agreement whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

**"Shareholder Loan"** means any loan to the Issuer from a direct or indirect shareholder of the Issuer. Any Shareholder Loan shall be fully subordinated to the rights of the Bondholders and the Bond Trustee under the Finance Documents, be on terms satisfactory to the Bond Trustee, with maturity date after the Maturity Date for the Bonds and with no cash interest, ~~and may only be serviced in accordance with the distributions restrictions referred to in Clause 13.10 (Distributions).~~

**"SHP"** means Sand Hill Petroleum Romania SRL, registration number J40/8760/2013.

**"Subsidiary"** means a company over which another company has Decisive Influence.

**"Summons"** means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

**"TARGET Day"** means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

**"Tax Event Repayment Date"** means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

**"Transaction Security"** means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

**"Transaction Security Documents"** means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Issuer's obligations under any of the Finance Documents.

**"Voting Bonds"** means the Outstanding Bonds less the Issuer's Bonds and a Voting Bond shall mean any single one of those Bonds. **"Written Resolution"** means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

## **1.2 Construction**

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of "**law**" is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*),

- (j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is "**continuing**" if it has not been remedied or waived.

## **2. THE BONDS**

### **2.1 Amount, denomination and ISIN of the Bonds**

- (a) The Issuer has resolved to issue a series of Bonds in the amount of EUR 70,000,000.
- (b) The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (c) The Initial Nominal Amount of each Bond is EUR ~~100,000~~<sup>1</sup>.
- (d) The ISIN of the Bonds is NO 0010820616. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

### **2.2 Tenor of the Bonds**

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

### **2.3 Use of proceeds**

- (a) The net proceeds from the issuance of the Bonds shall be applied to:
  - (i) up to EUR 25,000,000 for capital expenditures in relation to the Konyár Gas Plant;
  - (ii) EUR 30,000,000 for Field Development Capex; and
  - (iii) the balance for other investments in Hydrocarbon Licenses and general corporate purposes of the Group,provided, however, that in no case whatsoever shall any proceeds from the issuance of the Bonds be transferred to or used by SHP or otherwise in relation to the Romanian Hydrocarbon Licences until the Romanian License Extension has been obtained.
- (b) All proceeds from the Bond Issue shall, if intended to be applied in Hungary, initially be transferred from the Issuer to OGDC.

### **2.4 Status of the Bonds**

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and will rank at least pari passu with all other unsubordinated

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<sup>1</sup> Drafting note: To accommodate the PIK Interest calculation and issue of additional bonds, the Bonds shall be split so that the Initial Nominal Amount of each Bonds is EUR 1



obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

## 2.5 Transaction Security

(a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted on first priority (save for as otherwise expressly set out below) in favour of the Security Agent within the times agreed in Clause 6.1 (*Conditions for disbursement*) of the Original Bond Terms:

(i) the Escrow Account Pledge;

~~(ii)~~ ~~the Debt Service Retention Account Pledge;~~

~~(iii)~~ (ii) the Guarantees;

~~(iv)~~ (iii) pledge over all of the shares (100 per cent) issued by SHP;

~~(v)~~ (iv) pledge over all of the quotas (100 per cent) held by the Issuer in OGDC;

~~(vi)~~ (v) mortgage over Endrőd Gas Plant, to rank on second priority behind the Prepayment Contract until its expiry in July 2019, early repayment or other termination, upon which the Bonds shall advance to first priority;

~~(vii)~~ (vi) mortgage over the property on which the Konyár Gas Plant will be constructed, including any buildings raised on such property from time to time, which shall become effective when OGD Berettyóújfalu Kft. becomes the registered owner of the land on which the Konyár Gas Plant is to be constructed (expected to occur by 31 December 2018);

~~(viii)~~ (vii) pledge of all the Pledged Accounts, including a security deposit (in Hungarian: "óvadék") over the accounts of each Guarantor incorporated in Hungary;

~~(ix)~~ (viii) pledge or assignment (as applicable) of any receivables arising from Intercompany Loans;

~~(x)~~ (ix) from the Issuer and each of the Guarantors, pledge of accounts receivable, which in the case of OGDC shall rank on second priority behind the Receivables Pledge;

~~(xi)~~ (x) from the Issuer, assignment or pledge (as applicable) of insurances, but excluding third party liability contracts of insurance or such other contract or policy of insurance which are restricted from being pledged under Article 7:954 paragraph 4 of the Dutch Civil Code;

~~(xii)~~ (xi) from each Guarantor incorporated in Hungary, pledge over assets identified by general description (in Hungarian: "körülírással meghatározott vagyontárgyakon alapított zálog"), which in the case of OGDC will rank on

second priority behind the pledge over assets identified by general description on OGDC's revolving warehouse stock in storage related to the Prepayment Contract until its expiry in July 2019, early repayment or other termination, upon which the Bonds shall advance to first priority; and

~~(xiii)~~(xii) from each Guarantor incorporated in Romania, floating charges/mortgages over universalities of all tangible and intangible assets.

- (b) The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (c) The Security Agent shall be authorised to release any Guarantee from any Guarantor, or Transaction Security over assets, which are sold or otherwise disposed of by the Group in connection with any merger, de-merger or disposal permitted pursuant to these Bond Terms. Upon a disposal of Hydrocarbon License(s) in Hungary which are not Producing Blocks as at ~~the Effective Date~~28 January 2020 by way of sale of shares in the company holding the Hydrocarbon Licence(s), the Security Agent shall promptly release any Guarantee or Security granted to the Bond Trustee by that company.

### **3. THE BONDHOLDERS**

#### **3.1 Bond Terms binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

#### **3.2 Limitation of rights of action**

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

### **3.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

## **4. ADMISSION TO LISTING**

The Issuer shall within six (6) months of the Issue Date apply for the Bonds to be admitted to listing on the Exchange.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

### **5.2 Obligation to ensure correct registration**

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

### **5.3 Country of issuance**

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

## **6. CONDITIONS PRECEDENT**

The net proceeds of the Bonds were disbursed to the Escrow Account on the Issue Date, and thereafter disbursed to the Issuer, pursuant to the Original Bond Terms.

## **7. REPRESENTATIONS AND WARRANTIES**

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and

(c) on each date of disbursement of proceeds from the Escrow Account.

#### **7.1 Status**

It is a private limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

#### **7.2 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

#### **7.3 Valid, binding and enforceable obligations**

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

#### **7.4 Non-conflict with other obligations**

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

#### **7.5 No Event of Default**

- (i) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (ii) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

#### **7.6 Authorizations and consents**

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (i) to enable it to enter into, exercise its rights and comply with its obligations under this Bond Terms or any other Finance Document to which it is a party; and
- (ii) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

#### **7.7 Litigation**

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

#### **7.8 Financial Reports**

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared: (i) in the case of any Financial Reports for a period ending on or before 31 March 2018, in accordance with Dutch GAAP; and (ii) in the case of any Financial Reports for a period ending after 31 March 2018, in accordance with IFRS, in each case consistently applied.

#### **7.9 No Material Adverse Effect**

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

#### **7.10 No misleading information**

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

#### **7.11 No withholdings**

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

#### **7.12 Pari passu ranking**

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

#### **7.13 Security**

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

### **8. PAYMENTS IN RESPECT OF THE BONDS**

#### **8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no

specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

## **8.2 Default interest**

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional three (3) per cent. per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

## **8.3 Partial Payments**

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
  - (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
  - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or

- (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

#### **8.4 Taxation**

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
  - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
  - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

#### **8.5 Currency**

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

#### **8.6 Set-off and counterclaims**

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

### **9. INTEREST**

#### **9.1 Calculation of interest**

~~(a)~~ Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period. In

respect of the period from, but not including, the Interest Payment Date in October 2019 to and including the Interest Payment Date in April 2021 the accruing interest shall be paid on each Interest Payment Date as payment-in-kind interest<sup>2</sup> (“PIK Interest”) through the issuance of additional Bonds. Any additional Bonds issued in payment of PIK Interest shall have the same terms and conditions as the Bonds and will be treated as a single class for all purposes of these Bond Terms. Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

(a) \_\_\_\_\_

(b) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).

~~(b)~~(c) The Issuer shall pay any accrued PIK Interest on the Bonds by issuing additional Bonds to the Bondholders on each relevant Interest Payment Date. The amount of additional Bonds issued to a Bondholder shall be calculated as the product of (x) the aggregate amount of accrued PIK Interest on the Bonds for the interest period ending on the relevant Interest Payment Date and (y) a fraction, the numerator of which is the aggregate amount of Bonds held by that Bondholder and the denominator of which is the aggregate amount of all the Outstanding Bonds, provided that the total amount of additional Bonds issued to a Bondholder shall be rounded down to the nearest EUR 1.00.

## **9.2 Payment of interest**

Subject to subparagraph (c) of Clause 9.1, interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

~~(a) The issuer shall transfer 1/6 of the interest payable under the Bonds on the next Interest Payment Date to the Debt Service Retention Account by the thirteenth (13<sup>th</sup>) day of each month from and including the Issue Date~~

~~(b) Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.~~

## **9.3 Application of funds on the Debt Service Retention Account**

The amount deposited in the Debt Service Retention Account shall only be released and applied for the due payment of interest on the Bonds. Withdrawals from the Debt Service Retention Account shall be made by issuing drawdown notices to the Account Bank or NT

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<sup>2</sup> Drafting note: Requires a split of the bonds to face value of EUR 1 each



~~Services AS (as the case may be) and the Bond Trustee in the form set out in Schedule 3 (Release notice – Debt Service Retention Account).~~

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 Redemption of Bonds**

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 101 per cent. of the Nominal Amount.

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem the Outstanding Bonds (in whole or in parts) (the "**Call Option**") on any Business Day from and including:
  - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
  - (ii) the First Call Date to, but not including, the Interest Payment Date in October 2020 at a price equal to 105.50 per cent. of the Nominal Amount for each redeemed Bond;
  - (iii) Interest Payment Date in October 2020 to, but not including, the Interest Payment Date in April 2021 at a price equal to 104.38 per cent. of the Nominal Amount for each redeemed Bond; and
  - (iv) the Interest Payment Date in April 2021 to, but not including, the Interest Payment Date in October 2021 at a price equal to 103.25 per cent. of the Nominal Amount for each redeemed Bond; and
  - (v) the Interest Payment Date in October 2021 to, but not including, the Maturity Date at a price equal to 101.50 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the relevant Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10), but not more than twenty (20), Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall publish the Make Whole Amount to the Bondholders as soon as possible and at the latest within three (3) Business Days from the date of the notice.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

### **10.3 Mandatory repurchase due to a Put Option Event**

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 102 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer. However, the Put Option will not be exercisable if the Maturity Date falls within the Put Option Period.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the third Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholder's holding of Bonds at the Put Option Redemption Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15<sup>th</sup> calendar day following the date of such notice.

### **10.4 Early redemption option due to a tax event**

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 101 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than sixty (60) days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

## **11. PURCHASE AND TRANSFER OF BONDS**

### **11.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained, or sold or cancelled in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

### **11.2 Restrictions**

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee

shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

## **12. INFORMATION UNDERTAKINGS**

### **12.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than five (5) months after the end of the 2017 financial year and not later than four (4) months after each subsequent financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than two (2) months after each Quarter Date.

### **12.2 Requirements as to Financial Reports**

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Interim Accounts pursuant to Clause 12.1 (b) (*Financial Reports*), a Compliance Certificate with a copy of the Interim Accounts attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Interim Accounts are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.22 (*Financial covenants*) as at such date..
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using IFRS consistently applied (save for the Annual Financial Statement for the year ended 31 December 2017 and the Interim Accounts for the quarterly period ended 31 March 2018 that shall be prepared in accordance with Dutch GAAP).

### **12.3 Put Option Event**

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

### **12.4 Information: Miscellaneous**

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to

understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD;
- (g) promptly inform the Bond Trustee in writing of any grant or adverse development in relation to the Romanian Licence Extension;
- (h) promptly inform the Bond Trustee in writing of receipt of a claim or threatened claim against any of the Group Companies that is considered material for the Obligors taken as a whole; and
- (i) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

### **13. GENERAL AND FINANCIAL UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*) unless otherwise consented to by the Bond Trustee or, where necessary, the Bondholders' Meeting.

#### **13.1 Authorisations**

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time if a failure to do so would have Material Adverse Effect.

The Issuer shall to the extent any Hydrocarbon Licenses or other authorisation, approval, license or consent required for the conduct of a Guarantor's business are registered in the name of the Issuer, keep these in good standing, and not render any of them liable to forfeiture or revocation and not surrender, relinquish or amalgamate any part of any of them.

To the extent any Hydrocarbon Licenses or other authorisation, approval, license or consent required for the conduct of a Guarantor's business are registered in the name of the relevant Guarantor, the Issuer shall procure that the Guarantors' keep these in good standing, and not

render any of them liable to forfeiture or revocation and not surrender, relinquish or amalgamate any part of any of them.

### **13.2 Compliance with laws**

The Issuer shall ensure that the operations of the Group in all material respects are conducted in accordance with acknowledged, careful and sound practices and in compliance with applicable laws and regulations of material importance to the business of the Group and each Guarantor.

### **13.3 Continuation of business**

The Issuer shall procure that no material change is made to the general nature of the business of the Group from that carried on by the Group and/or the Issuer at the Issue Date.

The Issuer shall not, and shall procure that no Guarantor will, cease to carry on its business, and shall procure that no other Group Company ceases to carry on its business if it would have a Material Adverse Effect.

### **13.4 Ownership of Guarantors**

The Issuer shall at all times maintain not less than 100 per cent. direct or indirect ownership over all the shares, and control over all of the voting rights, of (i) OGDC and (ii) any other Guarantor holding any Producing Block as of the Issue Date.

### **13.5 Insurances**

The Issuer shall ensure that each Group Company maintains, with financially sound and reputable insurance companies, funds or underwriters, adequate insurance with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as would normally be maintained by owners and/or operators owning similar assets to those owned by the relevant Group Company, acting in accordance with good industry practice in their relevant jurisdiction.

### **13.6 License Documents**

The Issuer shall, and shall procure that each Guarantor will:

- (a) perform all material obligations under the License Documents associated with Producing Blocks to which it is party, not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the License Documents, in each case which may have a Material Adverse Effect; and
- (b) promptly upon request provide the Bond Trustee with copies of any License Document to the extent permitted under any applicable confidentiality restrictions.

### **13.7 Transaction Security Documents**

The Issuer shall, and shall procure that each Guarantor will, ensure that the Transaction Security Documents to which it is party remain in full force and effect, and do all acts, and ensure that all acts are taken, which may be necessary to ensure that such Security remains duly created, enforceable and perfected with such ranking and priority contemplated by these Bond Terms, at the expense of the Issuer or the relevant Guarantor (as the case may be).

### 13.8 Parallel Debt

In this Clause 13.8:

**"Corresponding Liabilities"** means all present and future liabilities and contractual and non-contractual obligations of an Obligor under or in connection with this Agreement and the other Finance Documents, but excluding its Parallel Liability.

**"Parallel Liability"** means an Obligor's undertaking pursuant to this Clause 13.8.

Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent an amount equal to the aggregate amount of its Corresponding Liabilities (as these may exist from time to time).

The Parties agree that:

- (a) an Obligor's Parallel Liability is due and payable at the same time as, for the same amount of and in the same currency as its Corresponding Liabilities;
- (b) an Obligor's Parallel Liability is decreased to the extent that its Corresponding Liabilities have been irrevocably paid or discharged and its Corresponding Liabilities are decreased to the extent that its Parallel Liability has been irrevocably paid or discharged;
- (c) an Obligor's Parallel Liability is independent and separate from, and without prejudice to, its Corresponding Liabilities, and constitutes a single obligation of that Obligor to the Security Agent (even though that Obligor may owe more than one Corresponding Liability to the Secured Parties under the Finance Documents) and an independent and separate claim of the Security Agent to receive payment of that Parallel Liability (in its capacity as the independent and separate creditor of that Parallel Liability and not as a co-creditor in respect of the Corresponding Liabilities); and
- (d) for purposes of this Clause 13.8, the Security Agent acts in its own name and not as agent, representative or trustee of the Secured Parties and accordingly holds neither its claim resulting from a Parallel Liability nor any Transaction Security securing a Parallel Liability on trust.

### 13.9 Disposals

The Issuer shall not, and shall procure that no Guarantor will, transfer, assign or otherwise dispose of any legal or beneficial interest in any of its assets to any party not being an Obligor, other than:

- (a) disposals of obsolete, worn out or redundant assets or equipment;
- (b) disposals (excluding Producing Blocks as of the Issue Date) where the asset is replaced with a comparable asset;
- (c) disposals of Hydrocarbon Licenses which are not Producing Blocks as of the Issue Date, provided that the proceeds or consideration from such disposal(s) is re-invested in Field Development Capex or, in case of a disposal in part, a reduction of the

Obligors' exploration expenditures related to such part of the Hydrocarbon License being disposed of; or

- (d) disposals in the ordinary course of business (not including Hydrocarbon Licenses);

subject, in each case under (a) to (d), to the transaction being on arm's length terms, at fair market value, on terms and conditions customary for such transaction, and which do not have a Material Adverse Effect.

Any disposal (including farm-out) of Hydrocarbon Licenses in Hungary which are not Producing Blocks at ~~the Effective Date~~ 28 January 2020 may also be completed by selling a percentage of the relevant concession company's equity share, and any Guarantee granted by such company, or Security over any assets of such company, shall be discharged in connection with such disposal.

### **13.10 Distributions**

The Issuer shall not declare or make any dividend payment, repurchase of shares, repay any loans, grant any loans or make any other distributions, whether in cash or in kind to its direct or indirect shareholders (including but not limited to total return swaps involving any shares issued), ~~except if made in connection with the purchase or redemption of ordinary shares or preference shares from any member of the management or any employees of a Group Company (as part of any incentive schemes), in each case purchased or redeemed upon and in connection with such member of management or such employee no longer being part of such incentive schemes and/or leaving such Group Company, in an aggregate amount not exceeding EUR 1,000,000 in any financial year.~~

### **13.11 Financial Support**

The Issuer shall not, and shall procure that no Guarantor will, for the benefit of any party not being an Obligor provide any Financial Support, except for trade credits or guarantees issued in the ordinary course of business of the Issuer, in each case except for Permitted Financial Indebtedness or Permitted Encumbrances.

Notwithstanding the above, Group Companies may provide Financial Support in the form of loans to Group Companies that are not Obligors and entities (which are not Group Companies) in which any Group Company has an ownership interest, provided that Security is created over such intra-group receivables as security for the obligations under the Finance Documents.

### **13.12 Financial Indebtedness**

The Issuer shall not, and shall procure that no Guarantor will, incur or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

### **13.13 Negative pledge**

The Issuer shall not, and shall procure that no Guarantor will, create or permit to subsist any Security over any of its assets or enter into arrangement having a similar effect, except for Permitted Encumbrances.

#### **13.14 Mergers - Issuer**

The Issuer shall not carry out any merger or other business combination or corporate reorganization, involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other company or entity not being a Group Company if such transaction would have a Material Adverse Effect.

#### **13.15 De-mergers - Issuer**

The Issuer shall not carry out any de-merger or other corporate reorganization involving a split of the Issuer or any other Group Company into two or more separate companies or entities other than intra-group de-mergers, if such transaction would have a Material Adverse Effect.

#### **13.16 Mergers and de-mergers - Guarantors**

The Issuer shall procure that no Guarantor will effect a de-merger, merger, amalgamation, consolidation, reconstruction, reorganization or otherwise enter into any form of business combination with any other entity or person other than an Obligor or enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of another entity or person other than an Obligor whether by any of the foregoing methods or otherwise

#### **13.17 Corporate status**

The Issuer shall not change its type of organization or jurisdiction of incorporation.

#### **13.18 Related party transactions**

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall not, and shall procure that no Guarantor will, engage in, directly or indirectly, any transaction with any related party (including, without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business of that Obligor and pursuant to the reasonable requirement of that Obligor's or any other Obligor's business and upon fair and reasonable terms and, except for any transaction between the Obligors, on terms that are not less favourable to the Issuer than those which might be obtained in an arm's length transaction at the time, provided that this clause does not apply to the issue of securities, advances, fees and indemnities payable to directors, officers and employees of a Guarantor.

#### **13.19 Investments**

The Issuer shall not invest, make acquisitions or take part in any activity other than the development of hydrocarbon assets and related infrastructure.

The Issuer shall procure that no Guarantor will, invest, make acquisitions or take part in any activity other than the development of hydrocarbon assets and related infrastructure in the jurisdiction in which such Guarantor is incorporated.

#### **13.20 Romanian investments**

The Issuer shall not, shall procure that no Guarantor will, spend more than EUR 10,000,000 in capital expenditure for the Group as a whole in relation to the Romanian Hydrocarbon Licences unless financed by new equity or Shareholder Loans until a Romanian License Extension has been obtained.



### 13.21 Additional Guarantors

The Issuer shall nominate any existing and future Subsidiary holding Hydrocarbon License(s) as a Guarantor under this Agreement, and procure that each such Subsidiary executes a Guarantee prior to such Subsidiary becoming a holder of any Hydrocarbon License(s), except that no Guarantee or Transaction Security shall be required from:

(a) any existing Subsidiary in Hungary which is subject to a permitted disposal in accordance with Clause 13.9 and which only holds Hydrocarbon Licenses which are not Producing Blocks as at ~~the Effective Date~~ 28 January 2020; and

(b) any future Subsidiaries holding Hydrocarbon License(s),

in each case where the Issuer owns less than 100% (of the shares/votes) in such Subsidiary.

### 13.22 Financial covenants

(a) The Issuer shall comply with the following:

(i) *Leverage Ratio*

The Issuer shall ensure that the Group maintains a Leverage Ratio in respect of the Relevant Periods expiring on 31 ~~December~~ March 2021 and ~~for the Relevant Period expiring on 30 June 2021 the Leverage Ratio shall be equal to or lower than 2.25:1x;~~

~~for the Relevant Period expiring on 30 September 2021 the Leverage Ratio shall be equal to or lower than 2.25:1x; and~~ 31 ~~March~~ December 2022~~1~~ equal to or lower than 2.50:1x.

(ii) *Minimum Liquidity*

The Issuer shall ensure that the Group, from and including 1 ~~October~~ January 2021, at all times maintains minimum Liquidity of EUR 3,000,000.

~~(iii) *Current Ratio*~~

~~For each Relevant Period expiring on or after 31 March 2021 the Issuer shall ensure that the Group maintains a Current Ratio of minimum 1:1.~~

(b) The above financial covenants shall apply (save for the Minimum Liquidity covenant, which shall apply at all times) and be measured on each Quarter Date and certified by the Issuer by way of a Compliance Certificate. All financial covenants shall be calculated on a consolidated basis for the Group.

(c) A breach of the financial covenants shall not constitute an Event of Default if such breach is prevented or remedied by cash proceeds received by the Issuer (i) in exchange for fully paid shares in the Issuer, or (ii) as Shareholder Loans, after the relevant Quarter Date (the "**Cure Amount**").

(d) The Cure Amount can be applied for the benefit of the covenant calculation for the Relevant Period up until 20 Business Days after the due date for issuance of the Compliance Certificate and may be applied to reduce Net Interest Bearing Debt in the calculation of the Leverage Ratio and increase Current Assets in the calculation of the Current Ratio.

- (e) The Issuer shall at any point in time it becomes aware of an existing or anticipated breach of any of the financial covenants be obligated to notify the Bond Trustee of such breach, and if relevant inform of any intention to obtain a Cure Amount, including a description of how such Cure Amount shall be obtained.
- (f) The above Equity Cure mechanism shall not apply with respect to any breach of the Minimum Liquidity covenant, and the Issuer shall not be permitted to use the Equity Cure more than five (5) times during the lifetime of the Bonds, and limited to maximum two (2) times consecutively.

### ~~13.23~~ — ~~Release of security under Prepayment Contract~~<sup>3</sup>

~~The Issuer shall procure that the first priority pledge over the Endrőd Gas Plant and the pledge on inventory tangibles which are granted as security under the Prepayment Contract shall be released as soon as practicably possible upon the earlier of (i) expiry of the Prepayment Contract in July 2019 or (ii) early repayment or other termination of the Prepayment Contract.~~

### ~~13.24~~13.23 Repayment of Revolving Credit Facility

The Issuer shall procure that the Revolving Credit Facility, if drawn as of the Issue Date, shall be repaid by use of proceeds from the issuance of the Bonds (allocated under Clause 2.3 (a) (iii) (*Use of proceeds*)) in connection with the first drawing from the Escrow Account and that the Revolving Credit Facility shall remain undrawn during the term of these Bond Terms.

## 14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

### 14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

#### (a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

#### (b) *Breach of other obligations*

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<sup>3</sup> Drafting note: Completed

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within twenty (20) Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

(i) If for any Group Company:

- (A) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (B) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (C) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
- (D) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 2,000,000 (or the equivalent thereof in any other currency).

- (ii) If there is a determined but not duly paid claim against the Issuer under any of its parent company guarantees issued in favour of the other Group Companies.

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
- (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
- (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
- (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within twenty (20) Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

## 14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

#### **14.3 Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

#### **14.4 Calculation of claim**

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

### **15. BONDHOLDERS' DECISIONS**

#### **15.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the

Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.

- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

## **15.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
  - (i) the Issuer;
  - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
  - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
  - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **15.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

### **15.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten (10) Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

### **15.5 Written Resolutions**

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*)



may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), such Voting Period to be at least three (3) Business Days but not more than fifteen (15) Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet

expired. A Written Resolution may also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.

- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1(*Authority of Bondholders' Meeting*).

## **16. THE BOND TRUSTEE**

### **16.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of and application for bankruptcy or other insolvency proceedings against the Issuer, or others (including, but not limited to, board members of the Issuer).
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

### **16.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **16.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

#### **16.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently in:
  - (i) acting in accordance with advice from or opinions of reputable external experts; or
  - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.

- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligor, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **16.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## 16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

In accordance with Clause 3.1, by virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the terms of this Clause 16.6, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party, and they appoint the Bond Trustee as beneficiary of the security created under the Romanian Transaction Security Documents, including within the meaning and for the purpose of Article 164 paragraph (4) of Romanian Law no. 71/2011 for the application of Romanian Law no. 287/2009 regarding the Romanian Civil Code and it is empowered empowers to exercise all rights granted by law to a secured creditor in respect of the security created under the Romanian Transaction Security Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.
- (f) In accordance with Clause 3.1, by virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the terms of this Clause 16.6, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party, and they appoint the Security Agent to act as their collateral agent (in Hungarian: "zálogjogosulti bizományos") under Article 5:96 of the Hungarian Civil Code with regard to each and any Transaction Security Document governed by Hungarian law. It is hereby

confirmed that the Security Agent in its capacity as collateral agent is entitled and obliged to exercise the rights and perform the obligations under the Transaction Security Documents governed by Hungarian law and it has the authority to enter into any Transaction Security Document governed by Hungarian law in its own name and in the name of, and on behalf of the Bondholders. Any Obligor incorporated in Hungary hereby expressly consents to the appointment of the Security Agent as collateral agent under Article 5:96 of the Hungarian Civil Code and accepts that the rights of the Bondholders will be exercised and obligations of the Bondholders will be performed primarily by the Security Agent (in its capacity as collateral agent) in accordance with this Clause 16.6 and Article 5:96 of the Hungarian Civil Code.

## **17. AMENDMENTS AND WAIVERS**

### **17.1 Procedure for amendments and waivers**

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

### **17.2 Authority with respect to documentation**

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

### **17.3 Notification of amendments or waivers**

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

## **18. MISCELLANEOUS**

### **18.1 Limitation of claims**

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

### **18.2 Access to information**

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

### **18.3 Notices, contact information**

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
  - (i) if by letter, when delivered at the address of the relevant party;
  - (ii) if by e-mail, when received; and
  - (iii) if by fax, when received.
- (c) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (d) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):



- (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
- (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
- (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

#### 18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
  - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
  - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
  - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

  - (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
  - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
  - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 18.4 may not be reversed.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing law**

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

### **19.2 Main jurisdiction**

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the District Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

### **19.3 Alternative jurisdiction**

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

## **SIGNATURES:**

[Intentionally left blank in the [Second](#) Amended and Restated Bond Terms]

**SCHEDULE 1**  
**COMPLIANCE CERTIFICATE**

[date]

**Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000 callable bond issue 2018/2022 - ISIN NO 0010820616**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Statements to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Statements] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.22 (*Financial Covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

**Sand Hill Petroleum B.V.**

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*Name of authorised person*

*Enclosure: Financial Statements; [and  
any other written documentation]*

**SCHEDULE 2**  
**RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000 callable bond issue 2018/2022 - ISIN NO 0010820616**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of EUR [ ] from the Escrow Account applied pursuant to the purpose set out in Clause 2.5 (a) [(i)/(ii)/(iii)] the Bond Terms, and request you to instruct the bank to release the above mentioned amount in accordance with the attached payment instructions.

[Attached hereto is a Construction Budget setting out the budgeted costs for the Facilities Construction.]<sup>4</sup> / [We hereby confirm that the amount released in the [First / Second] Construction Release was employed according to the Construction Budget]<sup>5</sup> / [Attached hereto is an itemised capital expenditure plan.]<sup>6</sup> / [We hereby confirm that the funds will be used for general corporate purposes of the Group.]<sup>7</sup>

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

**Sand Hill Petroleum B.V.**

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<sup>4</sup> Applicable if funds are intended to be used in accordance with Clause 2.5 (a)(i) and the First Construction Release

<sup>5</sup> Applicable if funds are intended to be used in accordance with Clause 2.5 (a)(i) and the Second and Third Construction Release

<sup>6</sup> Applicable if funds are intended to be used in accordance with Clause 2.5 (a)(ii)

<sup>7</sup> Applicable if funds are intended to be used in accordance with Clause 2.5 (a)(iii)

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Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

**Schedule 3**  
**RELEASE NOTICE – DEBT SERVICE RETENTION ACCOUNT**

\_\_\_\_\_  
[date]

Dear Sirs,

**~~Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000 callable bond issue 2018/2022 – ISIN NO 0010820616~~**

~~We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.~~

~~Capitalised terms used herein will have the same meaning as in the Bond Terms.~~

~~We hereby give you notice that we on [date] wish to draw an amount of EUR [ ] from the Debt Service Retention Account applied in payment of the interest due on the Bonds on [date], and request you to instruct the bank to release the above mentioned amount.~~

Yours faithfully,

**~~Sand Hill Petroleum B.V.~~**

\_\_\_\_\_  
\_\_\_\_\_  
Name of authorized person

~~Schedule 4~~**SCHEDULE 3**  
LIST OF GUARANTORS

<b>Name of Guarantor</b>	<b>Registered address</b>	<b>Registration no.</b>
O&GD Central Kft.	1024 Budapest, Lövház u. 39, Hungary	01-09-930680
OGD Újléta Koncessziós Kft	1024 Budapest, Lövház u. 39, Hungary	01-09-201499
OGD Nádudvar Koncessziós Kft	1024 Budapest, Lövház u. 39, Hungary	01-09-195897
OGD Berettyóújfalu Koncessziós Kft.	1024 Budapest, Lövház u. 39, Hungary	01-09-278830
OGD Mogyoród Koncessziós Kft.	1024 Budapest, Lövház u. 39, Hungary	01-09-280353
OGD Nagykáta Koncessziós Kft	1024 Budapest, Lövház u. 39, Hungary	01-09-280348
OGD Ócsa Koncessziós Kft	1024 Budapest, Lövház u. 39, Hungary	01-09-280349
Sand Hill Petroleum Romania SRL	Str. Economu Cezarescu, Nr. 31 B, Etaj 2, Camera 4, Sector 6, Bucharest, Romania	J40/8760/2013

~~Schedule 5~~**SCHEDULE 4**  
LIST OF HYDROCARBON LICENCES

NAME OF LICENCE	OWNER
<b>HUNGARY:</b>	
Berettyóújfalu Concession Area	OGD Berettyóújfalu Koncessziós Kft.
Körös exploration license	O&GD Central Kft.
Mining plots: Mezőtúr V. Tiszaékcske I. Szolnok V. Szolnok VI. Örményes I. Kisújszállás I. Dévaványa II. Dévaványa III. Túrkeve III. Túrkeve IV. Endrőd II. Ecsefalva II. Penészlek II.	O&GD Central Kft.
Mogyoród Concession Area	OGD Mogyoród Koncessziós Kft.
Nádudvar Concession Area	OGD Nádudvar Koncessziós Kft.
Nagykátá Concession Area	OGD Nagykátá Koncessziós Kft.
Ócsa Concession Area	OGD Ócsa Koncessziós Kft.
Újléta Concession Area	OGD Újléta Kft.
<b>ROMANIA:</b>	
EX-1 Voivozi	Sand Hill Petroleum Romania SRL (70 per cent. participating interest)
EX-5 Adea	Sand Hill Petroleum Romania SRL (80 per cent. participating interest)