

SLSP AT1 PNC5 INVEŠTIČNÉ CERTIFIKÁTY 2020 II

TERMS AND CONDITIONS (IN SLOVAK: *EMISNÉ PODMIENKY*) OF INVESTMENT CERTIFICATES

(the "Terms and Conditions")

§ 1 BASIC PROVISIONS

(1) *Class, Name, Currency, Denomination.* These investment certificates (the "**Certificates**"), ISIN: SK4000018172, FISN: Slospo/STRWOCPR, are being issued by Slovenská sporiteľňa, a.s., a bank incorporated and licensed in the Slovak Republic, with its registered seat at Tomášikova 48, 832 37 Bratislava, identification number (IČO): 00 151 653, registered with the Commercial Registry of the District Court Bratislava I, section: Sa, insert no: 601/B, legal entity identifier (LEI): 549300S2T3FWVVXWJI89 (the "**Issuer**") (in Slovak: *emitent*) on 23 November 2020 in EUR (the "**Specified Currency**"). The class of the security is investment certificates (in Slovak: *investičné certifikáty*). The name of the security is "SLSP AT1 PNC5 Investičné certifikáty 2020 II". The aggregate nominal amount (in Slovak: *celková menovitá hodnota*) of the Certificates is EUR 150,000,000 (in words: one hundred fifty million Euro) with a denomination of EUR 5,000,000 (in words: five million Euro) (the "**Specified Denomination**") each. The Certificates are issued at an issue price of 100.00% of the Specified Denomination per Certificate. The Certificates will not be listed on any stock exchange. The Certificates are investment certificates issued in accordance with Act No. 566/2001 Coll. on Securities and Investment Services, as amended (hereinafter the "**Slovak Securities Act**").

(2) *Form* (in Slovak: *forma a podoba*). The Certificates are book-entry (in Slovak: *zaknihované*) securities registered in Centrálny depozitár cenných papierov SR, a.s., with its registered seat at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic ("**CDCP**"). The Certificates are issued in bearer form (in Slovak: *cenné papiere na doručiteľa*).

(3) *Holder of Certificates.* The holders of the Certificates will be the persons registered as owners of the Certificates: (a) on the owner's account (in Slovak: *účet majiteľa*) maintained by CDCP or by a member of CDCP; or (b) on the internal account of a person for which CDCP maintains a custody account (in Slovak: *držiteľský účet*) (each such account referred to as the "**Relevant Account**" and each such person as the "**Holder**"). If some of the Certificates are registered in a custody account, the Issuer reserves the right to rely on the authority of each person maintaining such account to fully represent (directly or indirectly) the Holder and perform vis-à-vis the Issuer and to the account of the Holder all legal acts (either in the Holder's name or in its own name) associated with the Certificates as if such person were their owner. Unless the law or a decision of the court delivered to the Issuer provides otherwise, the Issuer will deem each Holder as the authorised owner in all respects and make the payments under the Certificates to that Holder.

(4) *Business Day.* "**Business Day**" means a day (other than a Saturday or a Sunday) on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET**") or its successor are open to effect payments and commercial banks are open for general business in Bratislava.

(5) *Description of the underlying.* The underlying for the Certificates is the capital position of the Issuer and of the Issuer's Group (as defined in § 3 (6)) based on the Issuer's CET 1 Capital Ratio and the Issuer's Group CET 1 Capital Ratio (both as defined in § 5 (8)). Information on the Issuer's CET 1 Capital Ratio and the Issuer's Group CET 1 Capital Ratio can be found in the Issuer's annual (audited) and interim (unaudited) financial reports published on the Issuer's website (www.slsp.sk).

(6) *Transferability.* The Certificates are transferable securities and their transfer by any Holder is not limited.

(7) *Principal.* In accordance with the Slovak Securities Act, the Certificates have a nominal amount (in Slovak: *menovitá hodnota*) and redemption value (in Slovak: *hodnota vyrovnania*), but no guaranteed principal amount (in Slovak: *istina*). In connection with the Certificates, the Current Principal Amount (as

defined below) will therefore be the "redemption value" of the Certificates for the purposes of the Slovak Securities Act and will be equivalent to the "principal amount" for the purposes of the CRR (as defined in § 2 (1)).

(8) The Certificates carry the right to settlement in cash only under the conditions specified in these Terms and Conditions. The Certificates do not carry the right to exchange for or convert to any shares of the Issuer or the right to delivery of any other instruments or underlying assets.

§ 2 STATUS

(1) *Ranking.* The Certificates shall constitute direct, unsecured and subordinated obligations (in Slovak: *priame, nezabezpečené, podriadené*) of the Issuer and shall qualify as AT 1 Instruments (as defined below).

The Certificates constitute a perpetual financial instrument without obligation to redeem (in Slovak: *trvalý finančný nástroj bez povinnosti jeho vyrovnania*) within the meaning of Section 180a(4) of the Act No. 7/2005 Coll. on bankruptcy and restructuring, as amended (hereinafter the "**Slovak Bankruptcy Act**") and these Terms and Conditions contain Write-down provisions reducing the Current Principal Amount of each Certificate by the relevant Write-down Amount if a Trigger Event has occurred (all as defined below and in line with Section 180a(4) of the Slovak Bankruptcy Act which anticipates that the Terms and Conditions refer to a circumstance permanently or temporarily reducing the value of a certificate (in Slovak: *skutočnosť, ktorá trvalo alebo dočasne znižuje hodnotu cenného papiera*). Therefore, in the bankruptcy (in Slovak: *konkurz*) or liquidation (in Slovak: *likvidácia*) of the Issuer:

- (a) the receivables of the Holders under the Certificates will be satisfied in accordance with Section 180a(4) of the Slovak Bankruptcy Act, i.e. only after the satisfaction of all other present or future receivables of the creditors of the Issuer (other than receivables under any other AT 1 Instruments), including non-secured receivables (in Slovak: *nezabezpečené pohľadávky*), subordinated receivables (in Slovak: *podriadené pohľadávky*) and receivables under any Tier 2 Instruments (as defined below); and
- (b) the obligations of the Issuer under the Certificates will rank *pari passu* among themselves and with all present and future obligations under any other AT 1 Instruments.

Where:

"**AT 1 Instruments**" means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Additional Tier 1 instruments pursuant to Article 52 CRR, including any capital (or other) instruments that qualify as Additional Tier 1 items pursuant to transitional provisions under the CRR.

"**CET 1 Instruments**" means any capital instruments of the Issuer that qualify as Common Equity Tier 1 instruments pursuant to Article 28 CRR, including any (or other) capital instruments that qualify as Common Equity Tier 1 items pursuant to transitional provisions under the CRR.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time. Any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Tier 2 Instruments**" means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.

The Holders of the Certificates have no right to demand repayment of the nominal amount of the Certificates. The rights of the Holders of the Certificates to redemption of the Certificates are at any time limited to a claim up to the amount of the Current Principal Amount, in accordance with these Terms and Conditions.

For the avoidance of doubt, Holders will neither participate in any reserves of the Issuer nor in the liquidation profits in the event of its liquidation.

(2) *Insolvency.* The Certificates do not contribute to a determination that the liabilities of the Issuer exceed its assets. Therefore, any obligations of the Issuer under the Certificates will not contribute to the determination of over-indebtedness (in Slovak: *predĺženie*) in accordance with § 40(6) of the Slovak Banking Act.

(3) *No Set-off or Netting.* The Certificates are not subject to any set-off or netting arrangements that would undermine their capacity to absorb losses. Any claims of the Holders under or in connection with the Certificates cannot be set off with or against claims of the Issuer and any such set-off right (whether of the Issuer, Holder or any successor) is expressly excluded.

(4) *No Security/Guarantee; No Enhancement of Seniority.* The Certificates are neither secured, nor subject to any guarantee that enhances the seniority of the claims under the Certificates. The Certificates are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Certificates in insolvency or liquidation.

(5) *Possibility of statutory resolution measures.* Prior to any insolvency proceedings (in Slovak: *konkurz*) or any liquidation (in Slovak: *likvidácia*) of the Issuer, under the Applicable Supervisory Regulations (as defined below), the competent resolution authority may exercise the power to write down (including to zero) the obligations of the Issuer under the Certificates, convert the Certificates into shares or other instruments of ownership of the Issuer (if such conversion is possible under applicable law of the Slovak Republic at the time of the resolution), in each case in whole or in part, or apply any other resolution tool or action, including (but not limited to) any deferral or transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Certificates.

§ 3

DISTRIBUTIONS

(1) *Distribution Rates and Distribution Payment Dates.* The Certificates shall bear distributions (in Slovak: *výnosy*) on the Current Principal Amount at the rate of 4.82 per cent. *per annum* (the "**First Rate of Distributions**") from, and including, 23 November 2020 (the "**Distribution Commencement Date**") to, but excluding, 23 November 2025 (the "**First Reset Date**") and thereafter at the relevant Reset Rate (as determined according to § 3 (4)) from, and including, each Reset Date to, but excluding, the next following Reset Date.

Distributions shall be scheduled to be paid semi-annually in arrear on 23 November and 23 May in each year (each such date, a "**Distribution Payment Date**"), commencing on 23 May 2021. Distributions will fall due subject to the provisions set out in § 3 (6), § 4 (4) and § 5 (8) (a)(v).

(2) *Calculation of Amount of Distributions.* If the amount of distributions scheduled to be paid on the Certificates is required to be calculated for any period of time, such amount of distributions for any Distribution Period (as defined below) shall be calculated by the Calculation Agent (as defined below) by applying the prevailing rate of distributions to the Current Principal Amount, multiplying such amount by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

If a Write-down (as defined in § 5 (8)) occurs during any Distribution Period, unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date (as defined in § 5 (8)) are cancelled in accordance with § 3 (6)(c), the Certificates shall bear distributions on the adjusted Current Principal Amount from and including the Write-down Effective Date.

If, pursuant to § 5 (9), the Current Principal Amount of the Certificates is subject to a Write-up, during a Distribution Period, the amount of distributions shall be calculated by the Calculation Agent on the basis of the adjusted Current Principal Amount from time to time so that the relevant amount of distributions is determined by reference to such Current Principal Amount as adjusted from time to time and as if such Distribution Period were comprised of two or more (as applicable) consecutive distribution periods, with distribution calculations based on the number of days for which each Current Principal Amount was applicable.

"Distribution Period" means the period from and including the Distribution Commencement Date to but excluding the first Distribution Payment Date and each successive period from and including a Distribution Payment Date to but excluding the next succeeding Distribution Payment Date.

(3) Day Count Fraction. **"Day Count Fraction"** means, in respect of the calculation of an amount of distributions on any Certificate for any period of time (from and including the first day of such period to but excluding the last day of such period) (the **"Calculation Period"**), the number of calendar days in the Calculation Period divided by 360. The number of calendar days shall be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months unless (a) the last calendar day of the Calculation Period is the 31st calendar day of a month, but the first calendar day of the Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month; or (b) the last calendar day of the Calculation Period is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month.

(4) Determination of the Reset Rate.

(a) Reset Rate. The rate of distributions for each Reset Period (each a **"Reset Rate"**) shall be the Reference Rate (as defined below) plus the Margin (as defined below), subject to a minimum of 0.00 per cent. per annum.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3 (4) for each Reset Date on the relevant Reset Determination Date.

The **"Reference Rate"** for each Reset Date will be,

- (A) as long as no Benchmark Event (as defined in § 3 (4) (c)(iv)) has occurred,
 - (i) the Original Benchmark Rate on the relevant Reset Determination Date, as determined by the Calculation Agent; or
 - (ii) the Reference Bank Rate on the relevant Reset Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Reset Determination Date, all as determined by the Calculation Agent;
- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (4) (c) for each Reset Period commencing on or after the relevant Reset Determination Date (as defined in this § 3 (4) (a)).

"Original Benchmark Rate" in respect of any day means the mid-market swap rate (as defined below) (expressed as a percentage) for swap transactions in the Specified Currency with a term of five (5) years equaling the term of the Reset Period starting on the relevant Reset Date, which appears on the Screen Page (as defined below) as of 11:00 Bratislava time) on such day determined by its benchmark administrator using the methodology prevailing on the Distribution Commencement Date, all as determined by the Calculation Agent.

"Reference Bank Rate" means the rate determined as follows: the Issuer shall request the principal office of each Reference Bank (as defined below) to provide the Calculation Agent with its mid-market swap rate quotation (expressed as a percentage rate) at approximately 11:00 a.m. (Bratislava time) on the relevant Reset Determination Date, where **"mid-market swap rate"** means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term of five (5) years equal to the term of the Reset Period and commencing on the relevant Reset Date and in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is based on 6 month Euribor (or such other reference rate as is used in accordance with the customary market practice at such time).

If three or more of the Reference Banks provide the Calculation Agent with such rates, the Reference Bank Rate for the relevant Reset Period shall be deemed to be the arithmetic mean (rounded if

necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such rates eliminating the highest rate (or, in the event of equality, one of the highest) and the lowest rate (or, in the event of equality, one of the lowest), all as determined by the Calculation Agent.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Reset Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Reset Determination Date on which such Original Benchmark Rate was displayed.

"**Margin**" means 5.27 per cent. *per annum*.

Where:

"**Reference Banks**" means five leading swap dealers in the interbank market selected by the Issuer.

"**Reset Date**" means the First Reset Date and each fifth anniversary thereof for as long as the Certificates remain outstanding.

"**Reset Determination Date**" means the second Business Day prior to any Reset Date.

"**Reset Period**" means the period from, and including, a Reset Date to, but excluding, the next following Reset Date.

"**Screen Page**" means the display page on Reuters designated as the ISDAFIX2 page or the successor page displayed by the same information provider or any other information provider nominated by the Calculation Agent as the replacement information provider for the purposes of displaying the Reference Rate.

(b) *Notification of Reset Rate.* The Calculation Agent will cause the Reset Rate to be notified to the Issuer and to the Holders in accordance with § 9 as soon as possible after its determination.

(c) *New Benchmark Rate.*

(i) *Benchmark Event.* In the event of a Benchmark Event,

- (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Reset Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (4) (c)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (4) (c)(iii) below) (if required); or
- (B) if, prior to the 10th Business Day prior to the relevant Reset Determination Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Reset Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Reset Determination Date falling on or, if it is not a Reset Determination Date, the Reset Determination Date immediately following the date of the Benchmark Event (the "**relevant Reset Determination Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the

case of (B) above) shall, when making any determination in accordance with this § 3 (4)(c), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) *Adjustment Spread.* The Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) determines in its reasonable discretion a New Benchmark Rate the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Reset Determination Date, the Day Count Fraction, the Business Days, the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").
- (iv) *Definitions.*

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) determines in its reasonable discretion to be appropriate.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above).

"**Benchmark Event**" means:

- (1) the Original Benchmark Rate (or any component part thereof) ceasing to be published on a regular basis or ceasing to exist; or
- (2) a public statement by the administrator of the Original Benchmark Rate that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances

where no successor administrator has been appointed that will continue publication of the Original Benchmark Rate); or

- (3) a public statement by the supervisor of the administrator of the Original Benchmark Rate, that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Benchmark Rate as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Certificates; or
- (5) a material change of the methodology for the determination of the Original Benchmark Rate has occurred or will occur; or
- (6) it has become unlawful for the Calculation Agent, the Issuer, any Independent Advisor or any other agent to calculate any payments due to be made to any Holder using the Original Benchmark Rate; or
- (7) a public statement by the supervisor of the administrator of the Original Benchmark Rate that the Original Benchmark Rate is no longer representative of an underlying market or economic reality on a permanent and irremediable basis.

"Generally Accepted Market Practice" means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

"Independent Advisor" means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Industry Solution" means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"New Benchmark Rate" means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion as follows:

- (a) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate; or
- (b) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

"Official Substitution Concept" means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members

pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"Substitute Benchmark Rate" means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the distributions scheduled to be paid under the Certificates determined by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (4)(c)(i) (A) above) or the Issuer (in the case of § 3 (4)(c)(i) (B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (4) (c), the Reference Rate applicable to the next Reset Period shall be equal to the Reference Rate determined on the last preceding Reset Determination Date. If this § 3(4)(c)(v) were to be applied on the first Reset Determination Date prior to the commencement of the first Reset Period, the Reference Rate applicable to the first Reset Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Reset Determination Date on which such Original Benchmark Rate was displayed.

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the relevant Reset Determination Date and the corresponding Reset Period only. Any subsequent Reset Determination Date and Reset Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3(4)(c).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) to the Calculation Agent and to the Holders in accordance with § 9.
- (vii) Notwithstanding the provisions of this § 3 (4)(c), no New Benchmark Rate, no Adjustment Spread and/or no Benchmark Amendments, if any, will be adopted, nor will any other amendment to the Terms and Conditions be made to effect the same, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to entitle the Issuer to redeem the Certificates for regulatory reasons pursuant to § 5 (5) and/or would prejudice the qualification of the Certificates as AT 1 Instruments and/or the Certificates as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

If this § 3(4)(c)(vii) were to be applied on the first Reset Determination Date prior to the commencement of the first Reset Period, the Reference Rate applicable to the first and each subsequent Reset Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Reset Determination Date on which such Original Benchmark Rate was displayed.

If this § 3(4)(c)(vii) were to be applied on a Reset Determination Date falling after the commencement of any Reset Period, the Reference Rate applicable to the next and each subsequent Reset Period shall be equal to the Reference Rate determined on the last preceding Reset Determination Date.

- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 (4) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (ix) Any reference in this § 3 (4) (c) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(c) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of willful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. For the avoidance of doubt, this shall apply when the function of the Calculation Agent is performed by the Issuer as well.

(5) *Cessation of Accrual of Distributions.* The Certificates shall cease to bear distributions from the end of the calendar day preceding the date fixed for redemption (if any). If the Issuer fails to redeem the Certificates when due, distributions shall continue to accrue on the Current Principal Amount of the Certificates from and including the date fixed for redemption to but excluding the date of actual redemption of the Certificates at the respective rate of distributions determined as specified in § 3 (1)-(4) above, which will fall due subject to the provisions set out in § 3 (6) and § 5 (8)(a)(v). This does not affect any additional rights that might be available to the Holders.

(6) *Cancellation of Distributions.*

(a) *Discretionary Cancellation of Distributions.* The Issuer, at its full discretion, may, at all times elect to cancel, in whole or in part, any payment of distributions on the Certificates scheduled to be paid on any Distribution Payment Date for an unlimited period and on a non-cumulative basis.

If the Issuer makes such election, the Issuer shall inform the Holders in accordance with § 9, provided that the Issuer shall endeavour to inform the Holders on or before the Distribution Payment Date and that the Issuer will inform the Holders without undue delay thereafter, and provided further that any failure or delay to inform the Holders shall not affect the validity of such cancellation, shall in no event result in an obligation of the Issuer to make a cancelled distribution payment at a later date and shall not constitute a default for any purpose.

(b) *Mandatory Cancellation of Distributions.*

- (i) Without prejudice to full discretion of the Issuer pursuant to § 3 (6) (a), any payment of distributions scheduled to be paid on the Certificates on any Distribution Payment Date and any Additional Amounts thereon shall be cancelled mandatorily and automatically, in whole or in part, if and to the extent that:
 - (A) the amount of such distribution payment and any Additional Amounts thereon together with any further Relevant Distributions would exceed the available Distributable Items (as defined below), provided that, for such purpose, the available Distributable Items shall be increased by an amount equal to what has been accounted for as expenses for payments of interest, dividends or distributions on Tier 1 Instruments (including payments of distributions on the Certificates and any Additional Amounts thereon) in the calculation of the profit (in Slovak: *zisk*) on which the available Distributable Items are based; or
 - (B) the Competent Authority (as defined below) orders the relevant distribution payment scheduled to be paid on the Certificates to be cancelled in whole or in part; or
 - (C) another prohibition or restriction to make a distribution on the Certificates, or to make such distribution on the Certificates when aggregated with any other Relevant Distributions, is imposed by Applicable Supervisory Regulations or the Competent Authority (or any other relevant supervisory authority).

- (ii) Prohibitions and restrictions of distributions pursuant to § 3 (6) (b)(i)(C) may include, but are not limited to:
- (A) any restrictions of distributions as a result of non-compliance with the combined buffer requirement (howsoever defined in the Applicable Supervisory Regulations) applicable at the time;
 - (B) any prohibition of distributions in connection with the calculation of the Maximum Distributable Amount;
 - (C) the limit resulting from the Maximum Distributable Amount; and
 - (D) any other restriction operating as maximum distributable amount in accordance with the then Applicable Supervisory Regulations requiring a maximum distributable amount to be calculated or to be complied with if the Issuer is failing to meet any applicable capital adequacy or buffer requirement, such as the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) and the maximum distributable amount related to the leverage ratio (L-MDA), in each case if applicable to the Issuer at that point in time.
- (iii) If any payment of distributions on the Certificates scheduled to be paid on any Distribution Payment Date is so mandatorily and automatically cancelled, the Issuer shall inform the Holders in accordance with § 9, provided that the Issuer shall endeavour to inform the Holders on or before the Distribution Payment Date and that the Issuer will inform the Holders without undue delay thereafter, and provided further that any failure or delay to inform the Holders shall not affect the validity of such cancellation, shall in no event result in an obligation of the Issuer to make a cancelled distribution payment at a later date and shall not constitute a default for any purpose.

(c) If a Write-down (as defined in § 5 (8)) occurs during any Distribution Period, unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date will be cancelled mandatorily and automatically in full.

(d) Any distribution payment cancelled in accordance with § 3 (6) (a) to (c) will be non-cumulative and will be cancelled permanently and no payments will be made nor will any Holder be entitled to receive any payment or indemnity in respect thereof. Any such cancellation of distributions will not constitute an event of default of the Issuer and will not impose any restrictions on the Issuer.

The Issuer may use such cancelled payments without restrictions to meet its obligations as they fall due.

Where:

"Competent Authority" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or the Issuer's Group on a consolidated basis.

"CRD" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (*Capital Requirements Directive*) including any implementing Slovak legislation and as amended or replaced from time to time. Any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"Current Principal Amount" means, in respect of each Certificate at any time, the Specified Denomination reduced by the sum of all Write-down Amounts and increased by the sum of amounts of all Write-ups (as defined below), in each case effected in accordance with these Terms and Conditions as at the time of calculation of the Current Principal Amount. The term "Current Principal Amount" as used in these Terms and Conditions is equivalent to Slovak term "*hodnota vyrovnanía*" for the purposes of the Slovak Securities Act.

"Distributable Items" means, in respect of any payment of distributions on the Certificates, the distributable items as defined in Article 4(1)(128) CRR, as amended from time to time, in respect of each financial year of the Issuer, as at the end of the latest financial year of the Issuer ended prior to the relevant Distribution Payment Date for which such Relevant Financial Statements are available, all as

determined in accordance with the accounting principles applied by the Issuer and as derived from the most recent Relevant Financial Statements.

"Issuer's Group" means the Issuer and its consolidated Subsidiaries.

"Maximum Distributable Amount" means any maximum distributable amount (in Slovak: *maximálna rozdeliteľná suma*) relating to the Issuer and/or the Issuer's Group, as the case may be, that may be required to be calculated in accordance with § 33k(4) of the Slovak Banking Act (implementing Article 141(2) CRD in the Slovak Republic), as amended or replaced from time to time, or (ii) any successor provision thereto.

"Relevant Distributions" means the sum of:

- (i) any other payments of distributions on the Certificates that were made or are scheduled to be made by the Issuer in the then current financial year of the Issuer;
- (ii) the amount of any Write-up (as defined below) of the Certificates that was made in the then current financial year or is made simultaneously with the relevant distribution payment on the relevant Distribution Payment Date, if any; and
- (iii) any payments of interest, dividends or distributions (including any write-ups) that were made, are simultaneously made or are scheduled to be made by the Issuer on other Tier 1 Instruments in the then current financial year of the Issuer;
- (iv) any amount, payment or distribution as may be relevant under any restriction operating as a maximum distributable amount in accordance with any legal or regulatory requirements applicable to the Issuer at the time.

"Relevant Financial Statements" means: (i) the audited (in Slovak: *auditované*) individual annual financial statements of the Issuer approved (in Slovak: *schválené*) by the General Meeting of the Issuer, prepared in accordance with accounting provisions applied by the Issuer and accounting regulations then in effect, for the latest financial year of the Issuer ended prior to the relevant Distribution Payment Date; or (ii) if such audited and approved individual annual financial statements of the Issuer are not available at the relevant Distribution Payment Date, unaudited individual (*pro forma*) financial statements of the Issuer, prepared in accordance with accounting provisions applied by the Issuer in relation to its individual annual financial statements and accounting regulations then in effect in relation to the Issuer's individual annual financial statements.

"Slovak Banking Act" means Slovak Act No. 483/2001 Coll. on banks, as amended or replaced from time to time. Any references to relevant provisions of the Slovak Banking Act in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"SSM Regulation" means the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time. Any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"Subsidiary" means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

"Tier 1 Instruments" means: (i) the CET 1 Instruments; (ii) the AT 1 Instruments; and (iii) any other instruments or obligations of the Issuer ranking *pari passu* as regards payment of interest, dividends or distributions with CET 1 Instruments or AT 1 Instruments.

§ 4 PAYMENTS

(1) *Payment.* Any amount due under the Certificates in accordance with these Terms and Conditions shall be made by the Issuer through the Paying Agent at its Specified Office (as defined below).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Certificates shall be made in the Specified Currency.

(3) Determination of the right to receive payments. All payments under the Certificates will be paid to those persons who are Holders registered at the Relevant Accounts at 11:59 p.m. on the relevant Payment Cut-off Date (as defined below) (the "**Eligible Recipient**").

For the purposes of these Terms and Conditions, the "**Payment Cut-off Date**" means the date 30 calendar days before the relevant Distribution Payment Date or Optional Redemption Date (as defined below) (or any other date on which any amount under the Certificates is due, as applicable).

For the purposes of determination of the Eligible Recipient, neither the Issuer nor the Paying Agent will take into consideration any transfers of the Certificates after the Payment Cut-off Date until the relevant Distribution Payment Date or Optional Redemption Date.

(4) Payment Business Day. If the due date for any payment in respect of the Certificates would otherwise fall on a calendar day which is not a Business Day, the due date for such payment shall be postponed to the next calendar day which is a Business Day.

If any payment date is postponed (as described above), the amount of distribution or any other amount payable in respect of the Certificates shall not be adjusted accordingly.

(5) Making of payments.

(a) The Paying Agent will make all payments under the Certificates to the Eligible Recipients by wire transfer to their bank accounts specified in the instruction delivered by the relevant Eligible Recipient to the Paying Agent no later than 5 Business Days before the applicable payment date. The instruction must be in the form of a signed written statement (with the signature/signatures authenticated or the signature verified by the authorised employee of the Paying Agent) containing information about the Eligible Recipient's account sufficient for the Paying Agent to make the payment. In the case of legal persons, the instruction will be accompanied by the original or a copy of the valid extract from the Commercial Register or other similar register in which the Eligible Recipient is registered, with the correctness of information shown in this extract from the Commercial Register or other similar register validated by an employee of the Paying Agent as of applicable payment date (this instruction together with its supporting documents, the "**Instruction**"). The Instruction must be in the Slovak or English language and in the form and substance satisfying the reasonable requirements of the Paying Agent; the Paying Agent may demand sufficiently satisfactory evidence of identity and authorisation of the person who signed the Instruction. This evidence must also be delivered to the Paying Agent no later than 5 Business Days before the Payment Date. The Paying Agent may in particular demand: (i) presentation of the power of attorney if the Eligible Recipient is represented by an agent; and (ii) additional confirmation of the Instruction by the Eligible Recipient.

(b) The obligation to pay any amount under the Certificates is deemed to be satisfied properly and on time if the relevant amount is transferred to the Eligible Recipient in accordance with its Instruction satisfying the requirements under paragraph (a) above and if the amount is credited to the bank account of the Eligible Recipient on or before the relevant due date.

(c) Neither the Issuer nor the Paying Agent is liable for any delay in paying any outstanding amount due to: (i) the Eligible Recipient's failure to deliver proper Instruction or other documents or information under these Terms and Conditions on time; (ii) the Instruction, documents or information being incomplete, incorrect or untrue; or (iii) the delay being caused by circumstances outside the control of the Issuer or the Paying Agent. In these cases, the Eligible Recipient does not become entitled to any extra payment or interest for the delay of that payment.

§ 5

REDEMPTION AND WRITE-DOWN

(1) No Scheduled Maturity. The Certificates are perpetual and have no scheduled maturity date and shall not fall due for redemption except in the cases provided for in § 5 (3), § 5 (4) or § 5 (5) (in each case in connection with § 5 (6)) or (subject always to the ranking of the Issuer's obligations under the Certificates set forth in § 2) in the event of bankruptcy (in Slovak: *konkurz*) or liquidation (in Slovak: *likvidácia*) of the Issuer.

(2) No Redemption at the Option of a Holder. The Holders do not have a right to demand the redemption of the Certificates.

(3) Redemption at the Option of the Issuer. The Issuer may, upon notice given in accordance with § 5 (7), redeem the Certificates in whole, but not in part, at the Redemption Amount on any Optional Redemption Date (as defined below). In addition, the Issuer will pay distributions, if any, accrued on the Current Principal Amount to but excluding the Optional Redemption Date specified in the notice, subject to cancellation of distributions pursuant to § 3 (6). Any such redemption pursuant to this § 5 (3) shall only be possible provided that the conditions to redemption and repurchase laid down in § 5 (6) are met.

"Optional Redemption Date" means (i) 23 November 2025; and (ii) each Distribution Payment Date following the First Reset Date.

The Issuer may exercise its redemption right pursuant to this § 5 (3) and redeem the Certificates on an Optional Redemption Date only if the Current Principal Amount of each Certificate is equal to its Specified Denomination.

(4) Redemption for Reasons of Taxation. If a Tax Event occurs, the Issuer may, upon giving not less than 30 Business Days' and not more than 60 Business Days' prior notice in accordance with § 5 (7), redeem the Certificates in whole, but not in part, at the Redemption Amount at any time on the date of redemption specified in the notice, provided that the conditions to redemption and repurchase laid down in § 5 (6) are met. In addition, the Issuer will pay distributions, if any, accrued on the Current Principal Amount to but excluding the date of redemption specified in the notice, subject to cancellation of distributions pursuant to § 3 (6).

Where:

A **"Tax Event"** occurs if there is a Tax Law Change as a result of which the applicable tax treatment of the Certificates changes and:

- (i) the Issuer has paid, or will or would on the next Distribution Payment Date be required to pay, any Additional Amounts (as defined in § 7); or
- (ii) the Issuer, in computing its taxation liabilities in the Slovak Republic, would not be entitled to claim a deduction in respect of distributions paid on the Certificates, or such deductibility is reduced below the deductible amount at the date of issuance of the Certificates,

in each case which cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

"Tax Law Change" means any change in, or an amendment to, or clarification of, applicable legislation or relevant jurisprudence, including (but not limited to) a change in any fiscal legislation, rules or practices that occurs on or after the date of issuance of the Certificates.

(5) Redemption for Regulatory Reasons. If a Regulatory Event occurs, the Issuer may, upon giving not less than 30 Business Days' and not more than 60 Business Days' prior notice in accordance with § 5 (7), redeem the Certificates in whole, but not in part, at the Redemption Amount at any time on the date of redemption specified in the notice, provided that the conditions to redemption and repurchase laid down in § 5 (6) are met. In addition, the Issuer will pay distributions, if any, accrued on the Current Principal Amount to but excluding the date of redemption specified in the notice, subject to cancellation of distributions pursuant to § 3 (6) and § 5 (8) (a)(v).

A **"Regulatory Event"** occurs if there is a change in the regulatory classification of the Certificates under the Applicable Supervisory Regulations that would be likely to result in their exclusion in full or in part from own funds (other than as a consequence of a Write-down) or reclassification as a lower quality form of own funds (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Group).

(6) Conditions to Redemption and Repurchase.

Any redemption pursuant to this § 5 and any repurchase pursuant to § 8 (1) is subject to:

- (a) the Issuer having obtained the prior permission of the Competent Authority for such redemption or any repurchase pursuant to § 8 (1) in accordance with Articles 77 and 78 CRR, whereas such permission may, *inter alia*, require that:

- (i) either before or at the same time as the redemption or repurchase, the Issuer replaces the Certificates with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRD, the CRR and the BRRD, by a margin that the Competent Authority considers necessary; and
- (b) in the case of any redemption or repurchase during the five years following the date of issuance of the Certificates:
- (i) in the case of any redemption due to a Tax Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Certificates; or
 - (ii) in the case of any redemption due to a Regulatory Event, the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Certificates was not reasonably foreseeable as at the date of issuance of the Certificates; or
 - (iii) in the case of any redemption in circumstances other than those described in clause (i) or (ii), either before or at the same time as such action, the Issuer replaces the Certificates with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that action based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
 - (iv) the Certificates being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.

(7) Redemption Notice; Redemption Amount. Any notice of redemption in accordance with § 5 (3), § 5 (4) or § 5 (5) shall be given by the Issuer to the Holders in accordance with § 9. Such notice shall be irrevocable and shall specify:

- (a) ISIN and FISN numbers of the Certificates;
- (b) in the case of a notice of redemption in accordance with § 5 (3), the Optional Redemption Date or, in the case of a notice of redemption in accordance with § 5 (4) or § 5 (5) the date, fixed for redemption; and
- (c) the Redemption Amount at which the Certificates are to be redeemed.

"Redemption Amount" per Certificate means the Current Principal Amount per Certificate.

Any notice of redemption in accordance with § 5 (3), § 5 (4) or § 5 (5) and this § 5 (7) will be subject to § 5 (8) (b).

(8) Write-down.

(a) If a Trigger Event (as defined below) has occurred:

- (i) the Issuer will immediately inform the Competent Authority that the Trigger Event has occurred;

- (ii) the Issuer will determine the Write-down Amount (as defined below) as soon as possible, but in any case, within a maximum period of one month following the determination that a Trigger Event has occurred;
- (iii) the Issuer will without undue delay inform the Holders that a Trigger Event has occurred by publishing a notice (such notice a "**Write-down Notice**") which will specify the Write-down Amount as well as the new/reduced Current Principal Amount of each Certificate and the Write-down Effective Date;
- (iv) the Issuer will (without the need for the consent of the Holders) reduce the Current Principal Amount of each Certificate by the relevant Write-down Amount (such reduction being referred to as a "**Write-down**" and "**Written-down**" being construed accordingly) with effect as from the Write-down Effective Date; and
- (v) unpaid distributions accrued on the Current Principal Amount to but excluding the Write-down Effective Date will be cancelled in accordance with § 3 (6)(c).

Whether a Trigger Event has occurred shall be determined by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority, and such determination will be binding on the Holders.

For the avoidance of doubt, a Trigger Event may be determined at any time and may occur on more than one occasion and each Certificate may be subject to a Write-down on more than one occasion. However, the Current Principal Amount of a Certificate may never be reduced to below EUR 0.01.

Any failure or delay to give the notice pursuant to § 5 (8) (a)(i) and/or the Write-down Notice will not affect the effectiveness of, or otherwise invalidate, any Write-down. Any such notice which has not been given shall be given without undue delay.

(b) The Issuer shall not give a notice of redemption after a Trigger Event has occurred until the Write-down has been effected in respect of the relevant Trigger Event.

In addition, if a Trigger Event occurs after a notice of redemption but before the date on which such redemption becomes effective, the notice of redemption shall automatically be deemed revoked and shall be null and void and the relevant redemption shall not be made, and the rights and obligations in respect of the Certificates shall remain unchanged.

Where:

"Applicable Supervisory Regulations" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the competent resolution authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer from time to time, including but not limited to the provisions of the Slovak Banking Act, the BRRD, the SRM Regulation, the CRD, the CRR, the CDR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer at the relevant time.

"BRRD" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, including any implementing Slovak legislation and as amended or replaced from time to time. Any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time or any other Applicable Supervisory Regulations.

"CDR" means the Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard

to regulatory technical standards for Own Funds requirements for institutions (*Capital Delegated Regulation*), as amended or replaced from time to time. Any references to relevant provisions of the CDR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"Issuer CET 1 Capital Ratio" means the Common Equity Tier 1 capital ratio pursuant to Article 92(2)(a) CRR of the Issuer on an individual basis, as calculated by the Issuer in accordance with the Applicable Supervisory Regulations, which determination will be binding on the Holders.

"Issuer's Group CET 1 Capital Ratio" means the Common Equity Tier 1 capital ratio pursuant to Article 92(2)(a) CRR of the Issuer's Group on a consolidated basis, as calculated by the Issuer in accordance with the Applicable Supervisory Regulations, which determination will be binding on the Holders.

"Minimum Trigger Level" means in respect of: (i) the Issuer CET 1 Capital Ratio, 7.000 per cent.; and (ii) the Issuer's Group CET 1 Capital Ratio, 7.000 per cent.

"Required Loss Absorption Amount" means the amount by which, upon the occurrence of a Trigger Event, a write-down of the Current Principal Amount of a Certificate (in conjunction with the concurrent Write-down of the other Certificates) shall be effected *pro rata* with the aggregate (current) principal amount of any other AT 1 Instruments whose trigger events for a write-down or conversion (loss absorption) pursuant to their terms have occurred and whose minimum trigger levels have not been restored, irrespective of the opening of any insolvency proceedings. For such purpose, the total amount of the write-downs to be allocated *pro rata* shall be equal to the amount required to fully restore or maintain the Issuer CET 1 Capital Ratio and/or the Issuer's Group CET 1 Capital Ratio to at least the Minimum Trigger Level, as applicable. However, such total amount of the write-downs shall not exceed the sum of the principal amounts of AT 1 Instruments whose trigger events for a write-down or conversion pursuant to their terms have occurred and whose minimum trigger levels have not been restored and which are outstanding at the time of occurrence of the Trigger Event.

To the extent the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred is not, or within one month from the determination that the relevant Trigger Event has occurred will not be, effective for any reason:

- (i) the ineffectiveness of any such write-down (or write-off) or conversion into Common Equity Tier 1 instruments shall not prejudice the requirement to effect a Write-down of the Certificates (loss absorption); and
- (ii) the write-down (or write-off) or conversion into Common Equity Tier 1 instruments of any other AT 1 Instrument whose trigger events for a write-down or conversion pursuant to their terms have occurred which is not, or within one month from the determination that the relevant Trigger Event has occurred will not be, effective shall not be taken into account in determining such Write-down of the Certificates.

A **"Trigger Event"** occurs if it has been determined that any of the Issuer CET 1 Capital Ratio or the Issuer's Group CET 1 Capital Ratio falls to an amount that is lower than the applicable Minimum Trigger Level.

"Write-down Amount" per Certificate means the amount by which the Current Principal Amount per Certificate is to be Written-down on a Write-down Effective Date, being the higher of: (i) the *pro rata* share of the Certificate in the Required Loss Absorption Amount; and (ii) if the amount specified in the point (i) is insufficient to fully restore or maintain the Issuer CET 1 Capital Ratio and/or the Issuer's Group CET 1 Capital Ratio to the Minimum Trigger Level, the amount necessary to reduce the Current Principal Amount to EUR 0.01.

"Write-down Effective Date" means the date on which the Write-down will take effect, being no later than one month (or such shorter period as the Competent Authority may require) following the occurrence of the relevant Trigger Event.

(d) Any Write-down of a Certificate pursuant to this § 5 (8) shall not constitute a default by the Issuer for any purpose, and the Holders shall have no right to claim for amounts written-down, whether in the

insolvency or liquidation of the Issuer or otherwise, save to the extent (if any) such amounts are subject to a Write-up in accordance with § 5 (9).

(9) Write-up.

(a) The Issuer may, at its sole discretion, effect a reversal of a Write-down by writing up the Current Principal Amount in whole or in part up to a maximum of the Specified Denomination (a "**Write-up**"), provided that a positive Profit has been recorded for the Issuer, and subject to the below limitations. There will be no obligation for the Issuer to operate or accelerate a Write-up under any specific circumstances.

If the Issuer so decides in its sole discretion, the Write-up will occur with effect as of the Write-up Effective Date (as defined below) (including).

(b) At its discretion (without being obliged to) the Issuer may effect such Write-up, provided that:

- (i) at the time of the Write-up, there must not exist any Trigger Event that is continuing; any Write-up is also excluded if such Write-up would give rise to the occurrence of a Trigger Event;
- (ii) such Write-up is applied on a *pro rata* basis to all Certificates and among Similar AT 1 Instruments that have been subject to a write-down; and
- (iii) the sum of (i) the aggregate amount attributed to the relevant Write-up of the Certificates and (ii) the aggregate amount of any distribution and any Additional Amounts thereon paid on the aggregate Current Principal Amount of the Certificates as calculated at the moment the Write-up is operated will not exceed the Maximum Write-up Amount at any time after the end of the then previous financial year.

(c) The amount of any Write-up shall be subject to the restrictions relating to any applicable Maximum Distributable Amount and to any other restriction operating as maximum distributable amount as described in § 3 (6) (b)(ii)(D), as at the time of the Write-up.

For the avoidance of doubt, a Write-up of the Certificates may occur on one or more occasions until the Current Principal Amount equals the Specified Denomination. Write-ups do not have priority over dividend payments and other distributions on shares and other CET 1 Instruments of the Issuer, i.e. such payments and distributions are permitted even if no full Write-up of the Certificates has been effected.

(d) If the Issuer elects to effect a Write-up, it will publish a notice about the Write-up including the amount of the Write-up as a percentage of the Specified Denomination and the effective date of the Write-up (in each case a "**Write-up Effective Date**") no later than 10 calendar days prior to the relevant Write-up Effective Date to the Paying Agent and, in accordance with § 9, to the Holders. The Write-up shall be deemed to be effected, and the Current Principal Amount shall be deemed to be increased by the amount specified in the notice to the Holders is given in accordance with § 9, with effect as of the Write-up Effective Date.

Where:

"Maximum Write-up Amount" means the lower of:

- (i) the Profit of the Issuer multiplied by the sum of the aggregate Specified Denomination of all Certificates and the aggregate initial principal amount of all Similar AT 1 Instruments of the Issuer which have been subject to a write-down (for the avoidance of doubt, before any write-down), and divided by the total Tier 1 Capital pursuant to Article 25 CRR of the Issuer as at the date the relevant Write-up is operated; and
- (ii) the Profit of the Issuer's Group multiplied by the sum of the aggregate Specified Denomination of all Certificates and the aggregate initial principal amount of all Similar AT 1 Instruments of the Issuer's Group which have been subject to a write-down (for the avoidance of doubt, before any write-down), and divided by the total Tier 1 Capital pursuant to Article 25 CRR of the Issuer's Group as at the date the relevant Write-up is operated,

or any higher or lower amount permitted to be used under the Applicable Supervisory Regulations in effect on the date of the relevant Write-up.

"**Profit**" means: (i) in respect of the Issuer, the net income for the year of the Issuer on an individual basis recorded in the Relevant Financial Statements; and (ii) in respect of the Issuer's Group, the consolidated net income for the year on a consolidated basis recorded in the consolidated financial statements of the Issuer's Group, in each case after such Relevant Financial Statements or consolidated financial statements have formally been determined by the supervisory board (in Slovak: *dozorná rada*) and approved by the General Meeting (in Slovak: *valné zhromaždenie*) of the Issuer.

"**Similar AT 1 Instruments**" means: (i) in respect of the Issuer, any AT 1 Instruments (other than the Certificates); and (ii) in respect of the Issuer's Group, any instrument issued by a member of the Issuer's Group qualifying as Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer's Group; in each case only to the extent such instrument has had all or some of its principal amount written-down on a temporary basis, and that has terms permitting a principal write-up to occur on a basis similar to that provided herein in the circumstances existing on the date of the Write-up of the Certificates.

§ 6

PAYING AGENT AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The function of the paying agent and calculation agent (each an "**Paying Agent**" and "**Calculation Agent**") shall be initially performed by the Issuer. The Specified Office (in Slovak: *platobné miesto*) is: Slovenská sporiteľňa, a.s., Tomášikova 48, 832 37 Bratislava, Slovak Republic (the "**Specified Office**").

Each of the Issuer and the Paying Agent and the Calculation Agent reserves the right at any time to change its respective specified office to some other specified office (which then will be the "**Specified Office**") by publishing notice to the Holders.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to appoint a Paying Agent and Calculation Agent, to change any appointed Paying Agent or Calculation Agent or terminate appointment of any Paying Agent or Calculation Agent. The Issuer shall at all times maintain a Paying Agent with a specified office in such place as may be required by the rules of its supervisory authority. The Issuer will give notice to the Holders of any variation, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Paying Agent and Calculation Agent of the Issuer.* The Paying Agent and Calculation Agent (if appointed by the Issuer) act solely as agents of the Issuer and do not have any direct obligations or legal relationship towards any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Paying Agent or the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the Holders and, in the absence of the aforesaid, no liability to the Issuer or the Holders shall attach to the Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by it of their powers, duties and discretions pursuant to such provisions. For the avoidance of doubt, this shall apply when the function of the Paying Agent or the Calculation Agent is performed by the Issuer as well.

§ 7

TAXATION

Any income or gains under the Certificates will be taxed in accordance with applicable laws at the time of payment.

All payments by or on behalf of the Issuer in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Slovak Republic or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Certificate:

- (a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of it having some connection with the Slovak Republic other than the mere holding of the Certificate; or
- (b) presented for payment more than 30 calendar days after the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 calendar days after that on which notice is duly given to the Holders in accordance with § 9 that, upon further presentation of the Certificates being made, such payment will be made, provided that payment is in fact made upon such presentation, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the Certificate for payment on the thirtieth (30th) such calendar day; or
- (c) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a Member State of the European Union; or
- (d) to, or to a third party on behalf of, a Holder if such withholding or deduction is required by any applicable Double Taxation Treaty or domestic law of the Issuer.

§ 8 REPURCHASES AND CANCELLATION

(1) *Repurchases.* The Issuer may at any time repurchase Certificates at any price. Certificates repurchased by the Issuer will be cancelled (due to their amalgamation in a single person). No repurchase shall be possible unless all applicable regulatory and other statutory restrictions are observed and provided that the conditions to redemption and repurchase laid down in § 5 (6) are met.

(2) *Cancellation.* All Certificates redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 9 NOTICES

(1) *Notices of the Issuer.* Any notice to the Holders in connection with the Certificates will be: (a) delivered to the Holders by hand, registered mail or courier, on a medium which allows reproduction of the notification in an unchanged form; or (b) at the option of the Issuer, published on the Issuer's website (www.sisp.sk); in each case in the English language (unless the Slovak language is required under law). If a law or regulation requires notification by other means, the notice will be made also by those other means. If a notice is made by several means, the date of such notice will be deemed to be the date on which the notice was made for the first time. In the case of publication on the Issuer's website, the date of publication is also deemed to be the date of delivery of the notice to the Holders; in all other cases the date of delivery is deemed to be the date of receipt of the notice by the addressee.

(2) *Notices Given by any Holder.* Notices regarding the Certificates which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the English or Slovak language to the Issuer or the Paying Agent (for onward delivery to the Issuer) and by hand, courier or registered mail. Together with the notice, the Holder shall provide evidence satisfactory to the Issuer of its holding of the Certificates in the form of a certificate or statement issued by the person maintaining the relevant securities account or in any other appropriate manner.

§ 10 APPLICABLE LAW, PLACE OF JURISDICTION AND LANGUAGE

(1) *Applicable Law.* The Certificates and any non-contractual obligations arising out of or in connection with the Certificates are governed by, and shall be construed in accordance with, Slovak law, excluding its conflict of law rules.

(2) *Place of Jurisdiction.* The competent Slovak courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Certificates, including any disputes relating to any non-contractual obligations arising out of or in connection with the Certificates.

(3) *Language.* These Terms and Conditions are written in the English language. Any translation into Slovak or other language is not legally binding; only the English version is legally binding, and it shall prevail. This clause is without prejudice to the provisions of Slovak law that require a sworn translation of the Terms and Conditions into the Slovak language for the purposes of court or other proceedings in the Slovak Republic.

§ 11 CHANGES AND WAIVERS

The Issuer may change these Terms and Conditions only in accordance with Section 4a(8) of the Slovak Securities Act.

§ 12 REPRESENTATION OF THE ISSUER

The Issuer represents that all information in these Terms and Conditions of the Certificates is complete, true and in accordance with the requirements as to the contents of the Terms and Conditions under Section 4a(3) and 4a(4) of the Slovak Securities Act.

§ 13 OFFERING AND SELLING RESTRICTIONS

The Issuer has not offered, sold or otherwise made available any Certificate to any retail investor. The Issuer and any Holder may not offer, sell or otherwise make available any Certificate to any retail investor. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (*Markets in Financial Instruments Directive II – "MiFID II"*); or
- (b) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The Issuer further represents that, in accordance with Section 4a(19) of the Slovak Securities Act, the Certificates will be offered, sold or otherwise made available by the Issuer solely to professional clients (in Slovak: *profesionálnym klientom*) as further determined by Section 8a(2) of the Slovak Securities Act. Each Holder of the Certificates agrees to comply with Section 4a(19) of the Slovak Securities Act.

In Bratislava, 18 November 2020.

Signatures of the Issuer:

Róbert Herbec
Proxy
Slovenská sporiteľňa, a.s.

Richard Košecký
Proxy
Slovenská sporiteľňa, a.s.