

## TERMS AND CONDITIONS OF THE SIJ9 NOTES

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

- 1.1 These Conditions are governing the rights under the notes issued by SIJ – Slovenska industrija jekla, d.d. (the **Issuer**) with security code SIJ9 (ISIN SI0032105247) (the **Notes**, which expression includes any further notes issued pursuant to Condition 13 and forming a single series therewith).
- 1.2 Each Note has denomination of EUR 100,000,00. The Notes are issued in accordance with the provisions of the Dematerialised Securities Act (Zakon o nematerializiranih vrednostnih papirjih, hereinafter: **ZNVP-1**) as entries in the central register (the **Central Register**) maintained by KDD – Centralna klirinško depotna družba d.d., Tivolska cesta 48, SI-1000 Ljubljana, Slovenia (**KDD**). No global or definitive Notes or interest coupons will be issued in respect of the Notes in any circumstances.
- 1.3 The Notes are transferable in accordance with the provisions of the ZNVP-1, other applicable Slovenian legislation and the rules and regulations applicable to, and/or issued by, KDD. Title to the Notes will pass by registration in the Central Register.
- 1.4 Each person to whose account a Note is credited in the Central Register will be considered as the legal holder of such a Note (each such person a **Noteholder**). Any certificate or other document issued by KDD as to the number of Notes standing to the account of any person shall be conclusive and binding for all purposes.
- 1.5 No person other than the Issuer and the respective Noteholder shall have any right to enforce any term or condition of any Note. Notwithstanding the aforesaid, the right to receive payments in respect of a Note may be enforced by the Beneficiary (as defined in Condition 5.1) of such payments or by an Accountholder (as defined in Condition 5.3).
- 1.6 The Noteholders have the benefit of the rights conferred on them in the agreement entitled Intercreditor Agreement (as amended, supplemented and/or restated from time to time, the **ICA**) entered into by, among others, the Issuer and the members of the Group as Original Debtors, the lenders under the Pari Passu FA (as defined in the ICA), the Common Representative (as defined in Condition 10.1 and the Notes Agent as defined in the ICA) on behalf of the Noteholders and NLB d.d. (the **Security Agent**) as security agent (subject to the provisions of the ICA, the **ICA Rights**). The ICA shall be deemed to form an integral and binding part of these Conditions, and these Conditions shall at all times be construed and interpreted subject to, and in accordance with, the ICA. The agreed form of the ICA was published by the Issuer on 19 January 2026 on the SEOnet website (<http://seonet.ljse.si/>). The agreed form of the ICA and the ICA as from time in force will be published on that website or any successor of such website designated by Ljubljanska borza d.d. for providing the service of publication of announcements at least until the repayment in full of the obligations under the Notes.
- 1.7 The Noteholders are deemed to be a party to the ICA and shall be bound by the provisions thereof and deemed to receive the benefits thereof and be subject to the terms and conditions hereof, as if party thereto. By holding any Note, each Noteholder shall be deemed to have accepted the ICA Rights as the third party beneficiary and to have consented to (and agreed to be bound by) the terms and conditions of the ICA (which imposes conditions on the Noteholders' eligibility to enforce the ICA Rights by reference to their observing the provisions of the ICA, including, without limitation, (1) the limitations of the Security Agent's liability thereunder) and (2) that any amount paid to the Security Agent and/or the Common Representative for the account of the Noteholders pursuant to the ICA shall reduce the obligations of the Issuer as if it would be paid by the Issuer under the Notes.

### 2. STATUS OF THE NOTES

The Notes constitute direct, unconditional, unsubordinated and, except for the ICA Rights or as otherwise required to comply with Condition 7.2(a), unsecured obligations of the Issuer and will at all times rank pari passu and without any preference among themselves and at least equally with all the other present and future unsecured and unsubordinated indebtedness of the Issuer.

### 3. INTEREST

- 3.1 The principal of the Notes shall bear interest from 2 November 2025 (the **Interest Commencement Date**) at the Interest Rate, payable in arrear on 2 November in each year commencing on 2 November 2026 and on the Final Maturity Date as defined in Condition 4.2 (each, an **Interest Payment Date**), subject to as provided in Condition 5.
- 3.2 The Notes will cease to bear interest from the due date for final redemption. If payment of principal is improperly withheld or refused, the Beneficiary of such payment will be entitled to receive interest at the rate specified above (after as well as before judgment) until whichever is the earlier of (a) the day on

which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Beneficiary (as defined in Condition 5.1) or (b) the day which is five business days after the Issuer has notified the Beneficiaries that all sums due in respect of such principal and interest will be paid subject only to the receipt by the Issuer of a notice specifying the details of the euro account of the relevant Beneficiary in accordance with Condition 5.2 (except to the extent that there is any subsequent default in payment).

- 3.3 The amount of interest due in respect of any Notes will be calculated by reference to the aggregate principal amount of Notes held by the relevant holder and the amount of such payment shall be rounded down to the nearest EUR 0.01.
- 3.4 Where interest is to be calculated in respect of a period which is shorter than an Interest Period, it will be calculated on the basis of the number of days in the relevant period, from and including the first day of such period to but excluding the last day of such period, divided by the number of days in the Interest Period in which such period falls.
- 3.5 If the Interest Rate changes during the course of an Interest Period, the amount interest in relation to such Interest Period shall be the sum of the amount of interest, calculated, in accordance with the Condition 3.4 for the period up to the date on which such change takes effect, and the amount of interest calculated for the period after such date.
- 3.6 In these Conditions:
- (a) **Business Day** means any day which is a day on which the real-time gross settlement (RTGS) named T2, which is system owned and operated by the Eurosystem;
  - (d) **Interest Rate** means the annual interest rate, expressed in percentage points, which is the sum of:
    - (i) 7.0% per annum;
    - (ii) additional 0.30% per annum during the period after the Release Date (as defined in Condition 7.1); and
    - (iii) additional 1.00% per annum during the period after the issue date of the Notes; and
  - (e) **Interest Period** means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each period from and including an Interest Payment Date to but excluding the next Interest Payment Date;

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

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

The principal of a Note is equal to the nominal amount of such Note.

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

Unless previously redeemed, or purchased and canceled, the Notes will be redeemed at their principal amount on 15 December 2028 (the **Final Maturity Date**), subject to as provided in Condition 5.

##### **4.3 Early redemption at the option of the Issuer**

The Issuer may, by giving not less than 30 days' notice to the Noteholders in accordance with Condition 14, redeem all Notes (but not some only) before the Final Maturity Date, at their principal amount, together with any accrued and unpaid interest thereon to the date of redemption if, as a result of any change in, or amendment to, the laws or regulations or any change in the application or official interpretation of such laws or regulations which becomes effective after the issue date of the Notes (the **Issue Date**):

- (i) the Issuer becomes (or it becomes certain that on the next Interest Payment Date the Issuer will become) required to pay additional amounts as provided or referred to in Condition 6; or
- (ii) the Issuer ceases to be (or it becomes certain that on the next Interest Payment Date the Issuer will cease to be) entitled to treat the interest on the Notes as a tax deductible expense, either entirely or in a material part.

##### **4.4 Purchase and cancellation**

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

#### **5. PAYMENTS**

## 5.1 Principal and interest

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

In this Condition 5:

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

## 5.2 Information required for effecting payment

If an amount of principal or interest under the Notes cannot be paid to a Beneficiary due to the fact that such Beneficiary has failed to provide the information required for effecting the payment of such amount, such Beneficiary can notify the required information to the Issuer in the manner as may from time to time be specified in a notice given by or on behalf of the Issuer in accordance with Condition 14. If a Beneficiary of any amount payable in respect of a Note fails to notify the required information in accordance with the foregoing before the third KDD Business Day prior to the due date for payment of such amount, such Beneficiary shall not be entitled to payment of the amount due until the fifth business day after the required information has been properly provided in accordance with the foregoing, and the relevant Beneficiary shall not be entitled to any interest or other payment in respect of any such delay.

## 5.3 Assignment of Clearing Systems' rights

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

## 5.4 Payments subject to fiscal laws

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

## 5.5 Payments on business days

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

## 5.6 Paying agent

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

## 6. TAXATION

- 6.1 All payments of principal and interest in respect of the Notes by the Issuer shall be made free and clear of, and without withholding for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Slovenia or any political subdivision or any authority thereof or therein having power to tax (a Tax), unless such withholding is required by law.
- 6.2 In the event that the Issuer is required to withhold any amount of Tax from any payment of interest payable under the Notes, the Issuer shall pay such additional amounts as will result in the receipt by the

Beneficiaries of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

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

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

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

## 7. COVENANTS

### 7.1 Interpretation

For the purposes of these Conditions:

- (a) **Release Date** means the date on which the purchase price for the Notes is paid to the Noteholders who accepted the Tender Offer (as defined below);
- (b) **Cash** means cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled.
- (c) **Cash Equivalent Investments** means:
  - (i) certificates of deposit and deposits maturing within one year;
  - (ii) any investment in marketable debt obligations issued or guaranteed by the government of the Republic of Slovenia, any member state of the European Economic Area, any Participating Member State, the United Kingdom or the United States of America or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
  - (iii) open market commercial paper not convertible or exchangeable to any other security:
    - (1) for which a recognised trading market exists;
    - (2) issued by an Issuer incorporated in the Republic of Slovenia, any member state of the European Economic Area, any Participating Member State, the United Kingdom or the United States of America;
    - (3) which matures within one year after the relevant date of calculation; and
  - (iv) bills of exchange eligible for rediscount by a national bank (or equivalent institution) in the Republic of Slovenia, any member state of the European Economic Area, any Participating Member State, the United Kingdom or the United States of America;in each case and to which any member of the Group is beneficially entitled at that time.
- (d) **EBITDA** means, in respect of a fiscal year, the consolidated net income of the Group in such year, determined in accordance with the Relevant Accounting Standards, before taking into account

(without double-counting):

- (i) any provision or payment on account of taxation, including deferred taxation;
- (ii) any finance expenses payable by the Group in respect of the Financial Indebtedness;
- (iii) any finance income payable to the Group in respect of its investments;
- (iv) any items treated as exceptional or extraordinary items including any amounts in relation to the revaluation of an asset or any gain or loss of book value arising on the disposal of an asset by the Group outside the normal course of its business; and
- (v) any amount attributable to amortization or impairment of intangible assets and depreciation or impairment of tangible assets.

(hereinafter, the items referred to in (i) to (v) above; **excluded items**)

adjusted as follows:

- (1) by adding the net income before taking into account the excluded items, earned by a company which became a member of the Group during the course of the relevant fiscal year, during the part of that fiscal year in which it was not yet a member of the Group;
- (2) by deducting the net income before taking into account the excluded items, earned by a company which ceased to be a member of the Group during the course of the relevant fiscal year, during the part of that fiscal year in which it was still a member of the Group.

(e) **Financial Indebtedness** means any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of notes, bonds, commercial papers or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Relevant Accounting Standards, be treated as a finance lease;
- (v) any counter-indemnity obligation in respect of a guarantee, indemnity, standby or documentary letter of credit or any other instrument issued, covering a liability of a third party which is not a member of the Group and is not issued in respect of commercial trading partners or in connection with capital expenditure and acquisitions of the Group.

(f) **Net Debt** means the consolidated Financial Indebtedness of the Group, determined in accordance with the Relevant Accounting Standards, minus Cash and Cash Equivalent Investments held by any member of the Group.

(g) **Holding Company** means, in relation to a company (Company A), any person in respect of which Company A is a Subsidiary.

(h) **Tender Offer** means a notice of the Issuer given to all Noteholders in accordance with Condition 14, containing a binding offer for the purchase of all Notes, which meets the following requirements:

- (i) the offer is valid for at least 14 days since the date of such notice; and;
- (ii) the price offered for each Note equal to or higher than the sum of its nominal amount and accrued interest calculated for the period from the most recent Interest Payment Date up to the Release Date.

(i) **Subsidiary** means, in relation to a person (Person A), each company which is (or would be, if Person A would be a company) considered, in accordance with the Slovenian Companies Act (Zakon o gospodarskih družbah, ZGD-1), to be a subsidiary (odvisna družba) of either Person A or of another Subsidiary of Person A.

(j) **Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

(k) **Merger** means amalgamation, demerger, merger or any other transaction which constitutes a transformation of company's status in accordance with the Slovenian Companies Act (Zakon o gospodarskih družbah, ZGD-1).

(l) **Prospectus** means the prospectus published by the Issuer in relation to the admission of the

Notes to trading on the stock exchange market of Ljubljanska borza vrednostnih papirjev, d.d., Ljubljana;

- (m) **Relevant Financial Statements** means, in relation to a day, the latest annual audited consolidated financial statements of the Group published on or before such day.
- (n) **Relevant Accounting Standards** means the International Financial Reporting Standards as in force on the Issue Date;
- (o) **Relevant Indebtedness** means any obligations having an original maturity of more than one year arising out of debt financial instruments which are or are intended to be or are capable of being listed, quoted or dealt in or traded on any stock exchange or other organised market for securities (whether or not initially distributed by way of public offering);
- (p) **Group** means the Issuer and each of its Subsidiaries from time to time.
- (r) **Security** means a mortgage, pledge, lien, assignment or other security interest over any asset of any member of the Group, securing any obligation of any person or any other agreement or arrangement having a similar effect (excluding, for the avoidance of doubt, guarantees, indemnities or pledge over, or assignment of receivables payable by members of the Group).

## 7.2 Negative Pledge

- (a) Except as permitted under paragraph (b) of this Condition 7.2, the Issuer shall not, and shall ensure that no other member of the Group will, create or permit to subsist any Security over any of its assets unless equivalent Security will also be created for the Issuer's obligations under the Notes. For the avoidance of doubt, any Transaction Security (as defined in the ICA) under the ICA (other than the Security referred to in item (i) of paragraph (b) of this Condition 7.2) shall be deemed equivalent Security for the Issuer's obligations under the Notes.
- (b) Paragraph (a) above does not apply to:
  - (i) Security under the ICA securing liabilities having aggregate principal amount not exceeding EUR 25,000,000.00;
  - (ii) Security arising by operation of law in the ordinary course of business and securing obligations other than Relevant Indebtedness;
  - (iii) Security over goods, documents of title to goods and related documents and insurances and their proceeds to secure liabilities of any member of the Group in respect of a letter of credit issued for all or part of the purchase price and costs of shipment, insurance and storage of goods acquired by any member of the Group in the ordinary course of trading as inventory;
  - (iv) Security over goods and their proceeds and arising by virtue of the supplier's retention of title clause to secure only the purchase price of the goods, but only if the goods are inventory purchased by any member of the Group in the ordinary course of trading;
  - (v) Security securing liabilities arising under derivative financial instruments entered into for the purpose of reducing interest rate, currency and other risks, including the liabilities arising upon termination of such derivative financial instruments;
  - (vi) Security over cash deposits or marketable investment securities securing the performance by a member of the Group of bid, tender, advance payment, retention money, performance bonds issued in the ordinary course of the contracting business of such member of the Group;
  - (vii) Security over an asset:
    - (1) acquired by a member of the Group after the Issue Date, to the extent that such Security is existing at the time of such acquisition; or
    - (2) of a company which became a member of the Group after the Issue Date, to the extent that such Security is existing at the time when such company becomes a member of the Group;in each case to the extent that neither such Security was created nor the secured amount increased in contemplation of the acquisition of that asset by a member of the Group or of such company becoming a member of the Group;
  - (viii) any Security created over any asset acquired after the Issue Date to secure indebtedness incurred solely for the purpose of financing all or any part of the purchase price or

- acquisition cost of that asset;
- (ix) any Security existing on 31 December 2025;
- (x) any Security, other than those permitted pursuant to the sub-paragraphs (i) to (viii) of this paragraph, to the extent that the aggregate amount of the secured indebtedness does not exceed EUR 200,000.00;
- (xi) at any time after the Release Date, any other Security securing any indebtedness other than Relevant Indebtedness.

### **7.3 Mergers**

- (a) Except as permitted under paragraph (b) of this Condition 7.3, the Issuer shall not, and shall ensure that no other member of the Group will, enter into any Merger.
- (b) Paragraph (a) above does not apply to:
  - (i) any Merger where all participants are the members of the Group;
  - (iii) any Merger which occurs after Release Date.

### **7.4 Loans**

- (a) Except as permitted under paragraph (b) of this Condition 7.4, the Issuer shall not, and shall ensure that no other member of the Group will, make any loans or otherwise be a creditor in respect of any indebtedness for borrowed moneys.
- (b) Paragraph (a) above does not apply to:
  - (i) any advance payment or trade credit extended by any member of the Group to its customers and/or suppliers on normal commercial terms and in the ordinary course of its trading activities; or
  - (ii) a loan made by any member of the Group to another member of the Group;
  - (iii) any loans made at the time when the Net Debt / EBITDA ratio, calculated in accordance with the Relevant Accounting Standards by reference to the data contained in the Relevant Financial Statements, is below 3.75;
  - (iv) any loans, other than those permitted pursuant to the sub-paragraphs (i) to (iii) of this paragraph, the aggregate amount of which does not exceed EUR 200,000.00;
  - (v) any loans made after the Release Date.

### **7.5 No Guarantees**

- (a) Except as permitted under paragraph (b) of this Condition 7.5, the Issuer shall not, and shall ensure that no other member of the Group will, incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to a guarantee which is:
  - (i) guaranteeing liabilities of a member of the Group which are secured by the Security under the ICA or any other contract entered into in the ordinary course of its business; or
  - (ii) guaranteeing liabilities of a person which is not a member of the Group, provided that the amount of such guarantees does not, in aggregate, exceed EUR 5,000,000.00; or
  - (iii) issued after the Release Date.

### **7.6 Dividends and share redemption**

- (a) Except as permitted under paragraph (b) of this Condition 7.6, the Issuer shall not, and shall ensure that no other member of the Group will:
  - (i) pay any dividend to the holders of shares in its share capital;
  - (ii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of its shareholders; or
  - (iii) redeem or purchase any of its share capital or resolve to do so.
- (b) Paragraph (a) above does not apply to:
  - (i) payments made by the members of the Group other than the Issuer to their shareholders; or
  - (ii) transactions required by applicable law or final judgment; or

- (iii) payments of dividends or interim dividend to the Issuer's shareholders made at the time when the Net Debt / EBITDA ratio, calculated in accordance with the Relevant Accounting Standards by reference to the data contained in the Relevant Financial Statements is lower than 3.75; or
- (iv) passing of a resolution of the meeting of shareholders of the Issuer authorising the Issuer's management board to acquire the quantity of Issuer's shares which is permitted by law to the extent that the Net Debt / EBITDA ratio calculated in accordance with the Relevant Accounting Standards by reference to the data contained in the Relevant Financial Statements is lower than 3.75, and execution of such acquisition;
- (v) payments or other transactions made after Release Date

#### **7.7 No acquiring of the capital stakes outside the Issuer's core business**

- (a) Except as permitted under paragraph (b) of this Condition 7.8, the Issuer shall not, and shall ensure that no other member of the Group will, acquire any share in any other company.
- (b) Paragraph (a) does not apply to:
  - (i) acquisition of shares in companies whose core business activity is identical to or complementary with the core business of the Issuer or another member of the Group; or
  - (ii) acquisition of shares in companies which are not members of the Group to the extent that the aggregate consideration paid for such acquisitions does not exceed EUR 10,000,000.00; or
  - (iii) shares acquired after the Release Date.

#### **7.8 Publication of information**

The Issuer shall publish in accordance with Condition 14 the following information as soon as it becomes aware of the relevant facts if it becomes aware of such facts at any time before the Release Date:

- (a) in connection with any Security referred to in sub-paragraphs (vii) or (viii) of paragraph (b) of Condition 7.2 over the assets of the Issuer or any other member of the Group, which was not disclosed in a prior notice given in accordance with this Condition 7.7 and which secures obligations having outstanding principal, as at the time of acquisition of the asset or the member of the Group referred to in sub-paragraph (vii) of paragraph (b) of Condition 7.2 or creation of the Security referred to in sub-paragraph (viii) of paragraph (b) of Condition 7.2, exceeding EUR 1,000,000:
  - (i) the description and the market value of the assets on which such Security exists;
  - (ii) the amount, final maturity and the debtor of the obligations secured by such Security;
  - (iii) an explanation as to any exemptions set out in paragraph (b) Condition 7.2 applicable to such Security;
- (b) in connection with any Merger taking place after the date of the Prospectus:
  - (i) a description of such Merger;
  - (ii) an explanation as to any exemptions set out in paragraph (b) Condition 7.3 applicable to such Merger,
- (c) in connection with any loan made by the Issuer or by any other member of the group, except the loans referred to in sub-paragraphs (i) or (ii) of paragraph (b) of Condition 7.4:
  - (i) the amount, final maturity and the borrower of such loan;
  - (ii) an explanation as to any exemptions set out in paragraph (b) Condition 7.4 applicable to such loan,
- (d) in connection with any payment referred to in paragraph (a) of the Condition 7.6, other than payments referred to in sub-paragraph (i) of paragraph (b) of Condition 7.6 or payments of dividends pursuant to a published resolution of a meeting of shareholders of the Issuer:
  - (i) a description of the nature and the amount of such payment;
  - (ii) an explanation as to any exemptions set out in paragraph (b) of Condition 7.6 applicable to such payment.

#### **8. EVENTS OF DEFAULT**

Except as otherwise provided in the ICA, if any of the following events (each an **Event of Default**), each



Note shall become immediately due and repayable at its principal amount, together with interest accrued to the date of repayment if the Noteholders so decide by a Noteholders' Resolution (as defined in Condition 10.1(g)):

#### **8.1 Non-payment**

the Issuer fails to pay any amount of principal or interest in respect of the Notes within 5 days of the due date for payment thereof; or

#### **8.2 Breach of other obligations**

the Issuer does not perform or comply with any one or more of its other obligations under the Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default has been given to the Issuer by any Noteholder; or

#### **8.3 Cross Default**

any of the following events occurs in respect of indebtedness for borrowed money owed by the Issuer or any other member of the Group either as a principal debtor or as a guarantor which, individually or in aggregate, amounts to at least EUR 10,000,000 (or its equivalent in any other currency):

- (a) such indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of an event of default (however described); or
- (b) the Issuer or any other member of the Group fails to make any payment in respect of such indebtedness when due nor within any originally applicable grace period.

#### **8.4 Insolvency, etc.**

(i) the Issuer becomes insolvent or is unable to pay its debts as they fall due during an extended period, (ii) bankruptcy (*stečaj*) or composition (*prisilna poravnava*) proceedings are opened in respect of the Issuer or the whole or a substantial part of the undertaking, assets and revenues of the Issuer (or application for opening any such proceedings is made by the Issuer), (iii) by reason of its financial difficulties the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Issuer ceases or declares that it intends to cease to carry on all or any substantial part of its business; or

#### **8.5 Winding up, etc.**

an order is made or an effective resolution is passed by any competent authority for the winding up, liquidation or dissolution of the Issuer; or

#### **8.6 Analogous event**

any event occurs which has an analogous effect to any of the events referred to in paragraphs 8.4 (Insolvency, etc.) to 8.5 (Winding up, etc.) above.

### **9. PRESCRIPTION**

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

### **10. MODIFICATIONS AND OTHER DECISIONS BY NOTEHOLDERS, COMMON REPRESENTATIVE**

#### **10.1 Definitions**

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

- (a) a Note shall be considered to be **outstanding** unless one or more of the following events has occurred:
  - (i) it has been redeemed in full or purchased under Condition 4, and if purchased under Condition 4, has been canceled in accordance with Condition 4.4; or
  - (ii) for the purposes of this Condition 10, it is being held by or on behalf of the Issuer or another member of the Group;
- (b) **Reserved Decision** means any proposal of the Issuer:
  - (i) to extend the maturity of any amount of principal, interest or any other amount payable in respect of the Notes;
  - (ii) to reduce, cancel or to change the method of calculating the amount of principal, interest

- or any other amount payable in respect of the Notes;
- (iii) to change the currency in which any amount due in respect of the Notes is payable or the manner in which any payment is to be made;
- (iv) to change the definition of the term Required Majority;
- (v) to change the definitions of the terms Reserved Decision, outstanding or Noteholders' Resolution;
- (vi) to change Condition 2; or
- (vii) to change any provisions on the Events of Default; or
- (viii) to withdraw the Notes from trading on a regulated market.
- (c) **Decision requiring unanimity** means the decision on any proposal of the Issuer:
  - (i) to change Condition 15;
  - (ii) to modify the definition of Decision requiring unanimity;
- (d) **Common Representative** means GLAS Trust Corporation Limited or such other person appointed as a common representative by a Noteholders' Resolution.
- (e) **ICA Instructing Group** means the Instructing Group, as that term is defined in the ICA.
- (f) **Required Majority** means:
  - (i) in the case of a Decision requiring unanimity, 100 per cent. of the aggregate principal amount of the outstanding Notes;
  - (ii) in the case of a Reserved Decision or a Noteholders' Resolution replacing, appointing or instructing the Common Representative, at least 75 per cent. of the aggregate principal amount of the outstanding Notes,
  - (iii) in the case of any other decision, at least 66 2/3 per cent. of the aggregate principal amount of the outstanding Notes,;
- (g) **Noteholders' Resolution** means:
  - (i) a resolution voted in favour in the KDD's system for elective corporate actions by or on behalf of the Noteholders holding Notes the aggregate principal amount of which represents the Required Majority; or
  - (ii) a resolution in writing signed by or on behalf of the Noteholders holding Notes the aggregate principal amount of which represents the Required Majority and may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders; or
  - (iii) a resolution passed upon proposal by the Issuer at a meeting of Noteholders held in accordance with Condition 10.2 by votes of the Noteholders holding Notes the aggregate principal amount of which represents the Required Majority.
- (h) **Required Consent** means:
  - (i) in relation to any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes (including any Reserved Decision) , the consent of the Issuer; and
  - (ii) the consent of the ICA Instructing Group in relation to any Reserved Decision or any other matter which, according to the ICA, requires such consent.

## 10.2 Meeting of Noteholders

10.2.1 The Issuer may convene a meeting of Noteholders by giving to the Noteholders not later than 21 days before the date scheduled for such meeting a notice in accordance with Condition 14 setting out (i) the date, time and place of the meeting; (ii) the full wording of the proposed resolutions; and (iii) the manner and the deadline for applying to participate and to appoint proxies.

10.2.2 The meeting of Noteholders shall be presided over by the person appointed by the Issuer.

10.2.3 A meeting of Noteholders may be attended by the Noteholders, their proxies, representatives of the Issuer and legal and financial advisers to the Noteholders or the Issuer.

## 10.3 Powers

The Noteholders may, by a Noteholders' Resolution:

- (a) approve any Reserved Decision;
- (b) approve any other proposal for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve the substitution of any person for the Issuer as principal obligor under the Notes;
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;

#### **10.4 Effect of Noteholders' Resolution**

Provided that all Required Consents to such Noteholders' Resolution have been obtained, a Noteholders' Resolution shall be binding on all Noteholders. The Issuer shall notify the Noteholders in accordance with Condition 14 of any Noteholders' Resolution within 14 days after its approval.

#### **10.5 Powers of the Common Representative**

The Common Representative shall have the power to act on behalf of, and with a binding effect for, all Noteholders in connection with the following matters:

- (a) the entry into the ICA;
- (b) exercising the Noteholders' and/or the Common Representative's rights under the ICA (including giving consents to the release of any Security and entering into any amendments to the ICA) in accordance with the instructions given by a Noteholders' Resolution; and
- (c) receiving, applying and distributing the enforcement proceeds received on behalf of the Noteholders in accordance with the ICA.

Any ICA Rights or other rights of the Noteholders with respect to Transaction Security (as defined in the ICA) shall only be enforceable through the Common Representative in accordance with these Conditions and the ICA. No individual Noteholder (other than the Common Representative) shall be able to enforce any such rights.

#### **10.6 ICA Rights**

Amendments to the ICA and the exercise ICA Rights (which may impact the Conditions) shall only be effective if made in accordance with the ICA, including, as applicable, by reference to the ICA Instructing Group in accordance with the terms of the ICA and any such decision shall be deemed to also constitute a decision of the Required Majority and thereby prevail in the event of any conflict with anything to the contrary in these Conditions.

#### **11. MANIFEST ERROR**

The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error or for the purposes of any amendment which is of a formal, minor or technical nature.

#### **12. EXCHANGE OF THE NOTES**

- 12.1 If (a) an amendment, modification, variation or abrogation of any provision of the Notes or these Conditions or the substitution of any person for the Issuer as obligor under the Notes is approved by a Noteholders' Resolution; or (b) an amendment of the Notes or these Conditions is permitted pursuant to Condition 11, such amendment, modification, variation, abrogation or substitution shall, to the extent required under Slovenian law, be effected by way of deemed redemption of the Notes prior to their scheduled maturity date and by the Issuer procuring that, on the Exchange Date (as defined below). Replacement Notes (as defined below) are credited to the account of each Noteholder with KDD in exchange for each Note which had been credited to the account of such Noteholder with KDD at close of business on the KDD Business Day prior to the Exchange Date.
- 12.2 It shall be deemed that each Noteholder has consented to the exchange of Notes in accordance with the foregoing and has authorised KDD to debit its securities account maintained with KDD accordingly. In this Condition 12:
- (a) **Exchange Date** means the date specified by the Issuer in a notice given to the Noteholder in accordance with Condition 14 not less than seven days before such date; and
  - (b) **Replacement Notes** means securities differing from the Notes solely in such respects as had been approved by the relevant Noteholders' Resolution or as permitted pursuant to Condition 11.

#### **13. FURTHER ISSUES**

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

## **14. NOTICES**

14.1 A notice to a Noteholder or a Beneficiary shall be valid if either (at the sole discretion of the Issuer, subject to any mandatory provisions of the applicable law) (a) sent to such Noteholder or Beneficiary at its address registered for a Noteholder or Beneficiary in the Central Register or at the address notified by such a person to the Issuer in accordance with this Condition 14, and any such notice shall be deemed to have been given on the eighth day following the day the notice was sent by mail or (b) published on the SEOnet website (<http://seonet.ljse.si/>) any successor of such website designated by Ljubljanska borza d.d. for providing the service of publication of announcements. Any such notice given by publication shall be deemed to have been given on the date of publication or, if so published more than once on different dates, on the date of the first publication.

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

SIJ	–	Slovenska	industrija	jekla,	d.d.
Gerbičeva			ulica		98
SI-1000					Ljubljana
Slovenija					
Fax:	+	386	(0)1	242	98 55
E-mail:	<a href="mailto:info@sij.si">info@sij.si</a>				

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

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

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

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

### **15.1 Governing law**

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

### **15.2 Jurisdiction**

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

### **15.3 Non-exclusivity**

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

### **15.4 Consent to enforcement, etc.**

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

### **15.5 Waiver of immunity**

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

