

Conditions of Issue / Bedingungen

§ 1 (Principal Amount, Denomination, Form)

(1) *Principal Amount, minimum subscription amount, Denomination and Issue Date.* The issue by International Investment Bank (the “**Issuer**”) in the aggregate principal amount of Czech Koruna (“**CZK**” or “**Specified Currency**”) 501,000,000 is subdivided into notes with a minimum subscription amount of CZK 3,000,000 with a specified denomination (the “**Specified Denomination**”) of CZK 3,000,000 each (each a “**Note**” and together, the “**Notes**”). Date of issue and payment of the Notes (“**Issue Date**”): 26 April 2018.

(2) *Form.* The Notes are being issued in bearer classical global note form and are represented by one global note without coupons (“**Global Note**”). The Global Note shall be signed by a duly authorised representative of the Issuer and shall be authenticated by or on behalf of the Paying Agent (as defined in § 1 (5)). Definitive notes and interest coupons will not be issued. The Notes are kept in custody by a Common Safekeeper on behalf of any Clearing System defined in § 1 (3).

(3) *Clearing System.* The Global Note representing the Notes will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. “**Clearing System**” means each of OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Clearstream Banking S.A., Luxembourg 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg and Euroclear Bank SA/NV (“**Euroclear**”), 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and any successor in such capacity.

(4) *Classical Global Note.* The Notes are issued in classical global note form and are kept in custody by OeKB CSD GmbH.

(5) *Certain Definitions.*

“**Business Day**” means each day (excluding Saturdays and Sundays), on which banks in Prague, Czech Republic and Vienna, Austria are operative to settle payments.

“**Common Safekeeper**” means OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria and any successor in such capacity.

“**Noteholder**” means any holder of a Note.

“**Paying Agent**” in its function as Paying and Calculation Agent means Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise.

§ 2 (Status, Negative Pledge, other Undertakings)

(1) *Status.* The obligations under the Notes constitute unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, as the case may be, from bonds, unless otherwise stipulated in mandatory provisions of law.

(2) *Negative Pledge of the Issuer.* So long as any Note remains outstanding:

(a) the Issuer shall not create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Indebtedness or any Guarantee of any Indebtedness; and

(b) the Issuer shall procure that none of its Subsidiaries will create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Indebtedness or any Guarantee of any Indebtedness,

without at the same time or prior thereto (i) securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes.

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness (other than a trade payable arising in the ordinary course of business) of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases, including, without limitation, sale and lease back transactions;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

"Permitted Security Interest" means (i) any Security Interest in respect of Indebtedness the secured amount of principal of which does not at any time exceed 20% of the total book value of all assets of the Issuer's group as reflected in the Issuer's most recent consolidated annual audited financial statements; (ii) any Security Interest arising in the ordinary course of banking transactions (including, without limitation, such as sale and repurchase transactions and share, loan and bond lending transactions and any netting or set-off arrangements entered into by the Issuer or any Material Subsidiary for the purpose of netting any debit and credit balances), provided that the Security Interest is limited to the assets which are the subject of the relevant transaction; (iii) Security Interests imposed or required by statute or operation of law (but not through any act or omission to act on the part of the Issuer or any of its Material Subsidiaries); and (iv) any extension, renewal, refunding or replacement, as a whole or in part, of any Security Interest referred to in clauses (i) to (iii), inclusive, for amounts not exceeding the principal amount of indebtedness secured by such Security Interest so extended, renewed or replaced (plus improvements thereon or additions or accessions thereto).

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

(3) *Limitation on Assets Sales.* The Issuer shall not, and shall procure that each of its Subsidiaries does not, sell, lease, transfer or otherwise dispose of (each such action, a "**disposal**") by one or more transactions or series of transactions (whether related or not), the whole or any part of its revenues or its assets to any Person, except where:

- (a) the consideration received by it or such Subsidiary is not less than the fair market value of the assets or revenues disposed; and
- (b) immediately before or after giving effect to such disposal, no potential Event of Default shall have occurred and be continuing as a result of such disposal.

§ 3 (Interest, Default Interest)

(1) *Rate of Interest.* The Notes shall bear interest on their outstanding aggregate principal amount from, and including, the Issue Date (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 4). The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) shall be the Reference Interest Rate (as defined below) plus 0.55% per annum.

"**Reference Interest Rate**" means, except as provided below, the 3-months-PRIBOR (as defined below), expressed as a percentage rate *per annum*. The 3-months-PRIBOR shall be the offered rate for deposits in the Specified Currency with a term, which corresponds with the term of the Reference Interest Rate, which appears on the Screen Page (as defined below) as of 11:00 a.m. (Prague time) on the Determination Day (as defined below), all as determined by the Paying Agent.

"**Interest Period**" means each period from, and including, the Interest Commencement Date to, but excluding, the first Interest Payment Date and from, and including, each Interest Payment Date to, but excluding, the following Interest Payment Date.

"**Determination Day**" means the second Business Day (as defined in § 1 (5)) prior to the commencement of the relevant Interest Period.

"**Screen Page**" means Reuters PRBO 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 Interest Rate.

If the Screen Page is unavailable or if the Reference Interest Rate does not appear on the Screen Page as at such time on the relevant Determination Day, the Paying Agent shall request each of the Reference Banks (as defined below) to provide the Paying Agent with its rate (expressed as a percentage rate *per annum*) at which it offers deposits in the Specified Currency with a term, which corresponds with the term of the Reference Interest Rate, at approximately 11:00 a.m. (Prague time) on the Determination Day.

If two or more of the Reference Banks provide the Paying Agent with such rates, the Reference Interest Rate for such Interest 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, all as determined by the Paying Agent.

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Reference Interest Rate for the relevant Interest Period shall be deemed to be the rate determined by the Paying Agent in its reasonable discretion; the Paying Agent shall take general market practice into account when determining such rate.

"**Reference Banks**" means four major banks in the Prague interbank market.

(2) *Interest Payment Dates.* Interest on the Notes shall be payable in arrear on each Interest Payment Date. "**Interest Payment Date**" means each 26 January, 26 April, 26 July and 26 October, commencing on 26 July 2018. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 3 (8).

(3) *Default Interest.* The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the default rate of interest established by law¹. This does not affect any additional rights that might be available to the Holders.

¹ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 (1) German civil code (*Bürgerliches Gesetzbuch*).

(4) *Calculation of Amount of Interest.* The Paying Agent will calculate the amount of interest payable under the Notes (the "**Amount of Interest**") in respect of the Specified Denomination for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below) and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency, with half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Each Amount of Interest so calculated may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(5) *Notification of Rate of Interest.* The Paying Agent will cause the Interest Period and the Rate of Interest to be notified to the Issuer, any stock exchange on which the Notes are from time to time listed (if required by the rules of such stock exchange) and to the Holders in accordance with § 9 as soon as possible after their determination.

(6) *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 Paying Agent shall (in the absence of wilful 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 in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(7) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"): the actual number of calendar days in the Calculation Period divided by 360.

(8) *Payment Business Day.* If the due date for any payment in respect of the Notes 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 unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding calendar day which is a Business Day

§ 4 (Redemption)

Repayment on the Maturity Date. The Notes shall be repayable at their nominal amount on 26 April 2021 (the "**Maturity Date**"). If the Maturity Date is not a Business Day, payment shall be made on the next succeeding Business Day. In this case, the relevant Noteholders shall have no right to claim payment of any interest or other indemnity with respect to such delay.

§ 5 (Taxes, early Redemption for taxation reasons)

(1) *Withholding Tax.* All payments in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges of whatever nature imposed, levied or collected with respect to the Issuer at the source in or on behalf of the Relevant Tax Jurisdiction or by or on behalf of any political subdivision or any authority therein having power to tax ("**Withholding Taxes**"), unless such withholding or deduction is required by law. In such latter event, the Issuer shall pay such additional amounts of principal and interest (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction. No such Additional Amounts shall be payable on account of:

(a) any taxes or duties which are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) any taxes or duties which are payable by reason of the Noteholder having, or having had, some personal or business connection with the Relevant Tax Jurisdiction and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Tax Jurisdiction; or

(c) any taxes or duties which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Relevant Tax Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) if more than one paying agent have been appointed by the Issuer, and because of any election by any Noteholders are deducted or withheld by a particular paying agent and such deduction or withholding could be avoided if payments could be made by another paying agent without such deduction or withholding, or

(e) any taxes or duties which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 9, whichever occurs later.

“Relevant Tax Jurisdiction” means any tax jurisdiction where the Issuer as supranational organisation is assessable.

(2) *Notification.* The Issuer shall promptly notify the Paying Agent if it is legally obliged at any time to deduct or withhold any amounts from payments due under these Conditions of Issue (or if the amounts or method of determination for such deductions or withholdings should be changed).

(3) *Termination Right.* If, as a result of any change in or amendment to the laws or regulations prevailing in the Relevant Tax Jurisdiction, which change or amendment becomes effective on or after the date of the issue of the Notes, or as a result of any application or official interpretation of such laws or regulations not generally known before that date, Withholding Taxes are or will be leviable on payments of principal or interest subject to these Conditions of Issue and, by reason of the obligation to pay Additional Amounts as provided in subparagraph (1) or otherwise, such Withholding Taxes are to be borne by the Issuer, the Issuer may prepay all Notes of the relevant Noteholder (but not some only) at any time, by giving not less than 30 days' notice (the **“Early Redemption Date”**) at the Early Redemption Amount together with interest accrued to but excluding the Early Redemption Date, provided that no such prepayment shall be made earlier than 90 days prior to the earliest date on which the Issuer would be obliged to withhold or pay Withholding Taxes were a payment in respect of this Conditions of Issue then made.

(4) *Form of Prepayment Notice.* Any such notice of prepayment referred to in subparagraph (3) shall be given in writing pursuant to § 9 with simultaneous effect for all Noteholders. It shall be irrevocable, must specify the date fixed for prepayment and must set forth a statement in summary form of the facts constituting the basis for the termination right.

§ 6 (Events of Default)

(1) *Events of default.* Each Noteholder shall be entitled to terminate his Notes with good cause and demand immediate redemption thereof at its principal amount together with accrued interest (if any) to the date of repayment. Such good cause shall in particular be constituted by any of the following:

(a) *Non-payment.* The Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof (unless its failure to pay is caused by an administrative or technical error and the payment is made within 3 business days) or the Issuer fails to pay any amount of interest in respect of the Notes within 30 calendar days of the due date for payment thereof; or

(b) *Breach of other obligations.* The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 calendar days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Paying Agent; or

(c) *Cross-default.* (i) Any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any guarantee

of any Indebtedness; provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 10% of the total book value of all assets of the Issuer's group as reflected in the Issuer's most recent consolidated annual audited financial statements (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment.* One or more judgment(s) or order(s) for the payment of an amount, individually or in the aggregate, exceeding EUR 5 000 000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 calendar days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced.* A secured party (i) takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or (ii) otherwise enforces any Security Interest over the whole or any substantial part of the undertaking, assets and revenues of the Issuer; or

(f) *Insolvency, etc.* (i) The Issuer becomes over-indebted or is unable to pay its debts as they fall due; (ii) any corporate action, legal proceedings or other procedure or step is taken in relation to: (1) the suspension of payments or a moratorium of any Indebtedness; (2) bankruptcy or discharge of the Issuer; or (3) a reorganization or a similar arrangement with any creditor of the Issuer unless the petition to commence such proceedings or procedure is discharged, stayed or dismissed within 30 calendar days of such commencement; (iii) an administrator, receiver, administrative receiver, compulsory manager, liquidator or other similar officer of the Issuer or the whole or any substantial part of the undertaking, assets and revenues of the Issuer is appointed; (iv) 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 (v) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent); or

(g) *Winding up, etc.* An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer; or

(h) *Unlawfulness.* It is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, or

(i) *Cessation of business.* The Issuer ceases its business.

(2) *Form of Termination Notice.* Any notice of termination must be made in writing and sent to the Issuer through the Paying Agent.

(3) *Prepayment Compensation.* If the Notes are prepaid in whole or in part for any of the reasons referred to in subparagraph (1), the Issuer shall indemnify the relevant Noteholders for the damage incurred by them as a result of such prepayment.

§ 7 (Payments)

(1) *Payments.* The Issuer undertakes to pay, as and when due, principal, and interest in Specified Currency. Payment of principal and interest on the Notes shall be made to the Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders of the Clearing System upon presentation and (in the case of the payment of principal) surrender of the Global Note.

(2) *Discharge of Obligations.* Payments to the Clearing System or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes.

(3) *Payment Business Day.* If the due date for any payment of principal and/or interest is a day other than a Business Day, payment shall be effected only on the next following Business Day. In this case, the relevant Noteholders shall have no right to claim payment of any interest or other indemnity with respect to such delay.

§ 8 (Paying Agent)

(1) *Paying Agent.* The Issuer has appointed the Paying Agent as follows: Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria

The Paying Agent reserves the right at any time to change its specified office. Any such change shall be published without undue delay in accordance with § 9.

(2) *Status of the Paying Agent* The Paying Agent is acting exclusively as agent of the Issuer and does not have any relationship of agency or trust with the Noteholders.

(3) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions of Issue by the Paying Agent shall (in the absence of manifest error) be binding on the Issuer and the Noteholders.

(4) *Variation or Termination of Appointment.* The Issuer may appoint additional paying agents and revoke the appointment of any paying agent, provided that, for as long as the Notes are listed on a stock exchange, the Issuer will at all times ensure that a paying agent and a calculation agent is appointed in the jurisdiction in which such stock exchange is located, if so required by the rules of such stock exchange. Any such appointment or revocation shall be published without undue delay in accordance with § 9.

§ 9 (Notices)

(1) *Notification to Clearing System.* The Issuer shall deliver any notice relating to the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Noteholders to the Clearing System.

(2) *Notification in case of listing.* In case the Notes are admitted to listing, trading or quotation by any listing authority, stock exchange, or quotation system, notices shall be published additionally in accordance with the rules and regulations of such listing authority, stock exchange or quotation system. Any such notice shall be deemed to have been given on the date of such publication.

§ 10 (Further Issues, Purchases of Notes)

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date and/or issue price) so as to form a single series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.

§ 11 (Amendment of Conditions of Issue)

(1) *Amendment of the Conditions of Issue.* In accordance with the Act on Debt Securities of 2009 (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – SchVG)*) the Holders may agree with the Issuer on amendments of the Conditions of Issue with regard to matters permitted by the SchVG by resolution with the majority specified in paragraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments of the Conditions of Issue which are not material and which do not

relate to the matters listed in § 5 (3) No. 1 – 8 and No. 9 SchVG (if § 10 of these Conditions of Issue does not provide otherwise) require a simple majority of the votes cast.

(3) *Vote without a meeting.* All votes will be taken, subject to the next sentence, exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 (4) sentence 2 SchVG.

(4) *Chair of the vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative (as defined in subparagraph (6) below) has convened the vote, by the Holders' Representative.

(5) *Voting rights.* Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Holdings' Representative.* The Holders may by majority resolution appoint a common representative (the "**Holdings' Representative**") to exercise the Holders' rights on behalf of each Holder on their own expense. The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.

§ 12 (Presentation Period, Prescription)

(1) *Presentation Period.* The presentation period provided for in § 801 (1) first sentence of the German civil code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

(2) *Prescription.* The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 13 (Listing)

An application will be made for the Notes to be admitted to the Third Market (MTF) of Vienna Stock Exchange and the Regulated Market of Prague Stock Exchange. Expected date of admissions is on or around the Issue Date.

§ 14 (MiFID II)

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that, in relation to the type of clients criterion only: (i) the type of clients to whom the Notes are targeted is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' type of clients assessment) and determining appropriate distribution channels.

§ 15 (Final Provisions)

(1) *Governing Law.* These Conditions of Issue are governed by German law.

(2) *Place of Jurisdiction.* The place of jurisdiction shall be Stuttgart.

(3) *Enforcement.* Any Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the

basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

(4) *Partial Invalidity.* Should any of the provisions of the Conditions of Issue be or become invalid, in whole or in part, the other provisions of the Conditions of Issue shall remain in force. Invalid provisions shall, according to the intent and purpose of the Conditions of Issue, be replaced by such valid provisions the economic effect of which is as close as legally possible to that of the invalid provisions. The same applies to any gaps for which supplemental clauses would be required.

(5) *Waiver of Immunity.* The Issuer irrevocably waives to the fullest extent permitted by law any immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgement in connection with any such proceedings.

MOSCOW, APRIL 2018



JOZEF KOLLAR, DEPUTY CHAIRMAN OF THE BOARD
INTERNATIONAL INVESTMENT BANK

