

8 April 2022

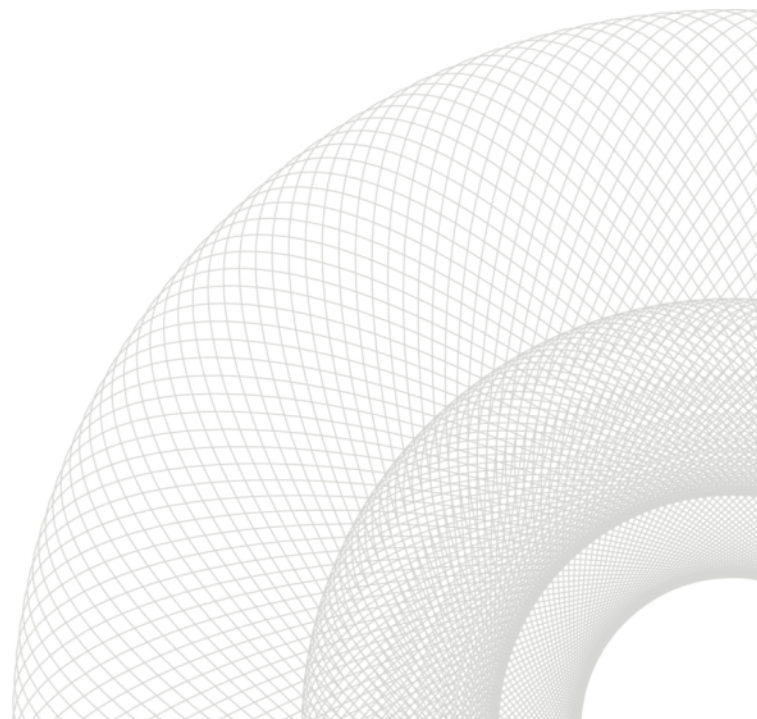
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Future Consolidation Agreement
between

Ministry of Economy of the Slovak Republic
and
E.ON SE

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THIS FUTURE CONSOLIDATION AGREEMENT (the "**Agreement**") is made on date set out below
BETWEEN:

- (1) the **Slovak Republic**, represented by the Ministry of Economy of the Slovak Republic, with its registered office at Mlynské nivy 44/a, 827 15 Bratislava, Slovak Republic, ID No. (IČO): 00 686 832 (the "**State**" or the "**Ministry**")
- and
- (2) **E.ON SE**, an European company (societas europaea) incorporated under the laws of the European Union and Germany, with its registered office at Brüsseler Platz 1, D-45131 Essen, registered with the commercial register of the lower court (Amtsgericht) in Essen under registration number HRB 28196 ("**E.ON**");
- (the State and E.ON together the "**Parties**").

WHEREAS:

- (A) The State and E.ON are directly or indirectly shareholders in:
- a. Západoslovenská energetika, a.s. a stock corporation (in Slovak: *akciová spoločnosť*) incorporated and existing under the laws of Slovakia with ID No. (IČO): 35 823 551 and registered with the commercial register maintained by the District Court Bratislava I, section Sa, file 2852/B and having its registered office at Čulenova 6, 816 47 Bratislava, Slovakia ("**ZSE**"), and
 - b. Východoslovenská energetika Holding a.s., a stock corporation (in Slovak: *akciová spoločnosť*) incorporated and existing under the laws of Slovakia with ID No. (IČO): 36 211 222 and registered with the commercial register maintained by the District Court Košice I, section Sa, file 1203/V and having its registered office at Mlynská 31, 042 91 Košice, Slovakia (the "**VSEH**");
- (B) In particular:
- a. E.ON holds (indirectly) 49 % of the book-entered shares in ZSE and VSEH;
 - b. the State holds 51 % of the book-entered shares in ZSE and VSEH;
- (C) Both ZSE and VSEH have significant operations in the sale and distribution of electricity and gas and other business activities within the energy sector in Slovakia;
- (D) On 30 July 2020 the State and E.ON concluded a Memorandum of Understanding, in which they incorporated their mutual understanding and agreed on the principles of their cooperation in relation to E.ON's expansion of its business in Slovakia by acquiring 49 % of shares of VSEH (the "**2020 Memorandum**");
- (E) The 2020 Memorandum contains among other the commitment of E.ON to cooperate with the State reading as follows: "*as shareholders in VSEH and ZSE to achieve internal synergies in the management of the joint ventures through economies of scale, the development of digitization, streamlining of operational activities and the integration of support and operational activities. Such synergy effect will improve the financial results due to increased efficiencies in the management, which will be reflected in the expected higher dividend payment; the Parties declare that these synergies will not be conditional on any collective redundancies*" (Section 9.(1.) of the 2020 Memorandum);

- (F) In view of the commitments contained in the 2020 Memorandum, the Parties wish to pursue opportunities to achieve internal synergies in the management of ZSE and VSEH and for streamlining their operational activities;
- (G) Given that both VSEH and ZSE act as holding entities with substantially the same purposes, management tasks, operational duties and shareholder relationships, the Parties identified a significant opportunity to increase economies of scale and streamlining of operational activities and for this purpose the Parties wish to consolidate ZSE and VSEH by the Anticipated Transaction (as defined below), subject to all applicable laws and approvals;
- (H) The Parties wish to record their mutual understanding, state their commitment to complete the Anticipated Transaction and to agree on the principles of their cooperation in relation to the Anticipated Transaction in this Agreement.

THE PARTIES HAVE AGREED AS FOLLOWS:

1 Anticipated Transaction

1.1 The Parties acknowledge that VSEH and ZSE are considered holding entities in relation to their respective businesses and subsidiaries. The Parties further acknowledge that the State and E.ON together hold 100 % of shares in both VSEH and ZSE.

1.2 E.ON and the State wish to implement a transaction of:

- (i) contribution of 100 % of VSEH's shares to ZSE (the "**Contribution**");
- (ii) sale of VSEH's all or selected subsidiaries to ZSE, being, in particular, Východoslovenská distribučná, a.s. Východoslovenská energetika a.s. and innogy Slovensko s.r.o. (the "**Sale of Subsidiaries**"); and
- (iii) implementation of corporate changes in VSEH, in particular:
 - (a) decrease of the registered capital in VSEH to the statutory minimum required level;
 - (b) distribution of the undivided profit from the past accounting periods,
 - (c) decrease of the reserve fund balance exceeding the mandatory legal value; and
 - (d) mutual settlement, to the extent legally possible, of the outstanding liabilities between ZSE and VSEH resulting from the above steps,(jointly the "**Corporate Changes**")

(the Contribution, Sale of Subsidiaries and Corporate Changes together as the "**Anticipated Transaction**").

1.3 Further, E.ON will internally determine which entity (or entities) from within the group of entities controlled by E.ON shall become the shareholder(s) of ZSE following the Anticipated Transaction (and also, E.ON will internally determine the split of the 49 per cent shares between those entities); and, E.ON shall notify such information to the State once available. The State agrees to support the shareholder reorganization on part of E.ON side, so that the entities notified by E.ON could become the shareholders in ZSE (respecting the applicable rules and processes set out in the ZSE SHA).

1.4 As the result of the Contribution:

- (i) ZSE shall become the sole (100 %) shareholder of VSEH (and eventually, of the selected Subsidiaries of VSEH); and
- (ii) the shareholdings' split in ZSE shall not change, i.e. 49 % of the book-entered shares in ZSE shall be held by E.ON and the State shall hold 51 % of the book-entered shares in ZSE.

2 Future Governance

- 2.1 Following the Contribution, ZSE shall be governed under substantially the same principles as ZSE is governed at the date of signing of this Agreement. ZSE will be under joint control of the Parties.
- 2.2 With effect as of the Contribution, the Parties shall enter into a new Shareholders' Agreement in relation to ZSE (the "**ZSE SHA**") in the form attached hereto as Annex 1.
- 2.3 Shareholders' Agreement in relation to Východoslovenská energetika Holding a.s. (the "**VSEH SHA**") shall terminate as part of the Anticipated Transaction.

3 Commitments

- 3.1 The Parties hereby undertake, either directly or through their respective subsidiaries, to (i) promptly perform the following; or (ii) use their best efforts when exercising rights as a shareholder of VSEH and ZSE set forth by the applicable law or the applicable shareholders' agreement, respectively, with the aim to promptly:
 - 3.1.1 Provide all approvals and decisions of the corporate bodies of each of VSEH and ZSE for the Anticipated Transaction necessary for the conclusion, approval or acknowledgment of any agreement, corporate decisions, financial statements, expert valuations or other document reasonably required in relation to the Anticipated Transaction; such Parties' assistance shall include assistance with preparation, delivery and / or exchange of expert valuation reports (including, as required under IFRS) and other accounting / financial deliverables required in connection with the Anticipated Transaction (the "**Transaction Documents**");
 - 3.1.2 Carry out the steps required to prepare the Project (as defined under Clause 4.1.2 below) and the Plan (as defined under Clause 4.1.2 below);
 - 3.1.3 Submit the Plan for the consultation by the Slovak Parliament;
 - 3.1.4 Obtain approval of the Anticipated Transaction by the Slovak Government; and
 - 3.1.5 Provide full cooperation in the preparation, drafting, submission, pre-notification, notification, communication of any approvals required for the execution of the Anticipated Transaction, in particular any applicable merger control clearance with European Commission (the "**EC**") or the Antimonopoly Office of the Slovak Republic, if it would obtain the authority;
 - 3.1.6 Perform any activities reasonably required in order to complete the Anticipated Transaction, including obtaining any approval of or submitting any notification to any governing bodies of the Parties;
 - 3.1.7 Provide any positions relating to any Transaction Documents in order to ensure a timely completion of the Anticipated Transaction;

- 3.1.8 Conclude the ZSE SHA as outlined in Clause 2 of this Agreement;
- 3.1.9 Undertake all reasonable efforts to achieve the commitments contained in this Agreement.

4 Conditions and Timing of the Anticipated Transaction

- 4.1** The Parties acknowledge that the Anticipated Transaction will be subject, *inter alia*, to the following conditions precedent:
- 4.1.1 Obtaining consents required under the applicable Slovak rules for foreign direct investments effective at the time of the Anticipated Transaction, e.g. under the Slovak Act No. 45/2011 Coll. on critical infrastructure, or any other act that may replace it;
 - 4.1.2 Elaboration of the project on transfer of assets for the Anticipated Transaction as required under Section 9 of the Act No. 92/1991 Coll. on Terms of Transfer of State Assets to Other Persons (the **Act** and the **Project**) and, elaboration of the simplified version of the Project covering the intention and process of the proposed transfer of assets as required under Section 10(2) of the Act (the **Plan**);
 - 4.1.3 Consultation of the Plan by the Slovak Parliament as required under Section 10(2) of the Act;
 - 4.1.4 Obtaining approval of the Anticipated Transaction by the Slovak Government; and
 - 4.1.5 Obtaining applicable merger control clearance (in particular, by the EC).
- 4.2** In relation to the merger control clearance for the Anticipated Transaction, to the extent applicable, the Parties agreed:
- 4.2.1 Considering the (high) turnover of both ZSE and VSEH, the Parties anticipate that the merger control clearance will be required for the Anticipated Transaction and that the merger control notification and consultation will be required to be made with the European Commission; and
 - 4.2.2 E.ON shall be entitled to lead the process and the discussions with the European Commission, in consultation with the State, as the need may be. Such process to be commenced following the signing of this Agreement.
- 4.3** In view of the Anticipated Transaction, the State and E.ON wish to accelerate the payment of dividends in VSEH from 2021 to the earliest possible date after the end of the 2021 financial year and in any case before the Contribution.
- 4.4** The Parties' best intention is to implement the Anticipated Transaction within the following timing:

Anticipated Timing	Anticipated Step
March / April 2022	Signing of this Agreement and its publication
April 2022 to October 2022	Preparation of detailed legal steps plan by E.ON and submission to the State

	<p>Preparation of Project and Plan under Cl. 4.1.2 above by the State</p> <p>Submission and consultation of Plan by the Slovak Parliament under Cl. 4.1.3 above (by the State)</p> <p>Obtaining of the consents of the governmental agencies under Cl. 4.1.1 and 4.1.4 above (by the State)</p> <p>Discussion with the EC, pre-notification and notification with the EC</p>
June 2022 to September 2022	Preparation of expert valuation and other required inputs required to consummate the Anticipated Transaction
September 2022	Payment of dividend in relation to VSEH
October 2022	Approval by the EC
November 2022	<p>Obtaining final and binding ZSE / VSEH respective approvals (General Meeting, Board of Directors, Supervisory Board)</p> <p>Signing of the consolidation documentation and the updated Shareholders' Agreement (ZSE SHA)</p>
November 2022 to December 2022	Registration of Anticipated Transaction with Commercial Register

- 4.5** The Parties agree that if the conditions under Clause 4.1 are not completed until 31 March 2023, any Party may terminate this Agreement with immediate effect by delivering a written termination notice to the other Party.

5 Future Legislative Changes

- 5.1** The Parties prepared the current consolidation structure based on, and taking into account, the currently applicable laws and considering the information, valuations and the financials of VSEH and ZSE as known to them as at the date hereof.
- 5.2** Should after the date of this Agreement, any changes to the applicable laws and/or changes to the information, valuations and/or the financials that were the basis for consideration be implemented or otherwise occur, and as a result of such changes the Anticipated Transaction could not be implemented or if implemented, would have adverse effect on the Parties, ZSE or VSEH, the Parties wish to cooperate in good faith to find another suitable consolidation structure in order to proceed with the goals of the Anticipated Transaction.
- 5.3** Should the above not be possible, despite the Parties' reasonable efforts, each Party shall have the right not to proceed to the Anticipated Transaction hereunder and/or not to pursue the next phase of the Anticipated Transaction.

6 Miscellaneous

- 6.1** Each Party shall bear its own costs for the performance of activities under this Agreement. The foregoing is without prejudice to the costs customarily associated with a consolidation process in Slovakia, which costs should be borne by ZSE or VSEH, as applicable.
- 6.2** This Agreement shall be governed and interpreted in accordance with the legislation of the Slovak Republic (without any consideration of the provisions of conflict-of-law rules to the extent they relegate to the laws of foreign jurisdictions).
- 6.3** This Agreement is entered into on the date specified below and shall become effective on the date following the date on which it is published in the Central Register of Contracts (in Slovak: *Centrálny register zmlúv*). The Ministry undertakes to publish this Agreement in the Central Register of Contracts within five days as of the date hereof.
- 6.4** All disputes arising out of or in connection with the present Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three (3) arbitrators appointed in accordance with the said Rules. The seat of arbitration shall be Vienna. The language to be used in the arbitral proceedings shall be English.
- 6.5** This Agreement is concluded in two (2) copies. In case of any discrepancies between the Slovak and English version of the Agreement, the English language version shall prevail.

IN VIEW OF THE AFORESAID, the Agreement has been signed and delivered:

[SIGNATURES ON THE FOLLOWING PAGE]

On 8. 4. 2022

Slovak Republic, represented by **the Ministry of Economy of the Slovak Republic**:

Signature: _____

Name: Ing. Richard Sulík

Position: Minister

E.ON SE

Signature: _____

Name: Markus Kaune

Position: Representative based on Power of Attorney

Annex 1
Agreed Form of ZSE SHA