

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

made between

the Ministry of Economy of the Slovak Republic, acting on behalf of the Slovak
Republic

and

[E.ON Slovensko, a.s.]

and

E.ON Beteiligungen GmbH

and

[E.ON First Future Energy Holding B.V.]

dated

[DATE]

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This Amended and Restated Shareholders Agreement is made on below stated date by and among the following parties:

1. **The Ministry of Economy of the Slovak Republic**, acting on behalf of the Slovak Republic (“**Ministry**”); and
2. **E.ON Slovensko, a.s.**, with its registered office at Čulenova 6, 811 09 Bratislava, Slovak Republic, identification number (IČO): 36 837 318 (“**E.ON Slovensko**”); and
3. **E.ON First Future Energy Holding B.V.**, a limited liability company incorporated under the laws of the Netherlands, having its registered office at Willemsplein 4, 5211 AK 's-Hertogenbosch, the Netherlands, registered with the Kamer van Koophandel (KVK Netherlands Chamber of Commerce) under no. 24480117 (“**EFFEH**”);
4. **E.ON Beteiligungen GmbH**, with its registered office at Brüsseler Platz 1, Essen 451 31, Federal Republic of Germany, registered in the Commercial Register maintained by the Municipal Court in Essen HRB 30582 (“**E.ON Beteiligungen**”);

(E.ON Slovensko and E.ON Beteiligungen collectively or individually “**E.ON**” or “**Buyer(s)**”)

(each of the foregoing also referred to as a “**Party**” or “**Shareholder**” and, collectively, the “**Parties**” or “**Shareholders**”).

RECITALS

- A. Under the terms of an agreement, executed on 13 June 2002, E.ON Energie AG, with its registered office at Brienner Straße 40, 80333 Munich, Federal Republic of Germany, registered in the Commercial Register maintained by the Municipal Court in Munich under HRB 132000 (“**E.ON Energie**”) agreed to purchase from the National Property Fund of the Slovak Republic (the “**Fund**”) 2,907,951 book entered shares of Západoslovenská energetika, a.s., joint stock company registered under the laws of the Slovak Republic with its registered seat at Čulenova 6, 816 47 Bratislava, Slovak Republic and identification number (IČO) 35 823 551 [(the “**Company**” or “**Future HoldCo**”)], each with a nominal value of SKK 1,000 (“**Share Purchase Agreement**”), such shares representing approximately 49% of the registered share capital of the Company.
- B. Under the terms of an agreement, executed on 16 October 2003 between E.ON Energie and the European Bank for Reconstruction and Development, an international financial institution formed under the Agreement Establishing the European Bank for Reconstruction and Development signed in Paris on 29th May 1990, having its headquarters at One Exchange Square, London EC2A 2JN, United Kingdom (“**EBRD**”), the EBRD agreed to purchase from E.ON Energie, and E.ON Energie agreed to sell, 534,113 Shares representing approximately 9% of the registered share capital of the Company.
- C. On 19 November 2003, the Ministry, Fund, E.ON Energie and EBRD entered into the Shareholders’ Agreement (the “**SHA**”) to set forth, among other things, certain rights and obligations with respect to the acquisition, ownership and disposition of shares of the Company, Západoslovenská distribučná a ZSE Energia, certain restrictions on the transferability of the shares of the Company, Západoslovenská distribučná a ZSE Energia, certain matters related to the corporate governance of the Company,

Západoslovenská distribučná a ZSE Energia, and certain matters related to the cooperation among the Parties in respect of further development of business of the Company, Západoslovenská distribučná a ZSE Energia.

- D. In relation to the obligation to the unbundling of the power distribution system operation from the Company set out in Section 25 of Act No. 656/2004 Coll., on Energy and Amending Certain Acts, as valid at that time, it was approved, by voting in the extraordinary General Meeting of the Company held on 31 May 2007, effective as of 1 July 2007, the following:
- (i) unbundling of a part of the Company's enterprise named the "Distribution System Operation Division", providing for the activity of distribution system operator from the Company into the newly-established company Západoslovenská distribučná (as defined below in Article 1, Subclause 1.1 hereof), and
 - (ii) unbundling of a part of the Company's enterprise named the "Division Sales and Trading", providing for the activity of electricity trade and sale and split-up of a part of the Company's enterprise named the "MVE Operation Team", providing for the activity of electricity generation from the Company into the newly-established company, ZSE Energia (as defined below in Article 1, Subclause 1.1 hereof); where a part of enterprise of ZSE Energia named "MV Operation Team" providing for the activity of electricity generation was later, in 2014, unbundled into the company ZSE MVE, s. r. o., with its registered address at Čulenova 6, 811 09 Bratislava and identification number (IČO) 35 927 593, registered in the Commercial Register kept by District Court Bratislava I in Section Sro, File No. 35418/B.
- E. Further to the above, the Ministry, Fund, E.ON Energie and EBRD agreed to adopt certain amendments of the SHA, which were subsequently reflected by entering into the Amended and Restated Shareholders Agreement dated 11 June 2007 which, effective as of 1 July 2007, replaced the SHA in full.
- F. On 27 May 2008, E.ON Energie, as the sole shareholder in E.ON Slovensko, took the decision to increase the registered share capital by way of contribution in kind, and such decision was made in the form of a notarial deed (N 150/2008, Nz 22133/2008). Such contribution in kind had the form of securities – shares issued by the issuer (Company) representing approximately 40% of the registered share capital of the Company. Following to the aforementioned, E.ON Slovensko, holding shares representing approximately 40% of the registered share capital of the Company, became a shareholder in the Company in place of the original shareholder, E.ON Energie.
- G. The EBRD, as the seller, and E.ON Energie, as the buyer, entered into the agreement on purchase of all shares in the Company that were held by the EBRD (i.e. shares representing 9% of the registered share capital of the Company). The EBRD ensured that a condition precedent was agreed so that the transfer of shares is conditional upon transfer of the rights and obligations under the SHA which has been later assigned and transferred to E.ON Energie. The transfer of shares from the EBRD to E.ON Energie was approved

by the General Meeting of the Company on 3 August 2012. This transfer took effect as at 21 August 2012.

- H. On 14 January 2013, the Ministry, Fund, E.ON Energie and E.ON Slovensko entered into Amendment 1 to the SHA (the “**Amendment**”). E.ON Energie acceded to the SHA and assumed all rights and obligations under the SHA to extent stated in the Amendment, becoming a party to the SHA in accordance with the Amendment (instead of the EBRD).
- I. On 19 August 2013, E.ON Beteiligungen acquired from E.ON Energie, under an agreement titled *Spaltungs - und Übernahmevertrag (in English: Agreement on Demerger and Transfer)*, a part of the enterprise that included also all shares held by E.ON Energie in the Company and all shares held by E.ON Energie in E.ON Slovensko. Following this, under a universal succession, E.ON Beteiligungen assumed all rights and obligations of E.ON Energie, as a shareholder in the Company and in E.ON Slovensko, in place of E.ON Energie.
- J. On 13 December 2012, E.ON Slovensko, as the seller, and E.ON Beteiligungen, as the buyer, entered into a share purchase agreement with respect to shares in the Company, under which E.ON Slovensko transferred to E.ON Beteiligungen 59,346 Shares representing approximately 1% of the registered share capital of the Company. After such transfer up to the date of execution of this Agreement, E.ON Slovensko holds shares in the Company that represent approximately 39% of the registered share capital of the Company and E.ON Beteiligungen holds shares in the Company that represent approximately 10% of the registered share capital of the Company.
- K. As stipulated in Section 47da(1) of Act No. 92/1991 Coll. on Conditions for Transfer of State Property to Other Persons (the “**State Property Transfer Act**”), on 1 August 2014 the participation interests held by the Fund in the business of other legal entity specified in Section 10(2) limbs (a) to (d) and (j), including all related obligations of the Fund that arose until 31 July 2014 from the transfer of participation interests in the business of legal entities specified in Section 10(2) limbs (a) to (d) and (j) to other persons under the present Act become the ownership of the State, and the Ministry acts on behalf of the State. The legal persons specified in Section 10(2) limbs (a) to (d) and (j) of the State Property Transfer Act include the Company. That means that the shares in the Company that were then held by the Fund became the ownership of the Slovak Republic on 1 August 2014 directly by operation of law, and the Ministry acts on behalf of the Slovak Republic. As a result, the Slovak Republic currently holds shares in the Company that represent 51% of the registered share capital of the Company, with the Ministry exercising the shareholder’s rights.
- L. Act No. 375/2015 Coll. abolished the Fund effective as of 15 December 2015.
- M. [The Parties having obtained the relevant approvals for the Transaction (as defined below), in particular, (i) consents required under the applicable Slovak rules for foreign direct investments, (ii) elaboration of the project on transfer of assets under the Act No. 92/1991 Coll. on Terms of Transfer of State Assets to Other Persons and elaboration of the simplified version of the Project covering the intention and process of the proposed transfer of assets (“Plan”) as required under the said act, (iii) consultation of the Plan by the Slovak Parliament as required under Section 10(2) of the said act, (iv) obtaining

approval of the Transaction by the Slovak Government; and (v) obtaining applicable merger control clearance (in particular, by the EC).]

- N. [The Parties carried out and/or are to carry out the transaction (the “**Transaction**”), being the contribution of 100% of VSEH's shares to the Company (the “**Contribution**”) and also, transfer of VSEH's [all or selected] subsidiaries to the Company, being, in particular, Východoslovenská distribučná, a.s. Východoslovenská energetika a.s. and innogy Slovensko s.r.o. (the “**Sale of Subsidiaries**”).]
- O. In order to reflect the foregoing [as well as the Transaction], the Parties wish to arrange their mutual relationship as the shareholders in the Company and their participation in the management of the Company and the Subsidiaries.

Now, therefore, the Parties have agreed as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

Capitalized terms used herein but not otherwise defined or unless the context suggests otherwise shall have the following meanings:

“**Acceptance Notice**” is defined in Subclause 4.2h).

“**Agreement**” shall mean this Amended and Restated Shareholders’ Agreement.

“**Antimonopoly Office**” shall mean the Antimonopoly Office of the Slovak Republic.

“**Articles of Association**” shall mean the statutes (“stanovy”) of the Company¹.

“**Articles of Association of innogy Slovensko**” shall mean the Articles of Association of innogy Slovensko.

“**Articles of Association of Východoslovenská distribučná**” shall mean the Articles of Association of Východoslovenská distribučná.

“**Articles of Association of VSEH**” shall mean the Articles of Association of VSEH.

“**Articles of Association of Východoslovenská energetika**” shall mean the Articles of Association of Východoslovenská energetika.

“**Articles of Association of Západoslovenská distribučná**” shall mean the Articles of Association of Západoslovenská distribučná.

“**Articles of Association of ZSE Energia**” shall mean the Articles of Association of ZSE Energia.

“**Associate**” shall mean with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, the person first mentioned. For purposes of this Agreement, the term “Control” as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the

¹ Articles of Association of ZSE, the Key Subsidiaries and those of VSEH to be reviewed and updated, in due course, within the process of merger/contribution of VSEH to ZSE.

direction of the management of that person, whether through ownership of shares, voting securities, partnership or other ownership interests, agreement or otherwise. If one person owns, directly or indirectly, 50% or more of the share capital, voting securities, partnership or other ownership interests of another person, that person shall be deemed to Control that other person.

“Board of Directors” shall mean the Company’s statutory body (*predstavenstvo*).

“Board of Directors of innogy Slovensko” shall mean all executive directors (*konatelia*) of innogy Slovensko, being a statutory body thereof.

“Board of Directors of Východoslovenská distribučná” shall mean the Board of Directors of Východoslovenská distribučná, being a statutory body thereof.

“Board of Directors of VSEH” shall mean the Board of Directors of VSEH, being a statutory body thereof.

“Board of Directors of Východoslovenská energetika” shall mean the Board of Directors of Východoslovenská energetika, being a statutory body thereof.

“Board of Directors of Západoslovenská distribučná” shall mean the Board of Directors of Západoslovenská distribučná, being a statutory body thereof.

“Board of Directors of ZSE Energia” shall mean the Board of Directors of ZSE Energia, being a statutory body thereof.

“Board of Directors of ZSE Elektrárne” shall mean all executive directors (*konatelia*) of ZSE Elektrárne, being a statutory body thereof.

“Business Day” shall mean any day except for Saturdays, Sundays, and the official holidays and non-working days in the Slovak Republic.

“Buyer’s Group” shall mean E.ON Slovensko and E.ON Beteiligungen and their respective Associates, but excluding the Company and its Subsidiaries.

“Commercial Code” means Act No. 513/1991 Coll. the Commercial Code as amended.

“Confidential Information” is defined in Subclause 5.1.

“Determining Person” shall mean an internationally reputable firm of accountants, management consultants, auditors or investment bankers approved by resolution of the General Meeting, or, in default of such approval within 14 days of notice from any Party to the other Parties and calling upon the other Parties to agree such resolution, a person chosen on the application of any Party, by the President of the Institute of Chartered Accountants in England and Wales.

“E.ON Energie” is defined in the Recitals of this Agreement.

“European Commission” shall mean the European Commission (EC), the executive branch of the European Union, responsible for proposing legislation, enforcing EU laws and directing the union's administrative operations.

“Former Associate” is defined in Subclause 4.3c).

“Foundation Deed of innogy Slovensko” shall mean the Foundation Deed of innogy Slovensko.

“**Foundation Deed of ZSE Elektrárne**” shall mean the Foundation Deed of ZSE Elektrárne.

“**Fund**” is defined in the Recitals of this Agreement.

“**General Meeting**” shall mean the general meeting (valné zhromaždenie) of the Company.

“**General Meeting of innogy Slovensko**” shall mean the General Meeting of innogy Slovensko.

“**General Meeting of Východoslovenská distribučná**” shall mean the General Meeting of Východoslovenská distribučná.

“**General Meeting of VSEH**” shall mean the General Meeting of VSEH.

“**General Meeting of Východoslovenská energetika**” shall mean the General Meeting of Východoslovenská energetika.

“**General Meeting of Západoslovenská distribučná**” shall mean the General Meeting of Západoslovenská distribučná.

“**General Meeting of ZSE Energia**” shall mean the General Meeting of ZSE Energia.

“**General Meeting of ZSE Elektrárne**” shall mean the General Meeting of ZSE Elektrárne.

“**innogy Slovensko**” shall mean innogy Slovensko s. r. o., a limited liability company, established and existing under laws of the Slovak Republic, with its seat at Hviezdoslavovo námestie 13, 811 02 Bratislava, BIN: 44 291 809, registered in the Commercial Register of the Bratislava I District Court, Section: Sro, Insertion No.: 92491/B.

“**Key Subsidiaries**” shall mean Západoslovenská distribučná, ZSE Energia, Východoslovenská distribučná, Východoslovenská energetika, innogy Slovensko, ZSE Elektrárne and VSEH; and “**Key Subsidiary**” shall mean each or any of the Key Subsidiaries separately.

“**Leverage Ratio**” means, in relation to a relevant period in accordance with the IFRS standards as adopted by the European Union, the ratio of (a) its financial interest-bearing debt (excluding intra-group items) less its cash and cash equivalents (on consolidated basis) on a projected basis for the current financial year to (b) the average of its EBITDA (on consolidated basis) for the past two financial years and its EBITDA projection (on consolidated basis) for the current financial year.

“**Market Price**” shall mean, in respect of one Share, such sum as the Determining Person at the relevant time certifies to be, in its opinion (acting as an expert and not as an arbitrator) the value of all the Shares in existence at the relevant time, as determined on the basis of generally accepted cash-flow based valuation principles, e.g. the discounted cash flow method or the capitalized value of return-method, divided by the number of Shares in existence at the relevant time.

“**Material Breach**” shall mean, in respect of E.ON:

- a) any breach of its obligation to vote for the election or removal of the nominees of the Ministry to the Board of Directors, as contemplated in Subclause 3.1 hereof;

- b) any non-compliance by any of the members of the Board of Directors nominated by E.ON with any of the rules set out in Subclause 3.2 hereof;
- c) any breach of its obligation to vote for the election or removal of the nominees of the Ministry to the Supervisory Board as contemplated in Subclause 3.5 hereof;
- d) any transfer, or attempted transfer, of Shares by E.ON contrary to the provisions of Clause 4 hereof;
- e) any breach of any other obligation of E.ON hereunder if, during the immediately preceding 24-month period, it has been preceded by at least two unremedied previous breaches of the very same obligation;
- f) a change in the Control of [E.ON Slovensko] or E.ON Beteiligungen, however excluding the change in the Control of E.ON SE, i.e., for the avoidance of any doubts, a situation when [E.ON Slovensko], a.s. or E.ON Beteiligungen GmbH are and/or will remain to be Controlled by E.ON SE does not and shall never establish breach hereunder;
- g) the filing of substantiated petition for the opening of insolvency proceedings with the competent local court by E.ON Beteiligungen or a creditor or if earlier the existence of a cause for opening insolvency proceedings pursuant to §§ 16 ff of the German Insolvency Act (*Insolvenzordnung*), including but not limited to inability to pay its debts or over indebtedness; or the filing of similar substantiated petition against E.ON Slovensko under Slovak laws;

and, in respect of the State Party:

- a) any breach of its obligation to vote for the election or removal of the nominees of E.ON to the Board of Directors as contemplated in Subclause 3.1 hereof;
- b) any non-compliance by any of the members of the Board of Directors nominated by the Ministry with any of the rules set out in Subclause 3.2 hereof;
- c) any breach of its obligation to vote for the election or removal of the nominees of E.ON to the Supervisory Board as contemplated in Subclause 3.5 hereof;
- d) any transfer, or attempted transfer, of Shares by the Ministry contrary to the provisions of Clause 4 hereof;
- e) any breach of any other obligation of the State Party hereunder if, during the immediately preceding 24-month period, it has been preceded by at least two unremedied previous breaches of the very same obligation.

“Offer” is defined in Subclause 4.2d).

“Option Price” means a price per Share equal to the Purchase Price, as defined in, and adjusted pursuant to, the Share Purchase Agreement, divided by 2,907,951, increased by the Option Price Increase Rate.

“Option Price Increase Rate” means a rate of increase calculated as follows:

$$\frac{(A + 1\%) \times B}{360}$$

where

A = the average daily twelve months Euro Libor² rate quoted by the British Bankers' Association in the period commencing on the Closing Date and ending on the date of the Transfer Notice (which average shall be calculated by aggregating such rates quoted in such period and dividing them by the number of days on which the British Bankers' Association quoted such rates);

B = the number of days in such period.

"Permitted Transfers" is defined in Subclause 4.3a).

"Public Institutions" shall mean the Government of the Slovak Republic, and ministries and administrative bodies of the Slovak Republic.

"Receiving Party" is defined in Subclause 5.1b).

"Recipient" is defined in Subclause 4.2c).

"Related Party Transactions with Buyer's Group" is defined in Subclause 3.9.

"Relevant Date" is defined in Subclause 4.2j).

"Rules" is defined in Subclause 12.2.

"Share Owning Party" and **"Share Owning Parties"** mean individually or collectively E.ON Slovensko, E.ON Beteiligungen, and the Ministry.

"Share Purchase Agreement" is defined in Recital A.

"Shares" shall mean (name) registered shares of the Company.

"Shares of Key Subsidiaries" shall mean shares or shareholding interest of Key Subsidiaries.

"Shares of Západoslovenská distribučná" shall mean shares of Západoslovenská distribučná.

"Shareholders' Information Committee" is defined in Subclause 10.1a).

"SIC Chairman" is defined in Subclause 10.1b).

"State Party" means the Ministry.

"Strategic and Business Plan" means a strategic and business plan for the operation and management of the Company and its Subsidiaries (in particular, for the Key Subsidiaries) prepared and approved for the three (3) forthcoming financial years in accordance with the rules set out under Clause 3.10 of this Agreement; such Strategic and Business Plan shall contain at least the following information (in relation to the Company as well as the Key Subsidiaries):

- a) forecasted balance sheets, profit and loss accounts and cash flow statements, including an estimate of working capital requirements and capital expenditures on material items or projects;

² LIBOR will cease to apply as of 31 December 2021, new definition to be included.

- b) plans for the strategic development of existing business activities and existing material projects;
- c) plans for the strategic development of any new material business activities and new material projects;
- d) plans for future material transactions to be effected, which are subject to the approval by the General Meeting under this Agreement;
- e) forecasted development of basic consolidated financial indicators, including an overview of the most significant factors affecting such forecasted development;
- f) forecasted development of main investment projects planned;
- g) planned distribution of dividends;
- h) business plan of the Company or relevant Key Subsidiary, containing at least the following information for the next financial year:
 - (i) operating budget as part of annual financial plan, including capital expenditures and investment plans;
 - (ii) cash-flow projections;
 - (iii) marketing plans;
 - (iv) strategic development plans; and
 - (v) human resources plans.

“Subsidiary” means any legal person Controlled by the Company, including the Key Subsidiaries, and, if applicable, any Subsidiaries of the Key Subsidiaries.

“Subsidiary of VSEH” shall mean any legal person Controlled by the company Východoslovenská distribučná.

“Subsidiary of Západoslovenská distribučná” shall mean any legal person Controlled by the company Západoslovenská distribučná.

“Supervisory Board” shall mean the supervisory board (dozorná rada) of the Company.

“Supervisory Board of innogy Slovensko” shall mean the Supervisory Board of innogy Slovensko.

“Supervisory Board of Východoslovenská distribučná” shall mean the Supervisory Board of Východoslovenská distribučná.

“Supervisory Board of VSEH” shall mean the Supervisory Board of VSEH.

“Supervisory Board of Východoslovenská energetika” shall mean the Supervisory Board of Východoslovenská energetika.

“Supervisory Board of Západoslovenská distribučná” shall mean the Supervisory Board of Západoslovenská distribučná.

“**Supervisory Board of ZSE Energia**” shall mean the Supervisory Board of ZSE Energia.

“**Supervisory Board of ZSE Elektrárne**” shall mean the Supervisory Board of ZSE Elektrárne³.

“**Transfer Notice**” is defined in Subclause 4.2c).

“**Transfer Shares**” is defined in Subclause 4.2c).

“**Transferor**” is defined in Subclause 4.2c).

“**Unbundled Activities**” shall mean all transactions of the company Západoslovenská distribučná and Východoslovenská distribučná for which Section 32 of Act No. 251/2012 Coll. on Energy and Amending Certain Acts requires Západoslovenská distribučná’s or Východoslovenská distribučná’s independence, as the case may be.

“**Voting Party**” and “**Voting Parties**” means individually or collectively the Ministry and E.ON.

[“**VSEH**” or “**ServiceCo**”] shall mean Východoslovenská energetika Holding a.s., a joint-stock company organized and existing under the laws of the Slovak Republic with its registered seat at Mlynská 31, 042 91 Košice, Slovak Republic, Business Identification No. (IČO): 36 211 222, registered in the Commercial Register maintained by District Court Košice I in Section Sa, Insertion No. 1203/V.

“**Východoslovenská distribučná**” shall mean Východoslovenská distribučná, a.s., a joint stock company, established and existing under laws of the Slovak Republic, with its seat at Mlynská 31, 042 91 Košice, BIN: 36 599 361, registered in the Commercial Register of the Košice I District Court, Section: Sa, Insertion No.: 1411/V.

“**Východoslovenská energetika**” shall mean Východoslovenská energetika a.s., a joint stock company, established and existing under laws of the Slovak Republic, with its seat at Mlynská 31, 042 91 Košice, BIN: 44 483 767, registered in the Commercial Register of the Košice I District Court, Section: Sa, Insertion No.: 1628/V.

“**Západoslovenská distribučná**” shall mean Západoslovenská distribučná, a.s., a joint stock company, established and existing under laws of the Slovak Republic, with its seat at Čulenova 6, 816 47 Bratislava, BIN: 36 361 518, registered in the Commercial Register of the Bratislava I District Court, Section: Sa, Insertion No.: 3879/B, established as a 100% Subsidiary of the Company, the main object of which shall be the electricity distribution.

“**ZSE Elektrárne**” shall mean ZSE Elektrárne, s.r.o., a limited liability company established and existing under laws of the Slovak Republic, with its seat at SPP Kompresorová stanica 3, 919 33 Trakovice, BIN: 36 239 593, registered in the Commercial Register of the Trnava District Court, Section: Sro, Insertion No: 12311/T.

“**ZSE Energia**” shall mean ZSE Energia, a.s., a joint stock company established and existing under laws of the Slovak Republic, with its seat at Čulenova 6, 816 47 Bratislava, BIN: 36 677 281, registered in the Commercial Register of the Bratislava I District Court, Section: Sa, Insertion No: 3978/B.

“**ZSE Group**” shall mean the Company and the Subsidiaries.

³ Note: To be established as it is currently not formed and/or existing.

1.2 Interpretations

- a) All references to EUR are to euros.
- b) References to Clauses and Subclauses are to clauses and subclauses of this Agreement.

2. EXERCISE OF SHAREHOLDER'S RIGHTS AND DUTIES

- a) The rights and duties of the Slovak Republic as a shareholder of the Company shall be exercised by the Ministry. References to the Ministry in this Agreement are references to the Ministry acting in this capacity.
- b) Where an obligation is stated in this Agreement to be an obligation of a "State Party" or "Slovak Republic" such obligation shall be fulfilled by the Ministry.
- c) [E.ON Slovensko] and E.ON Beteiligungen are entitled jointly and severally to claim performance of the Ministry's respective obligations under this Agreement. Where the Agreement sets out a right that is exercised by E.ON, it shall be deemed sufficient for such right to be exercised by either E.ON Slovensko or E.ON Beteiligungen (for example, the right to nominate members of the Board of Directors).
- d) In the case of a conflict between this Agreement and the Articles of Association, and/or Articles of Association of Západoslovenská distribučná and/or Articles of Association of ZSE Energia and/or Articles of Association of Východoslovenská distribučná and/or Articles of Association of VSEH and/or Articles of Association of Východoslovenská energetika and/or Articles of Association of innogy Slovensko and/or Foundation Deed of innogy Slovensko and/or Foundation Deed of ZSE Elektrárne, or between the Articles of Association and/or Articles of Association of Západoslovenská distribučná and/or Articles of Association of ZSE Energia and/or Articles of Association of Východoslovenská distribučná and/or Articles of Association of VSEH and/or Articles of Association of Východoslovenská energetika and/or Articles of Association of innogy Slovensko and/or Foundation Deed of innogy Slovensko and/or Foundation Deed of ZSE Elektrárne, this Agreement shall be determinative of the Parties' intent. The Parties shall do all such things and execute all such documents as are necessary or useful to give effect to this Agreement including without limitation voting at General Meetings, granting consents, making notifications, and amending the Articles of Association, Articles of Association of Západoslovenská distribučná, Articles of Association of ZSE Energia, Articles of Association of Východoslovenská distribučná, and/or Articles of Association of VSEH, Articles of Association of Východoslovenská energetika, Articles of Association of innogy Slovensko, Foundation Deed of innogy Slovensko and/or Foundation Deed of ZSE Elektrárne to reflect and to be consistent with the terms hereof, and causing their respective representatives and nominees of bodies of the Company, Západoslovenská distribučná, ZSE Energia, Východoslovenská distribučná, Východoslovenská energetika, innogy Slovensko and ZSE Elektrárne to act so as to give effect to the terms of this Agreement.

3. COMPANY'S CORPORATE GOVERNANCE

3.1 Composition of the Board of Directors

- a) The Board of Directors shall manage the business of the Company and act on the Company's behalf in all matters. The Board of Directors shall consist of five (5) members who shall be elected and removed by the General Meeting. The term of office of members of the Board of Directors shall be four (4) years.
- b) Each member of the Board of Directors must satisfy the following qualifications:
 - (i) the general requirements imposed on a member of a statutory body of a Slovak company under Slovak law; and
 - (ii) appropriate educational background and expert management skills.
- c) E.ON shall be authorized to nominate three (3) persons for election to the Board of Directors. The Ministry shall be authorized to nominate two (2) persons for election to the Board of Directors. The Ministry and E.ON shall notify each other in writing of the persons which it nominates at least ten Business Days prior to the date on which the first invitation to the relevant General Meeting must be sent to shareholders of the Company in accordance with the Articles of Association or applicable law.
- d) At General Meetings the Buyers are obliged to cast all their votes in favour of the election of the nominees proposed by the Ministry. The State Party is obliged to ensure that all the votes held by it are cast in favour of the election of the nominees proposed by E.ON.
- e) Each Voting Party may propose the removal for any reason of any member of the Board of Directors who had been nominated by such Voting Party. The names of the members proposed to be removed must be notified in writing by the Voting Party proposing the removal to the other Voting Parties. The other Voting Parties are obliged to support such removal by appropriate voting at the relevant General Meeting. The procedure for nomination and election of members of the Board of Directors set out in Subclauses 3.1c) and 3.1d) shall apply with respect to the nomination and election of a new member of the Board of Directors to replace the removed member. No Party shall vote for the removal of a member of the Board of Directors unless the removal has been proposed by the Voting Party who had nominated such member for election to the Board of Directors.
- f) Should any member of the Board of Directors die or resign or otherwise become unable to serve as such, the Voting Party who had nominated him shall have the right to nominate a substitute member ("náhradný člen") in order to preserve the composition of the Board of Directors referred to in Subclause 3.1c). Such nomination shall be notified by the nominating Voting Party, if such nominating Voting Party is the Ministry, to E.ON, and if such nominating Voting Party is E.ON, to the Ministry, in writing at least five (5) Business Days prior to the meeting of the Board of Directors at which it is proposed that the nominated person shall be appointed as a substitute member. The Ministry and E.ON shall ensure that their respective nominees on the Board of Directors appoint the

person nominated in such way as a substitute member of the Board of Directors for the period until the next General Meeting, provided that such appointment is possible under relevant law.

- g) If, at any time, any member of the Board of Directors fails to meet the qualifications set out in Sub-Clause 3.1b), the Voting Party which nominated such member shall, forthwith on the written request of E.ON, if such nominating Voting Party is the Ministry, and the Ministry, if such nominating Voting Party is E.ON, propose the removal of such member in accordance with Subclause 3.1e).
- h) The Voting Parties are obliged to use all efforts which can reasonably be expected of them to ensure that the election of new members of the Board of Directors to fill vacancies in the membership of the Board of Directors takes place as soon as practicable after any vacancy occurs but in any event within the time period prescribed by law.

3.2 Minority Protection

- a) In accordance with the Articles of Association, (i) a meeting of the Board of Directors shall be quorate if a simple majority of members are present, and (ii) the Board of Directors shall pass resolutions at its meetings by a simple majority of votes of present members, except for resolutions of the Board of Directors on certain specific matters that, under the Articles of Association or relevant law at the relevant time, require a higher majority of votes.
- b) Notwithstanding Subclause 3.2a) or any provision of the Articles of Association, E.ON is obliged to use all rights permitted to it by law and this Agreement to ensure that no decision is adopted by the Board of Directors unless a nominee of the Ministry is present at the relevant meeting. If neither of the Ministry's nominees attend at two consecutive duly called meetings of the Board of Directors, the first sentence of this Subclause 3.2b) shall not apply in respect of the second of such meetings.
- c) Notwithstanding Subclause 3.2a) or any provision of the Articles of Association, or any Subsidiary's memorandum of association ("spoločenská zmluva") foundation agreement ("zakladateľská zmluva"), foundation deed ("zakladateľská listina"), association agreement ("zmluva o združení"), articles of association ("stanovy") or other similar document, E.ON and the State Party are obliged to use all rights permitted to them by law and this Agreement to ensure that none of the following shall be done unless the matter in question has been approved by a decision of the Board of Directors, and that the decision of the Board of Directors has been approved by a decision of the Supervisory Board, except any Key Subsidiary and its Subsidiaries, to which this Subclause 3.2c) shall not apply, since they are subject to special consents pursuant to Subclauses 3.8c), 3.8d), 3.8e), 3.8f), 3.8g), 3.8h), and 3.8i) and Subclauses 3A.2, 3B.2, 3C.2, 3D.2, 3E.2, 3F.2 and 3G.2 hereof respectively:
 - (i) the implementation of any investment or transaction, or series of related investments or transactions, by the Company or any Subsidiary, or the execution, by the Company or any Subsidiary, of any document, or series of related documents, under which the expenditure by the

- Company or Subsidiary, or income to the Company or Subsidiary is, or is likely to be, at variance to that provided for in the Strategic and Business Plan in respect of the relevant investment, transaction, or document, or series thereof, by an amount of more than five (5) million EUR,
- (ii) the entering into of a pledge, guarantee, indemnity, mortgage or security instrument by the Company or any Subsidiary, if the contingent liabilities arising thereunder could exceed the amount specifically provided for such contingent liabilities in the Strategic and Business Plan by more than five (5) million EUR,
 - (iii) the substantial reorganization of the Company or any Subsidiary,
 - (iv) the issue of any promissory note or bill of exchange by the Company or any Subsidiary, if the nominal value of the promissory note or bill of exchange, when added to the nominal value of promissory notes and bills of exchange already issued as part of the same transaction, or as part of a series of related transactions, is more than five (5) million EUR more than that specifically provided for such promissory note or bill of exchange in the Strategic and Business Plan;
 - (v) the submission to a court by the Company or any Subsidiary of an application to declare bankruptcy over the Company or the relevant Subsidiary (the provision of this Subclause 3.2c)(v) shall not affect the duty of any person to carry out obligations imposed on that person by law);
 - (vi) the submission to a court by the Company or any Subsidiary of a proposal for permission of restructuring;
 - (vii) the adoption of the Strategic and Business Plan of the Company and any Subsidiary, and the adoption of amendment to it;
 - (viii) the formation of any entity which would, on its formation, be a Subsidiary;
 - (ix) the acquisition or disposal of any shares in a Subsidiary or the acquisition of shares in any entity which would, on acquisition, become a Subsidiary.
- d) For the avoidance of doubt, the Parties agree that should there be no Strategic and Business Plan, or should the Strategic and Business Plan not provide for the relevant matter set out above, for the purposes of Subclause 3.2c) the matter shall be deemed to have been provided for in the Strategic and Business Plan and the relevant expenditure, income, liabilities, or nominal value shall be deemed to have been set out in such Strategic and Business Plan as zero.
- e) At meetings of the Board of Directors, none of the members of the Board of Directors nominated by E.ON shall be allowed to vote in favour of a decision referred to in Subclause 3.2c) unless either (i) such decision has been approved in advance by the Supervisory Board or (ii) such decision is subject to the Supervisory Board's subsequent consent. E.ON shall cause its nominees in the

Board of Directors to comply with this rule. The non-compliance by any of the members of the Board of Directors nominated by E.ON shall be a breach of this Agreement by E.ON.

- f) The State Party and E.ON are obliged to use all rights permitted to them by law and this Agreement to ensure that, unless the decision has been approved in advance by the Supervisory Board (i) any decision of the Board of Directors requiring the approval of the Supervisory Board pursuant to Subclause 3.2c) shall be placed on the agenda of the first meeting of the Supervisory Board after the meeting of the Board of Directors at which the relevant decision was made and (ii) if at such meeting the Supervisory Board does not consent to the relevant decision of the Board of Directors, either of the Ministry or E.ON shall have the right to refer the matter in question to the General Meeting for resolution and if the General Meeting adopts any resolution in respect of the matter concerned, such resolution shall replace and substitute for the relevant decision of the Board of Directors and no approval of the Supervisory Board shall be required in respect of the matter in question.
- g) For the avoidance of doubt the Parties agree that the Supervisory Board may only grant or refuse its approval to a decision of the Board of Directors on any of the matters set out in Subclause 3.2c), and it may not amend such decision or require the Board of Directors to adopt a particular decision in respect of any such matter.

3.3 Chairman and Vice-Chairman of the Board of Directors

- a) The General Meeting shall determine which person shall be (i) the chairman of the Board of Directors whose rights and obligations shall include to convene and preside over the meetings of the Board of Directors, to sign the minutes of the Board of Directors and to initiate decision-making by the Board of Directors outside of its meetings, and (ii) the vice-chairman of the Board of Directors who shall stand in for the chairman and assume all of his rights and obligations if the chairman is absent or unavailable.
- b) At the relevant General Meeting the State Party is obliged to ensure that all votes held by it are cast in favour of the election of the person nominated by E.ON to the position of the chairman of the Board of Directors.
- c) At the relevant General Meeting E.ON is obliged to cast all votes held by it in favour of the election of the person nominated by the Ministry to the position of the vice-chairman of the Board of Directors.
- d) The nominations referred to in Subclauses 3.3b) and 3.3c) shall be notified in writing by the nominating Voting Party to the other Voting Parties at least ten (10) Business Days prior to the date on which the first invitation to the General Meeting must be sent to shareholders of the Company in accordance with the Articles of Association or applicable law.

3.4 Acting and Signing for the Company

- a) In compliance with Slovak law and the Articles of Association, the Board of Directors as the Company's statutory body shall be primarily authorized to act and sign for the Company.

- b) The members of the Board of Directors shall act and sign for the Company in such a manner that the joint action or signature of two of its members shall always be required.

3.5 Composition of the Supervisory Board

- a) The Supervisory Board shall oversee the Board of Directors' performance as well as the conduct of the business activities of the Company. The Supervisory Board shall consist of nine (9) members, six (6) of which shall be elected and removed by the General Meeting. The term of office of Supervisory Board members shall be three (3) years. In accordance with the Articles of Association, (i) a meeting of the Supervisory Board shall be quorate if a simple majority of members are present, and (ii) the Supervisory Board shall pass resolutions at its meetings by a simple majority of votes of all members, except for resolutions of the Supervisory Board on certain specific matters that, under the Articles of Association or relevant law at the relevant time, require a higher majority of votes.
- b) Each Member of the Supervisory Board elected by the General Meeting must satisfy the following qualifications:
 - (i) the general requirements imposed on a member of a supervisory board of a Slovak company under Slovak law; and
 - (ii) appropriate educational background, as well as expert professional or managerial skills.
- c) E.ON shall be authorized to nominate one person for election to the Supervisory Board. The Ministry shall be authorized to nominate five (5) persons for election to the Supervisory Board. Each Voting Party shall notify the other Voting Parties in writing of the persons which it nominates at least ten (10) Business Days prior to the date on which the first invitation to the relevant General Meeting must be sent to shareholders of the Company in accordance with the Articles of Association or applicable law.
- d) At General Meetings E.ON is obliged to cast all its votes in favour of the election of the nominees proposed by the Ministry and the State Party is obliged to ensure that all votes held by it are cast in favour of the election of the nominee proposed by E.ON.
- e) Each Voting Party may propose the removal for any reason of any member of the Supervisory Board who had been nominated by such Voting Party. The other Voting Parties are obliged to support such removal by appropriate voting at the relevant General Meeting. The procedure for nomination and election of members of the Supervisory Board set out in Subclauses 3.5c) and 3.5d) shall apply with respect to the nomination and election of a new member of the Supervisory Board replacing the removed member. No Voting Party shall vote for the removal of a member of the Supervisory Board unless the removal has been proposed by the Voting Party who had nominated such member for election to the Supervisory Board.
- f) Should any member of the Supervisory Board die or resign or otherwise become unable to serve as such, the Voting Party who had nominated him shall have the

right to propose a substitute member in order to preserve the composition of the Supervisory Board referred to in Subclause 3.5c). Such nomination shall be notified by the nominating Voting Party, if such nominating Voting Party is the Ministry, to E.ON, and if such nominating Voting Party is E.ON, to the Ministry, in writing at least five (5) Business Days prior to the meeting of the Supervisory Board at which it is proposed that the nominated person shall be appointed as a substitute member. The Ministry and E.ON shall ensure that their respective nominees on the Supervisory Board appoint the person nominated in such way as a substitute member of the Supervisory Board for the period until the next General Meeting, provided that such appointment is possible under relevant law.

- g) If, at any time, any member of the Supervisory Board fails to meet the qualifications set out in Subclause 3.5b), the Voting Party which nominated such member shall, forthwith upon the written request of another Voting Party, propose the removal of such member in accordance with Subclause 3.5e).
- h) The Voting Parties are obliged to use all efforts which can reasonably be expected of them to ensure that the election by the General Meeting of new members of the Supervisory Board to fill vacancies in the membership of the Supervisory Board takes place as soon as practicable after any vacancy occurs, but in any event within the time period prescribed by law.
- i) E.ON and the State Party shall use all rights permitted to them by law and this Agreement to ensure that meetings of the Supervisory Board are held at least four times a year and that a notice of each such meeting, an agenda of the business to be transacted at the meeting and all papers to be circulated at or presented to the meeting are sent to all members of the Supervisory Board and to each Party at least fifteen (15) Business Days before the meeting and a copy of the minutes of the meeting are sent to such persons within five (5) Business Days after the meeting.
- j) Notwithstanding Subclause 3.5a) or any provision of the Articles of Association, the State Party is obliged to use all rights permitted to it by law and this Agreement to ensure that no decision is adopted by the Supervisory Board unless a nominee of E.ON is present at the relevant meeting. If E.ON's nominee does not attend at two consecutive duly called meetings of the Supervisory Board, the first sentence of this Subclause 3.5j) shall not apply in respect of the second of such meetings.

3.6 Chairman and Vice-Chairman of the Supervisory Board

- a) The Supervisory Board shall elect from among its members (i) the chairman of the Supervisory Board whose rights and obligations shall include to convene and preside over the meetings of the Supervisory Board, to sign the minutes of the Supervisory Board and to initiate decision-making by the Supervisory Board outside of its meetings, and (ii) the vice-chairman of the Supervisory Board who shall stand in for the chairman and assume all of his rights and obligations if the chairman is absent or unavailable.

- b) The Ministry shall cause the members of the Supervisory Board nominated by the Ministry always to vote for the election of the person nominated by E.ON to the position of the vice-chairman of the Supervisory Board.
- c) E.ON shall cause the member of the Supervisory Board nominated by E.ON always to vote for the election of the person nominated by the Ministry to the position of the chairman of the Supervisory Board.
- d) The nominations referred to in Subclauses 3.6b) and 3.6c) shall be notified in writing by the nominating Voting Party, if such nominating Voting Party is the Ministry, to E.ON, and if such nominating Voting Party is E.ON, to the Ministry, at least five (5) Business Days prior to the meeting of the Supervisory Board at which it is proposed to elect the nominated persons.

3.7 Auditors

Notwithstanding any provision of the Articles of Association, the State Party and E.ON are obliged to use all rights permitted to them by law and this Agreement to ensure that any change of the Company's auditor is approved by the General Meeting.

3.8 General Meeting

- a) The Parties shall use all rights permitted to them by law and this Agreement to ensure that the General Meeting shall pass resolutions by a two-thirds majority of votes of all shareholders, except for resolutions on certain specific matters which, under relevant law, require a higher majority or unless otherwise stated in this Agreement.
- b) Notwithstanding Subclause 3.8a) or any provisions of the Articles of Association, or any Subsidiary's memorandum of association, foundation agreement, foundation deed, association agreement, articles of association or other similar document, the Parties are obliged to use all rights permitted to them by law and this Agreement to ensure that none of the following shall be done unless the matter in question has been approved by a resolution of the General Meeting, except Západoslovenská distribučná and the Subsidiaries of Západoslovenská distribučná, ZSE Energia and the Subsidiaries of ZSE Energia, Východoslovenská distribučná, Východoslovenská energetika and the Subsidiaries of Východoslovenská energetika, innogy Slovensko and ZSE Elektrárne, to which this Subclause 3.8b) shall not apply, since they are subject to consent of the General Meeting in cases stated in the following Subclauses 3.8c), 3.8d), 3.8e), 3.8f), 3.8g), 3.8h), and 3.8i) hereof and special consent of bodies of respective Key Subsidiary pursuant to Subclauses 3A.2, 3B.2, 3C.2, 3D.2, 3E.2 and 3F.2 and 3G.2 hereof respectively:
 - (i) any amendment to the Articles of Association, or adoption of or any amendment to the memorandum of association, foundation agreement, foundation deed, association agreement, articles of association or other similar document of any Subsidiary (including altering the Company's name);
 - (ii) any increase or reduction of the Company's or any Subsidiary's registered capital;

- (iii) the issue of any debt securities by the Company or any Subsidiary;
- (iv) the winding up (“zrušenie”) or amalgamation (“splynutie”) or merger (“zlúčenie”) or demerger (“rozdelenie”) of the Company or a change in its legal form;
- (v) the sale, under section 476, and following sections, of the Commercial Code, of the Company’s business (“podnik”), or part thereof;
- (vi) the transfer by the Company of any assets with a market value in excess of 20% of the turnover of the Company in the immediately preceding financial year, or of more than 20% of the employees of the Company;
- (vii) a public offering (for the purpose of this Subclause 3.8b)(vii), “public offering” shall mean (a) any manifestation of will by the Company through which it approaches an unspecified group of persons in order to advise the same of terms and conditions of sale/transfer or acquisition of any shares in the Company, convertible bonds or other securities or financial instruments granting their holder any rights attaching to any shares in the Company or related thereto or defined in terms of the Company’s shares, or (b) any placement of the Company’s shares on the public market or their listing or permission to trade in any of the Company’s shares, convertible bonds or other securities or financial instruments granting their holder any rights attached to any shares in the Company or related thereto or defined in terms of the Company’s shares);
- (viii) approval of dividends and other amounts for distribution to the Company’s shareholders (and the Parties shall approve the maximum dividends permitted by law), which approval of dividends and/or other amounts shall be carried out in accordance with the rules and principles set out under Clause 3.13;
- (ix) decision on the issue of shares, options, or other securities or instruments, giving any rights to, or the right to subscribe for, shares or other ownership interests in the Company or any Subsidiary, and decisions on the grant, by the Company or any Subsidiary, of any rights to acquire shares or other ownership interests in the Company or any Subsidiary; decisions changing/amending the rights attached to any class of Shares of the Company or any shares of a Subsidiary;
- (x) any change to the form (“forma”) of any Shares;
- (xi) approval of ordinary individual, extraordinary individual, ordinary consolidated or extraordinary consolidated financial statements of the Company, decisions on dividends and other profit for distribution of the Company or any Subsidiary or the manner of coverage of the Company’s or any Subsidiary’s losses, if any, and determination of royalties;
- (xii) the election and recall of members of the Board of Directors and members of the Supervisory Board with the exception of members of the Supervisory Board which must be elected and recalled by the

- employees of the Company pursuant to applicable laws; and conclusion or amendment of agreements on performance of their offices;
- (xiii) appointment of the Company's auditor;
 - (xiv) appointment of the Company's liquidator;
 - (xv) the substantial change of the nature or scope of the business of the Company;
 - (xvi) any agreement to do any of the above.
- c) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or Articles of Association of Západoslovenská distribučná or any memorandum of association, foundation agreement, foundation deed, association agreement, articles of association or other similar document of any Subsidiary, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the following matters concerning Západoslovenská distribučná or any Subsidiary of Západoslovenská distribučná shall be done unless the matter in question has been approved in advance by a resolution of the General Meeting:
- (i) amendment of the Articles of Association of Západoslovenská distribučná or adoption of or amendment to the memorandum of association, foundation agreement, foundation deed, association agreement, articles of association or other similar document of any Subsidiary of Západoslovenská distribučná (including altering the relevant company's name);
 - (ii) decision on an increase or decrease in the registered capital of Západoslovenská distribučná or any Subsidiary of Západoslovenská distribučná;
 - (iii) decision on the issue of bonds in Západoslovenská distribučná;
 - (iv) decision on a dissolution, amalgamation, merger or demerger of Západoslovenská distribučná and on a change in the legal form of Západoslovenská distribučná;
 - (v) decision on distribution of profits or coverage of losses, and determination of royalties ("tantiémy") in Západoslovenská distribučná, or decision on non-distribution of profits or royalties ("tantiém") in Západoslovenská distribučná (including, for avoidance of doubts, approval of payment of dividends in Západoslovenská distribučná);
 - (vi) decision on a change in the form of the Shares of Západoslovenská distribučná and conversion of the Shares of Západoslovenská distribučná issued as physical securities to book-entry securities and vice versa;
 - (vii) decision-making on the approval of a contract on the transfer of the Západoslovenská distribučná enterprise or a contract on the transfer of a part of the Západoslovenská distribučná enterprise and decision-making on the approval of a contribution of the Západoslovenská

- distribučná enterprise or contribution of a part of the Západoslovenská distribučná enterprise in the registered capital of another business company;
- (viii) approval of rules of procedure of the Supervisory Board of Západoslovenská distribučná;
 - (ix) decision on a change in rights attached to particular classes of the Shares of Západoslovenská distribučná;
 - (x) decision on the issue of shares, options, or other securities or instruments, giving any rights to, or the right to subscribe for, shares or other ownership interests in Západoslovenská distribučná, and decisions on the grant, by Západoslovenská distribučná, of any rights to acquire shares or other ownership interests in Západoslovenská distribučná;o
 - (xi) making the public offer of the Shares of Západoslovenská distribučná according to Act No. 566/2001 Coll., on Securities, as later amended;
 - (xii) appointment of the auditor of Západoslovenská distribučná;
 - (xiii) appointment of the liquidator of Západoslovenská distribučná;
 - (xiv) the substantial change of the nature or scope of the business of Západoslovenská distribučná;
 - (xv) decision-making on proposals of the Board of Directors of Západoslovenská distribučná disapproved by the Supervisory Board of Západoslovenská distribučná in cases, when the approval of the Supervisory Board of Západoslovenská distribučná is required by the valid Articles of Association of Západoslovenská distribučná.
- d) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Articles of Association of ZSE Energia, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in previous Subclause 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), take place in ZSE Energia without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in previous Subclause 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), used independently or as a part of the defined term, are deemed to be references to "ZSE Energia" for purposes of this Subclause 3.8d). For avoidance of doubts, no consent of the General Meeting shall be required for the matters stated in Subclauses 3.8c)(vii) and 3.8c)(xi) with respect to ZSE Energia.
- e) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Articles of Association of Východoslovenská distribučná, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in Subclause 3.8c), take place in Východoslovenská distribučná without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in Subclause 3.8c), used independently or as a part of the defined term, are deemed to be references to "Východoslovenská distribučná" for purposes of this Subclause 3.8e).

- f) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Articles of Association of Východoslovenská energetika, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in Subclause 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), take place in Východoslovenská energetika without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in Subclause 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv) used independently or as a part of the defined term, are deemed to be references to "Východoslovenská energetika" for purposes of this Subclause 3.8f). For avoidance of doubts, no consent of the General Meeting shall be required for the matters stated in Subclauses 3.8c)(vii) and 3.8c)(xi) with respect to Východoslovenská energetika.
- g) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Articles of Association of innogy Slovensko or the Foundation Deed of innogy Slovensko, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in Subclauses 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), take place in innogy Slovensko without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in Subclauses 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), used independently or as a part of the defined term, are deemed to be references to "innogy Slovensko" for purposes of this Subclause 3.8g). For avoidance of doubts, no consent of the General Meeting shall be required for the matters stated in Subclauses 3.8c)(vii) and 3.8c)(xi) with respect to innogy Slovensko.
- h) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Foundation Deed of ZSE Elektrárne, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in Subclauses 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), take place in ZSE Elektrárne without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in Subclauses 3.8c)(i) to 3.8c)(vi), 3.8c)(viii) to 3.8c)(x) and 3.8c)(xv), used independently or as a part of the defined term, are deemed to be references to "ZSE Elektrárne" for purposes of this Subclause 3.8h). For avoidance of doubts, no consent of the General Meeting shall be required for the matters stated in Subclauses 3.8c)(vii) and 3.8c)(xi) with respect to ZSE Elektrárne.
- i) Notwithstanding Subclause 3.8a) and any provisions of the Articles of Association or the Foundation Deed of VSEH, the Parties shall be obliged to exercise all rights under law and hereunder, in order that they provide that none of the matters stated in Subclause 3.8c), take place in VSEH without the General Meeting's prior consent, while all references to "Západoslovenská distribučná" in Subclause 3.8c), used independently or as a part of the defined term, are deemed to be references to "VSEH" for purposes of this Subclause 3.8i).

3.9 Related Party transactions with Buyer's Group

The Buyers are obliged to exercise all rights permitted to them by law and this Agreement to ensure that:

- a) all transactions between the Company, or any Subsidiary, and members of the Buyer's Group ("**Related Party Transactions with Buyer's Group**") are on terms which would not be unusual had they been between the Company, or the relevant Subsidiary, and entities not forming part of the Buyer's Group (other than in respect of unusual terms which benefit the Company or the relevant Subsidiary);
- b) the Buyer, or E.ON's nominee on the Supervisory Board, reports to the Supervisory Board once every three months all Related Party Transactions with Buyer's Group occurring in the immediately prior three-month period, except the Related Party Transactions with Buyer's Group, which belong to the Unbundled Activities; and
- c) the Board of Directors of Západoslovenská distribučná reports to the Supervisory Board of Západoslovenská distribučná once every three months all Related Party Transactions with Buyer's Group occurring in the immediately prior three-month period, which belong to the Unbundled Activities; the foregoing obligation shall equally apply, *mutatis mutandis*, in relation to Východoslovenská distribučná.

3.10 Strategic and Business Plan

- a) E.ON shall procure that each year the board of directors of each Key Subsidiary proposes and submits for approval a Strategic and Business Plan for the respective Key Subsidiary for the three (3) forthcoming financial years. Such Strategic and Business Plan(s) of Key Subsidiary shall require approval of the respective Supervisory Board of Key Subsidiary, in accordance with this Agreement.
- b) The Board of Directors each year shall propose and submit for approval a Strategic and Business Plan for the Company and ZSE Group (including, all Key Subsidiaries) for the three forthcoming financial years. Such Strategic and Business Plan(s) of the Company and ZSE Group shall require approval of the respective Supervisory Board, in accordance with this Agreement.
- c) The Parties undertake their best efforts so that the Strategic and Business Plan is approved as soon as reasonably possible prior to the end of the current financial year.
- d) The Parties will ensure that the Company and each Subsidiary is managed within the broad guidelines of the applicable Strategic and Business Plan.

3.11 Compliance with law

Notwithstanding any other provision of this Agreement, the Parties are obliged to exercise their powers with regard to the Company, including their voting rights at General Meetings, voting rights of their representatives in the bodies of the Company and the bodies of the Subsidiaries and their rights under this Agreement, to ensure that the Company and its Subsidiaries comply with relevant law and any legally binding direction, judgement, decree, ruling, injunction, assessment or award.

3.12 Public Offer Possibility

- a) The Parties agree that any of the Ministry and E.ON may request, at any time after the end of the period of two years commencing on the 5th of September 2002 that an investigation be made into the possibility of a public offer of Shares held by the Party making the request. If either the Ministry or E.ON notifies such request in writing to the other Parties, without undue delay after such request the Parties shall use all rights permitted to them by law and this Agreement to ensure that the Company commissions an investment bank of international repute to investigate and report on the possibility of a public offering of the Shares in question on a domestic or foreign organized securities market and to prepare a survey of market feasibility and the terms and conditions of such a public offering. If the investment bank recommends a public offering the Parties agree to use all rights permitted to them by law and this Agreement to ensure that the public offer on the terms recommended by the investment bank is implemented as soon as is reasonably practicable, subject only to the approval of E.ON, which approval E.ON is obliged not to unreasonably withhold or delay. The Parties agree that one reason for which it shall be reasonable for E.ON to withhold its approval shall be if the public offer would result in a dilution of the Buyers' aggregate shareholding in the Company.
- b) If the General Meeting resolves to conduct a public offer of Shares, within twenty (20) Business Days after the date of the relevant resolution, the Ministry shall grant E.ON a pre-emption right to acquire sufficient Shares necessary to increase the Shares held by the Buyer's Group to an amount equivalent to 51% of the registered capital of the Company. The procedure for the grant and exercise of this right shall be as set out in Subclauses 4.2c) – 4.2d) (inclusive), Subclauses 4.2f) – 4.2i) (inclusive) and the first two sentences of Subclause 4.2j), except that the Price shall be the Option Price and the Transfer Shares shall be the Shares subject to the pre-emption right described in the first sentence of this Subclause 3.12b).
- c) If E.ON does not exercise the pre-emption right in accordance with the provisions set out in Subclause 3.12b), or refuses or is deemed to refuse the Offer, the Ministry shall have the right to include the Shares subject to the pre-emption right in a public offering.

3.13 Dividend Policy

- a) The Parties agree that dividend policies of Company and Subsidiaries shall be to maximise dividend payouts consistent with Slovak law.
- b) In relation to the Company, the Parties agreed (unless otherwise agreed by the Parties) to procure that the Leverage Ratio of the Company (on a consolidated basis) does not exceed the amount specified in this clause below as a result of the payment of dividends by the Company (and, unless otherwise agreed by the Parties, the payment of the dividends by the Company shall be possible and shall be made up to (inclusive) the Leverage Ratio specified below):
 - (i) Leverage Ratio of up to (inclusive) 3.3 applicable for the year 2022;
 - (ii) Leverage Ratio of up to (inclusive) 3.2 applicable for the year 2023;

- (iii) Leverage Ratio of up to (inclusive) 3.1 applicable for the year 2024; and
 - (iv) Leverage Ratio of up to (inclusive) 3.0 applicable for the year 2025 and consecutive years.
- c) Without prejudice to Clause 3.13a) and Clause 3.13b), E.ON:
- (i) shall ensure through members of the Board of Directors it has nominated that such members of the Board of Directors submit to the General Meeting such proposals for distribution of profits so as to comply with any agreements the Parties have concluded or may conclude in future;
 - (ii) will vote at the General Meeting in favour of proposals for distribution of profits as specified under sub-paragraph (i) of this Clause 3.13c), should the Board of Directors submit such proposals to the General Meeting,

provided that the Ministry and the representatives in the corporate bodies of the Company and relevant Subsidiary which the Ministry has nominated will vote in favour of the relevant proposals concerning the payment of dividends by the Company and Subsidiaries, and will provide to E.ON any other required collaboration. For the avoidance of doubts, this Clause 3.13c) shall be without prejudice to Clause 3.13a) and Clause 3.13b).

- d) Without prejudice to Clause 3.13a), the Parties shall exercise all the powers available to them (directly, or via its nominees) to ensure the maximum possible amount of dividends as follows:
- (i) Payment, in any case, of all distributable dividends by the Subsidiaries from sources originating in the respective Subsidiary's profits from operations for the immediately preceding financial year ; and
 - (ii) payment of all distributable dividends by the Company from sources originating in the Company's profits from operations for the immediately preceding financial year , for avoidance of doubt, such dividend payment shall be subject to the Leverage Ratio.
- e) If, due to constrains under Slovak law or due to the maximum Leverage Ratio specified in this Agreement being reached, it is not possible to distribute all dividends distributable under Clause 3.13d), the Parties undertake to distribute such non-distributed part of dividends as soon as the constrain ceases to apply.
- f) Upon the Parties' agreement, the General Meeting may decide on distribution of a higher amount of dividends as set out under Clause 3.13b) and/or Clause 3.13d).

3.A CORPORATE GOVERNANCE OF ZÁPADOSLOVENSKÁ DISTRIBUČNÁ

3A.1 Composition of the Board of Directors of Západoslovenská distribučná

- a) The Board of Directors of Západoslovenská distribučná shall manage the business of Západoslovenská distribučná and act on its behalf in all matters. The Board of Directors of Západoslovenská distribučná shall consist of five (5)

members who shall be elected and removed by the General Meeting of Západoslovenská distribučná. The term of office of members of the Board of Directors of Západoslovenská distribučná shall be four (4) years.

- b) Within the framework of the business management of Západoslovenská distribučná, the Board of Directors of Západoslovenská distribučná shall decide which matters of Západoslovenská distribučná shall represent the Unbundled Activities.
- c) Each member of the Board of Directors of Západoslovenská distribučná must satisfy the following qualifications:
 - (i) the general requirements imposed on a member of a statutory body of a Slovak company under Slovak law; and
 - (ii) appropriate educational background and expert management skills.
- d) E.ON shall be authorized to nominate three (3) persons for election to the Board of Directors of Západoslovenská distribučná. The Ministry shall be authorized to nominate two (2) persons for election to the Board of Directors of Západoslovenská distribučná. The Ministry and the E.ON shall notify each other in writing of the persons which it nominates at least ten (10) Business Days prior to the date on which the first invitation to the relevant General Meeting of Západoslovenská distribučná must be sent to shareholders of Západoslovenská distribučná in accordance with the Articles of Association of Západoslovenská distribučná or applicable legal regulations; if the sending of the invitation is not required, then no later than ten (10) Business Days prior to a decision of the General Meeting of Západoslovenská distribučná on the election of members of the Board of Directors of Západoslovenská distribučná. The Ministry and E.ON shall notify in writing in the same time period the persons which they nominate also to the Board of Directors of the Company.
- e) E.ON shall be obliged to provide that all representatives of E.ON in the Company's Board of Directors vote by all their votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on the election of the nominees for members of the Board of Directors of Západoslovenská distribučná nominated by the Ministry. The State Party shall be obliged to ensure that all representatives of the Ministry in the Company's Board of Directors vote by all their votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on the election of nominees for members of the Board of Directors of Západoslovenská distribučná nominated by E.ON.
- f) E.ON and the Ministry may propose the removal for any reason of any member of the Board of Directors of Západoslovenská distribučná, who had been nominated by themselves. The names of the members of the Board of Directors of Západoslovenská distribučná proposed to be removed must be notified by E.ON or the Ministry in writing, whichever proposes the removal, to the other of them and also to the Board of Directors. E.ON and the State Party shall be obliged to provide that all their representatives in the Board of Directors of the Company support such removal by appropriate voting and acting on the Company's behalf. The procedure for nomination and election of members of

the Board of Directors of Západoslovenská distribučná set out in Subclauses 3A.1d) and 3A.1e) shall also apply with respect to the nomination and election of a new member of the Board of Directors of Západoslovenská distribučná to replace the removed member. E.ON and the State Party shall provide that none of their representatives in the Company's Board of Directors shall vote and act, for purposes of an adoption of a decision in the General Meeting of Západoslovenská distribučná, in such a manner that there shall be a removal of a member of the Board of Directors of Západoslovenská distribučná, unless the removal has been proposed by the Party, who has nominated such member for election to the Board of Directors of Západoslovenská distribučná pursuant to Subclause 3A.1d) hereof.

- g) Should any member of the Board of Directors of Západoslovenská distribučná die or resign or otherwise become unable to serve as such, the Party who had nominated the election thereof for the Board of Directors of Západoslovenská distribučná shall have the right to nominate a substitute member ("náhradný člen") in order to preserve the composition of the Board of Directors of Západoslovenská distribučná referred to in Subclause 3A.1d) hereof. Such nomination shall be notified by the nominating Party, if such nominating Party is the Ministry, to E.ON, and if such nominating Party is E.ON, to the Ministry, and also to the Board of Directors of the Company, in writing at least five (5) Business Days prior to the meeting of the Board of Directors of Západoslovenská distribučná at which it is proposed that the nominated person shall be appointed as a substitute member. The State Party and E.ON shall ensure that their respective nominees on the Board of Directors of Západoslovenská distribučná appoint the person nominated in such way as a substitute member of the Board of Directors of Západoslovenská distribučná for the period until the next General Meeting of Západoslovenská distribučná, provided that such appointment is possible under relevant law.
- h) If, at any time, any member of the Board of Directors of Západoslovenská distribučná fails to meet the qualifications set out in Subclause 3A.1b) the Party which nominated such member shall, forthwith on the written request of E.ON, if such nominating Party is the Ministry, and the Ministry, if such nominating Party is E.ON, propose the removal of such member in accordance with Subclause 3A.1f).
- i) The Parties are obliged to use all efforts which can reasonably be expected of them to ensure that the election of new members of the Board of Directors of Západoslovenská distribučná to fill vacancies in the membership of the Board of Directors of Západoslovenská distribučná takes place as soon as practicable after any vacancy occurs but in any event within the time period prescribed by law.

3A.2 Minority Protection

- a) In accordance with the Articles of Association of Západoslovenská distribučná, (i) a meeting of the Board of Directors of Západoslovenská distribučná shall be quorate if a simple majority of members are present, and (ii) the Board of Directors of Západoslovenská distribučná shall pass resolutions at its meetings by a simple majority of votes of present members, except for resolutions of the Board of Directors of Západoslovenská distribučná on certain specific matters

that, under the Articles of Association of Západoslovenská distribučná or relevant law at the relevant time, require a higher majority of votes.

- b) Notwithstanding Subclause 3A.2a) or any provision of the Articles of Association of Západoslovenská distribučná, E.ON is obliged to use all rights permitted to it by law and this Agreement to ensure that no decision is adopted by the Board of Directors of Západoslovenská distribučná, if no member of the Board of Directors of Západoslovenská distribučná nominated by the Ministry is present at the relevant meeting. If neither of the members of the Board of Directors of Západoslovenská distribučná nominated by the Ministry attend at two consecutive duly called meetings of the Board of Directors of Západoslovenská distribučná, the first sentence of this Subclause 3A.2b) shall not apply in respect of the second of such meetings.
- c) Notwithstanding Subclause 3A.2a) or any provision of the Articles of Association of Západoslovenská distribučná, memorandum of association (“spoločenská zmluva”) foundation agreement (“zakladateľská zmluva”), foundation deed (“zakladateľská listina”), association agreement (“zmluva o združení”), articles of association (“stanovy”) or other similar document of any Subsidiary of Západoslovenská distribučná, E.ON and the State Party are obliged to use all rights permitted to them by law and this Agreement to ensure that none of the following shall be done unless the matter in question has been approved by a decision of the Board of Directors of Západoslovenská distribučná, and that the decision of the Board of Directors of Západoslovenská distribučná has been approved by a decision of the Supervisory Board of Západoslovenská distribučná:
 - (i) adoption of the Strategic and Business Plan of Západoslovenská distribučná or the Subsidiary of Západoslovenská distribučná, and the adoption of any changes or supplements thereto; the Supervisory Board of Západoslovenská distribučná is not allowed to disapprove such details of the Strategic and Business Plan of Západoslovenská distribučná or the Subsidiary of Západoslovenská distribučná, which were approved in the Company’s Strategic and Business Plan,
 - (ii) the implementation of any investment or transaction, or series of related investments or transactions, by Západoslovenská distribučná or any of the Subsidiaries of Západoslovenská distribučná, or the execution, by Západoslovenská distribučná or any of the Subsidiaries of Západoslovenská distribučná, of any document or series of related documents, under which the expenditure by Západoslovenská distribučná or any of the Subsidiaries of Západoslovenská distribučná, or income to Západoslovenská distribučná or any of the Subsidiaries of Západoslovenská distribučná is, or is likely to be, at variance to that provided for in the Strategic and Business Plan in respect of the relevant investment, transaction, or document, or series thereof, by an amount of more than three (3) million EUR,
 - (iii) the entering into of a pledge, guarantee (security), indemnity, mortgage or security instrument of Západoslovenská distribučná or any Subsidiary of Západoslovenská distribučná, if the contingent liabilities arising thereunder could exceed the amount specifically provided for such

- contingent liabilities in the Strategic and Business Plan by more than three (3) million EUR;
- (iv) the issue of any promissory note or bill of exchange by Západoslovenská distribučná or any Subsidiary of Západoslovenská distribučná, if the nominal value of the promissory note or bill of exchange, when added to the nominal value of promissory notes and bills of exchange already issued as part of the same transaction, or as part of a series of related transactions, is more than three (3) million EUR more than that specifically provided for such promissory note or bill of exchange in the Strategic and Business Plan;
 - (v) transfer of the legal title to tangible assets of Západoslovenská distribučná, the market value of which is more than three (3) million EUR more than the value of the tangible assets specifically provided for such transfer in the Strategic and Business Plan;
 - (vi) conclusion of an agreement, the subject-matter of which shall be the provision of services by the Company to Západoslovenská distribučná (“Service Level Agreement” or “SLA”), and the financial value of which is more than two (2) million EUR per annum more than the financial value specifically determined for such SLA in the Strategic and Business Plan;
 - (vii) the substantial reorganization of the business activities of Západoslovenská distribučná or any of the Subsidiaries of Západoslovenská distribučná;
 - (viii) the formation of any entity, which would, on its formation, be the Subsidiary of Západoslovenská distribučná;
 - (ix) the acquisition or disposal of any shares in the Subsidiary of Západoslovenská distribučná or the acquisition of shares in any legal person which would, on acquisition, become a Subsidiary of Západoslovenská distribučná;
- d) For the avoidance of doubt, the Parties agree that should there be no Strategic and Business Plan, or should the Strategic and Business Plan not provide for the relevant matter set out above, for the purposes of Subclause 3A.2c) the matter shall be deemed to have been provided for in the Strategic and Business Plan and the relevant expenditure, income, liabilities, or nominal value shall be deemed to have been set out in Strategic and Business Plan as zero.
- e) At meetings of the Board of Directors of Západoslovenská distribučná, none of the members of the Board of Directors of Západoslovenská distribučná nominated by E.ON shall be allowed to vote in favour of a decision referred to in Subclause 3A.2c) unless either (i) such decision has been approved in advance by the Supervisory Board of Západoslovenská distribučná or (ii) such decision is subject to the subsequent consent of the Supervisory Board of Západoslovenská distribučná. E.ON shall cause its nominees in the Board of Directors of Západoslovenská distribučná to comply with this rule. The non-compliance by any of the members of the Board of Directors of

Západoslovenská distribučná nominated by E.ON shall be a breach of this Agreement by E.ON.

- f) The State Party and E.ON are obliged to use all rights permitted to them by law and this Agreement to ensure that, unless the decision has been approved in advance by the Supervisory Board of Západoslovenská distribučná, (i) any decision of the Board of Directors of Západoslovenská distribučná requiring the approval of the Supervisory Board of Západoslovenská distribučná pursuant to Subclause 3A.2c) shall be placed on the agenda of the first meeting of the Supervisory Board of Západoslovenská distribučná after the meeting of the Board of Directors of Západoslovenská distribučná at which the relevant decision was made and (ii) if at such meeting the Supervisory Board of Západoslovenská distribučná does not consent to the relevant decision of the Board of Directors of Západoslovenská distribučná, the Board of Directors of Západoslovenská distribučná shall submit the matter in question to the General Meeting of Západoslovenská distribučná for resolution. The General Meeting of Západoslovenská distribučná may decide on such matter only if the Company's General Meeting grants its prior consent with the adoption of such decision of the General Meeting of Západoslovenská distribučná in accordance with applicable provisions of the valid Articles of Association. If the General Meeting of Západoslovenská distribučná adopts any resolution in respect of the matter concerned, such resolution shall replace and substitute for the relevant decision of the Board of Directors of Západoslovenská distribučná and no approval of the Supervisory Board of Západoslovenská distribučná shall be required in respect of the matter in question.
- g) For the avoidance of doubt the Parties agree that the Supervisory Board of Západoslovenská distribučná may only grant or refuse its approval to a decision of the Board of Directors of Západoslovenská distribučná on any of the matters set out in Subclause 3A.2c), and it may not amend such decision or require the Board of Directors of Západoslovenská distribučná to adopt a particular decision in respect of any such matter.

3A.3 Chairman and Vice-Chairman of the Board of Directors of Západoslovenská distribučná

- a) The General Meeting of Západoslovenská distribučná shall determine which person shall be (i) the chairman of the Board of Directors of Západoslovenská distribučná whose rights and obligations shall include to convene and preside over the meetings of the Board of Directors of Západoslovenská distribučná, to sign the minutes of the Board of Directors of Západoslovenská distribučná and to initiate decision-making by the Board of Directors of Západoslovenská distribučná outside of its meetings, and (ii) the vice-chairman of the Board of Directors of Západoslovenská distribučná who shall stand in for the chairman and assume all of his rights and obligations if the chairman is absent.
- b) The State Party shall be obliged to ensure that all representatives of the Ministry in the Company's Board of Directors vote by all their votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on a determination of the chairman of the Board of Directors of Západoslovenská distribučná in favour of the person

nominated by E.ON for the office of the chairman of the Board of Directors of Západoslovenská distribučná.

- c) E.ON shall be obliged to ensure that representatives of E.ON in the Company's Board of Directors vote by all votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on a determination of the vice-chairman of the Board of Directors of Západoslovenská distribučná in favour of the person nominated by the Ministry to the position of the vice-chairman of the Board of Directors of Západoslovenská distribučná.
- d) The Ministry and E.ON shall inform each other in writing about proposals for the nominations for offices referred to in Subclauses 3A.3b) and 3A.3c) no later than ten (10) Business Days prior to the date on which the first invitation to the relevant General Meeting of Západoslovenská distribučná must be sent to shareholders of Západoslovenská distribučná in accordance with the Articles of Association of Západoslovenská distribučná or applicable legal regulations; if the sending of the invitation is not required, then no later than ten (10) Business Days prior to a decision of the General Meeting of Západoslovenská distribučná on a determination of a member of the Board of Directors of Západoslovenská distribučná, which shall perform the office of the chairman or vice-chairman of the Board of Directors of Západoslovenská distribučná. The Ministry and E.ON shall notify in writing in the same time period the person which they nominate also to the Board of Directors of the Company.

3A.4 Acting and Signing for Západoslovenská distribučná

- a) In compliance with Slovak law and the Articles of Association of Západoslovenská distribučná, the Board of Directors of Západoslovenská distribučná as the statutory body of Západoslovenská distribučná shall be primarily authorized to act and sign for Západoslovenská distribučná.
- b) The members of the Board of Directors of Západoslovenská distribučná shall act and sign for Západoslovenská distribučná in such a manner that the joint action or signature of two of its members shall always be required.

3A.5 Composition of the Supervisory Board of Západoslovenská distribučná

- a) The Supervisory Board of Západoslovenská distribučná shall oversee the performance of the Board of Directors of Západoslovenská distribučná as well as the conduct of the business activities of Západoslovenská distribučná. The Supervisory Board shall consist of nine (9) members, six (6) of which shall be elected and removed by the General Meeting of Západoslovenská distribučná. The term of office of members of the Supervisory Board of Západoslovenská distribučná shall be three (3) years. In accordance with the Articles of Association of Západoslovenská distribučná, (i) a meeting of the Supervisory Board of Západoslovenská distribučná shall be quorate if a simple majority of members are present, and (ii) the Supervisory Board of Západoslovenská distribučná shall pass resolutions at its meetings by a simple majority of votes of all members, except for resolutions of the Supervisory Board of Západoslovenská distribučná on certain specific matters that, under the Articles

of Association of Západoslovenská distribučná or relevant law at the relevant time, require a higher majority of votes.

- b) Each Member of the Supervisory Board of Západoslovenská distribučná elected by the General Meeting of Západoslovenská distribučná must satisfy the following qualifications:
 - (i) the general requirements imposed on a member of a supervisory board of a Slovak company under Slovak law; and
 - (ii) appropriate educational background, as well as expert professional or managerial skills.
- c) E.ON shall be authorized to nominate one person for election to the Supervisory Board of Západoslovenská distribučná. The Ministry shall be authorized to nominate five (5) persons for election to the Supervisory Board of Západoslovenská distribučná. The Ministry and E.ON shall notify each other in writing of the persons which it nominates at least ten (10) Business Days prior to the date of sending the first invitation to the relevant General Meeting of Západoslovenská distribučná to shareholders of Západoslovenská distribučná in accordance with the Articles of Association of Západoslovenská distribučná or applicable legal regulations; if the sending of the invitation is not required, then within ten (10) Business Days prior to a decision of the General Meeting of Západoslovenská distribučná on the election of members of the Supervisory Board of Západoslovenská distribučná. The Ministry and E.ON shall notify in writing in the same time period the person which they nominate also to the Board of Directors of the Company.
- d) E.ON shall be obliged to ensure that all representatives of E.ON vote in the Company's Board of Directors by all their votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on the election of nominees for members of the Supervisory Board of Západoslovenská distribučná, nominated by the Ministry and the State Party shall be obliged to ensure that all representatives of the Ministry in the Company's Board of Directors vote by all their votes and act on the Company's behalf in such a manner that the General Meeting of Západoslovenská distribučná decides on the election of nominees for members of the Supervisory Board of Západoslovenská distribučná proposed by E.ON.
- e) E.ON and the Ministry may propose the removal for any reason of any member of the Supervisory Board of Západoslovenská distribučná, which have been nominated by themselves. The names of the members of the Supervisory Board of Západoslovenská distribučná proposed to be removed must be notified by E.ON or the Ministry in writing, whichever proposes the removal, to the other of them and also to the Board of Directors of the Company. E.ON and the State Party shall be obliged to provide that all their representatives in the Board of Directors of the Company support such removal by appropriate voting and acting on the Company's behalf. The procedure for nomination and election of members of the Supervisory Board of Západoslovenská distribučná set out in Subclauses 3A.5c) and 3A.5d) shall also apply with respect to the nomination and election of a new member of the Supervisory Board of Západoslovenská distribučná to replace the removed member. E.ON and the State Party shall

provide that none of their representatives in the Company's Board of Directors shall vote and act, for purposes of an adoption of a decision in the General Meeting of Západoslovenská distribučná, in such a manner that there shall be a removal of a member of the Supervisory Board of Západoslovenská distribučná, unless the removal has been proposed by the Party who has nominated member for election to the Supervisory Board of Západoslovenská distribučná pursuant to Subclause 3A.5c) hereof.

- f) Should any member of the Supervisory Board of Západoslovenská distribučná die or resign or otherwise become unable to serve as such, the Party who had nominated him for the Supervisory Board of Západoslovenská distribučná shall have the right to propose a substitute member ("náhradný člen") in order to preserve the composition of the Supervisory Board of Západoslovenská distribučná referred to in Subclause 3A.5c) hereof. Such nomination shall be notified by the nominating Party, if such nominating Party is the Ministry, to E.ON, and if such nominating Party is E.ON, to the Ministry, and also to the Board of Directors of the Company, in writing at least five (5) Business Days prior to the meeting of the Supervisory Board of Západoslovenská distribučná at which it is proposed that the nominated person shall be appointed as a substitute member. The State Party and E.ON shall ensure that their respective nominees on the Supervisory Board of Západoslovenská distribučná appoint the person nominated in such way as a substitute member of the Supervisory Board of Západoslovenská distribučná for the period until the next General Meeting of Západoslovenská distribučná, provided that such appointment is possible under relevant law.
- g) If, at any time, any member of the Supervisory Board of Západoslovenská distribučná fails to meet the qualifications set out in Subclause 3A.5b), the Party which nominated such member shall, forthwith upon the written request of the other Party propose the removal of such member in accordance with Subclause 3A.5e).
- h) The Parties are obliged to use all efforts which can reasonably be expected of them to ensure that the election of new members of the Supervisory Board of Západoslovenská distribučná to fill vacancies in the incomplete number of members thereof as soon as practicable after any vacancy occurs, but in any event within the time period prescribed by law.
- i) E.ON and the State Party shall use all rights permitted to them by law and this Agreement to ensure that meetings of the Supervisory Board of Západoslovenská distribučná are held at least four times a year and that a notice of each such meeting, an agenda of the business to be transacted at the meeting and all papers to be circulated at or presented to the meeting are sent to all members of the Supervisory Board of Západoslovenská distribučná and to each Party at least fifteen (15) Business Days before the meeting and a copy of the minutes of the meeting are sent to such persons within five (5) Business Days after the meeting.
- j) Notwithstanding Subclause 3A.5a) or any provision of the Articles of Association of Západoslovenská distribučná, the State Party are obliged to use all rights permitted to them by law and this Agreement to ensure that no decision is adopted by the Supervisory Board of Západoslovenská distribučná unless a

nominee of E.ON Energie is present at the relevant meeting. If E.ON's nominee does not attend at two consecutive duly called meetings of the Supervisory Board of Západoslovenská distribučná, the first sentence of this Subclause 3A.5j) shall not apply in respect of the second of such meetings.

3A.6 Chairman and Vice-Chairman of the Supervisory Board of Západoslovenská distribučná

- a) The Supervisory Board of Západoslovenská distribučná shall elect from among its members (i) the chairman of the Supervisory Board of Západoslovenská distribučná whose rights and obligations shall include to convene and preside over the meetings of the Supervisory Board of Západoslovenská distribučná, to sign the minutes of the Supervisory Board of Západoslovenská distribučná and to initiate decision-making by the Supervisory Board of Západoslovenská distribučná outside of its meetings, and (ii) the vice-chairman of the Supervisory Board of Západoslovenská distribučná who shall stand in for the chairman and assume all of his rights and obligations if the chairman is absent.
- b) The State Party shall ensure that members of the Supervisory Board of Západoslovenská distribučná nominated by the Ministry at each time vote for the election of the person nominated by E.ON Energie for the office of the vice-chairman of the Supervisory Board of Západoslovenská distribučná.
- c) E.ON shall ensure that members of the Supervisory Board of Západoslovenská distribučná nominated by E.ON at each time vote for the election of the person nominated by the Ministry for the office of the chairman of the Supervisory Board of Západoslovenská distribučná.
- d) The Ministry and E.ON shall inform each other in writing about proposals for the nominations for offices referred to in Subclauses 3A.6b) and 3A.6c) no later than five (5) Business Days prior to a session of the Supervisory Board of Západoslovenská distribučná, in which a proposal for the appointment of the nominated persons is to be presented.

3A.7 General Meeting of Západoslovenská distribučná

- a) For the period, for which the Company is the sole shareholder of Západoslovenská distribučná, the Company shall exercise powers of the General Meeting of Západoslovenská distribučná by a written decision and may convene the General Meeting of Západoslovenská distribučná, the powers of which it shall exercise, at any time.
- b) If the adoption of any decision of the General Meeting of Západoslovenská distribučná requires, under Subclause 3.8c) hereof, prior consent of the Company's General Meeting, the General Meeting of Západoslovenská distribučná may decide on such matter only if the Company's General Meeting grants its prior consent with the adoption of such decision of the General Meeting of Západoslovenská distribučná in accordance herewith and with applicable provisions of the Company's valid Articles of Association.

3A.8 Extraordinary Matters of Západoslovenská distribučná

- a) The Parties agreed that voting about any Extraordinary Matters (as defined below) shall fall, for the avoidance of any doubt, within the competences of the Board of Directors of Západoslovenská distribučná.
- b) For this purpose, the “Extraordinary Matter” shall mean any transaction, act or action occurring in extraordinary market conditions and/or in critical situations (such as insufficient liquidity on the electricity / gas supply market) the results of which transaction, act or action influences or is capable of influencing continuous and reliable electricity or gas supply to the customers of the Západoslovenská distribučná.
- c) Should any Extraordinary Matter occur, it shall be included on the agenda of the meeting of Board of Directors of Západoslovenská distribučná as soon as reasonably possible, and, at the same time:
 - (i) When sending the invitation and/or documents to the Members of the Board of Directors of Západoslovenská distribučná concerning the Extraordinary Matter, such invitation and documents shall be provided in copy to the State Party and E.ON;
 - (ii) The State Party and E.ON shall be entitled to provide their opinion as regards the proposed dealing with the Extraordinary Matter;
 - (iii) The Board of Directors of Západoslovenská distribučná shall be (a) obliged to carefully review and take into consideration the opinion(s) delivered to it pursuant to the aforementioned letter (ii), (b) entitled to adopt any decision it deems the most appropriate to address the Extraordinary Matter and (c) the discussion(s) held at the meeting of the Board of Directors on it shall be recorded in writing within the meeting minutes (including, expressing the manner how the delivered opinion has been taken into consideration);
 - (iv) In the event that the Extraordinary Matter is of such nature that it requires immediate act or action to be taken, the Board of Directors of Západoslovenská distribučná may proceed with voting even prior to delivery of the opinion pursuant to the aforementioned letter (ii); in such case, the decision on the Extraordinary Matter shall be notified to the State Party and E.ON immediately when adopted and inviting them to submit their ex-post opinion on such Extraordinary Matter; in such case, the aforementioned letter (iii) shall apply mutatis mutandis and furthermore, the Board of Directors of Západoslovenská distribučná meeting shall be convened anew to review the opinion provided by the State Party and/or E.ON.

3B. CORPORATE GOVERNANCE OF ZSE ENERGIA

3B.1 Composition of the Board of Directors of ZSE Energia

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to

be references to “ZSE Energia” for purposes of this Clause 3B.1 except for Subclause 3A.1b).

3B.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in ZSE Energia and Subsidiaries of ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.2, except that:

- a) all references to the amounts “three (3) million EUR” in Subclauses 3A.2c)(i), 3A.2c)(v) and 3A.2c)(vi) are deemed, for purpose of ZSE Energia, to be the references to the amounts “five (5) million EUR”; and
- b) Subclauses 3A.2c)(v) and 3A.2c)(vi) shall not apply for purpose of ZSE Energia, which means that no decisions of the Supervisory Board of ZSE Energia on approval of the matters stated therein are required.

3B.3 Chairman and Vice-Chairman of the Board of Directors of ZSE Energia

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.3).

3B.4 Acting and Signing for ZSE Energia

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.4).

3B.5 Composition of the Supervisory Board of ZSE Energia

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.5).

3B.6 Chairman and Vice-Chairman of the Supervisory Board of ZSE Energia

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.6).

3B.7 General Meeting of ZSE Energia

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or

as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.7).

3B.8 Extraordinary Matters of ZSE Energia

All provisions of Subclause 3A.8 hereof shall also apply to ZSE Energia (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Energia” for purposes of this Clause 3B.8).

3C. CORPORATE GOVERNANCE OF VÝCHODOSLOVENSKÁ DISTRIBUČNÁ

3C.1 Composition of the Board of Directors of Východoslovenská distribučná

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.1).

3C.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in Východoslovenská distribučná and Subsidiaries of Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.2).

3C.3 Chairman and Vice-Chairman of the Board of Directors of Východoslovenská distribučná

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.3).

3C.4 Acting and Signing for Východoslovenská distribučná

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.4).

3C.5 Composition of the Supervisory Board of Východoslovenská distribučná

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.5).

3C.6 Chairman and Vice-Chairman of the Supervisory Board of Východoslovenská distribučná

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.6).

3C.7 General Meeting of Východoslovenská distribučná

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.7).

3C.8 Extraordinary Matters of Východoslovenská distribučná

All provisions of Subclause 3A.8 hereof shall also apply to Východoslovenská distribučná (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská distribučná” for purposes of this Clause 3C.8).

3D. CORPORATE GOVERNANCE OF VÝCHODOSLOVENSKÁ ENERGETIKA

3D.1 Composition of the Board of Directors of Východoslovenská energetika

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.1 except for Subclause 3A.1b) .

3D.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in Východoslovenská energetika and Subsidiaries of Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.2, except that:

- a) all references to the amounts “three (3) million EUR” in Subclauses 3A.2c)(i), 3A.2c)(v) and 3A.2c)(vi) are deemed, for purpose of Východoslovenská energetika, to be the references to the amounts “five (5) million EUR”; and
- b) Subclauses 3A.2c)(v) and 3A.2c)(vi) shall shall not apply for purpose of Východoslovenská energetika, which means that no decisions of the Supervisory Board of Východoslovenská energetika on approval of the matters stated therein are required.

**3D.3 Chairman and Vice-Chairman of the Board of Directors of
Východoslovenská energetika**

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.3).

3D.4 Acting and Signing for Východoslovenská energetika

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.4).

3D.5 Composition of the Supervisory Board of Východoslovenská energetika

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.5).

**3D.6 Chairman and Vice-Chairman of the Supervisory Board of
Východoslovenská energetika**

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.6).

3D.7 General Meeting of Východoslovenská energetika

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.7).

3D.8 Extraordinary Matters of Východoslovenská energetika

All provisions of Subclause 3A.8 hereof shall also apply to Východoslovenská energetika (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “Východoslovenská energetika” for purposes of this Clause 3D.8).

3E. CORPORATE GOVERNANCE OF INNOGY SLOVENSKO

3E.1 Composition of the Board of Directors of innogy Slovensko

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of innogy Slovensko (while all references to

“Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.1 except for Subclause 3A.1b).

3E.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in innogy Slovensko and Subsidiaries of innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.2, except that:

- a) all references to the amounts “three (3) million EUR” in Subclauses 3A.2c)(i), 3A.2c)(v) and 3A.2c)(vi) are deemed, for purpose of innogy Slovensko, to be the references to the amounts “five (5) million EUR”; and
- b) Subclauses 3A.2c)(v) and 3A.2c)(vi) shall not apply for purpose of innogy Slovensko, which means that no decisions of the Supervisory Board of innogy Slovensko on approval of the matters stated therein are required.

3E.3 Chairman and Vice-Chairman of the Board of Directors of innogy Slovensko

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.3).

3E.4 Acting and Signing for innogy Slovensko

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.4).

3E.5 Composition of the Supervisory Board of innogy Slovensko

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.5), except:

- a) there shall be three (3) Members of the Supervisory Board of innogy Slovensko;
- b) two (2) Members shall be nominated by the Ministry and one (1) Member shall be nominated by E.ON.

3E.6 Chairman and Vice-Chairman of the Supervisory Board of innogy Slovensko

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.6).

3E.7 General Meeting of innogy Slovensko

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.7).

3E.8 Extraordinary Matters of innogy Slovensko

All provisions of Subclause 3A.8 hereof shall also apply to innogy Slovensko (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “innogy Slovensko” for purposes of this Clause 3E.8).

3F. CORPORATE GOVERNANCE OF ZSE ELEKTRÁRNE

3F.1 Composition of the Board of Directors of ZSE Elektrárne

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.1, except:

- a) except for Subclause 3A.1b); there shall be three (3) Members of the Board of Directors;
- b) two (2) Members shall be nominated by E.ON and one (1) Member shall be nominated by the Ministry.

3F.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in ZSE Elektrárne and Subsidiaries of ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.2, except that:

- a) all references to the amounts “three (3) million EUR” in Subclauses 3A.2c)(i), 3A.2c)(v) and 3A.2c)(vi) are deemed, for purpose of ZSE Elektrárne, to be the references to the amounts “five (5) million EUR”; and

- b) Subclauses 3A.2c)(v) and 3A.2c)(vi) shall not apply for purpose of ZSE Elektrárne, which means that no decisions of the Supervisory Board of ZSE Elektrárne⁴ on approval of the matters stated therein are required.

3F.3 Chairman and Vice-Chairman of the Board of Directors of ZSE Elektrárne

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.3).

3F.4 Acting and Signing for ZSE Elektrárne

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.4).

3F.5 Composition of the Supervisory Board of ZSE Elektrárne

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.5) except:

- a) there shall be three (3) Members of the Supervisory Board;
- b) two (2) Members shall be nominated by the Ministry and one (1) Member shall be nominated by the E.ON.

3F.6 Chairman and Vice-Chairman of the Supervisory Board of ZSE Elektrárne

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.6).

3F.7 General Meeting of ZSE Elektrárne

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to ZSE Elektrárne (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “ZSE Elektrárne” for purposes of this Clause 3F.7).

3G. CORPORATE GOVERNANCE OF [VSEH / SERVICECO]

3G.1 Composition of the Board of Directors of VSEH

All provisions of Subclauses 3A.1a) to 3A.1i) hereof shall also apply to the composition of the Board of Directors of VSEH (while all references to “Západoslovenská

⁴ Supervisory Board not established as yet, to be established.

distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.1, except for

- a) Subclause 3A.1b);
- b) there shall be three (3) Members of the Board of Directors; and
- c) two (2) Members shall be nominated by E.ON and one (1) Member shall be nominated by the Ministry.

3G.2 Minority Protection

All provisions of the minority protection in Západoslovenská distribučná stated in Subclauses 3A.2a) to 3A.2g) hereof shall apply as the provisions on the minority protection in VSEH and Subsidiaries of VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.2, except that:

- a) all references to the amounts “three (3) million EUR” in Subclauses 3A.2c)(i), 3A.2c)(v) and 3A.2c)(vi) are deemed, for purpose of VSEH, to be the references to the amounts “five (5) million EUR”; and
- b) Subclauses 3A.2c)(v) and 3A.2c)(vi) shall not apply for purpose of VSEH, which means that no decisions of the Supervisory Board of VSEH on approval of the matters stated therein are required.

3G.3 Chairman and Vice-Chairman of the Board of Directors of VSEH

All provisions of Subclauses 3A.3a) to 3A.3d) hereof shall also apply to the determination of the Chairman and the Vice-Chairman of the Board of Directors of VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.3).

3G.4 Acting and Signing for VSEH

All provisions of Subclauses 3A.4a) and 3A.4b) hereof shall also apply to VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.4).

3G.5 Composition of the Supervisory Board of VSEH

All provisions of Subclauses 3A.5a) to 3A.5j) hereof shall apply also to the composition of the Supervisory Board of VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.5), except for that if it shall no longer be needed (due to statutory provisions on mandatory participation of employees) so keep the number of Members of Supervisory Board at the level of nine (9) Members, the Parties shall reduce such number of Members of Supervisory Board to three (3) Members, while in such case two (2) Members shall be nominated by the Ministry and one (1) Member shall be nominated by E.ON.

3G.6 Chairman and Vice-Chairman of the Supervisory Board of VSEH

All provisions of Subclauses 3A.6a) to 3A.6d) hereof shall also apply to the nominations and elections of the Chairman and the Vice-Chairman of the Supervisory Board of VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.6).

3G.7 General Meeting of VSEH

All provisions of Subclauses 3A.7a) and 3A.7b) hereof shall also apply to VSEH (while all references to “Západoslovenská distribučná” therein, used independently or as a part of a defined term, are deemed to be references to “VSEH” for purposes of this Clause 3D.7).

3G.8 Subsidiary of VSEH

To the extent and as long as VSEH is and/or remains to be the shareholder of any other Key Subsidiary, the following alternations shall apply in relation to the Corporate Governance:

- a) It is the intention of the Parties so that the Corporate Governance as contained in this Agreement shall fully apply to ZSE Group and all Subsidiaries; the foregoing shall apply notwithstanding the fact whether VSEH is and/or will remain to be the shareholder in relation to any Key Subsidiary previously controlled by VSEH (or any other Subsidiary previously controlled by VSEH) and this Agreement (and the Corporate Governance rules) shall be interpreted in such a manner, to the highest possible extent, that any such Key Subsidiary or Subsidiary would be deemed to be a direct subsidiary of the Company.

3H. CORPORATE GOVERNANCE OF OTHER SUBSIDIARY

3H.1 Representation in Corporate Bodies of Other Subsidiaries

- a) Where the Company has (directly or indirectly) a right to nominate or appoint persons to the statutory bodies of other Subsidiaries (other than Key Subsidiaries):
 - (i) the Ministry shall be entitled to designate the Company’s candidates for election to supervisory boards of such Subsidiaries and to recall each such nominee and propose an alternate nominee in his place, in each case subject to Subclause 3A.8b);
 - (ii) E.ON shall be entitled to designate the Company’s candidates to the boards of directors or for statutory representatives of such Subsidiaries and to recall each such nominee and propose an alternate nominee in his place;
 - (iii) if the Company has the right to nominate all members of the statutory body of such Subsidiary consisting of at least three members, the Ministry shall be entitled to designate the Company’s candidate for one (1) member of a statutory body of such Subsidiary, save for cases where

the consent of such member would be required for the decision of the statutory body of such Subsidiary or acting on behalf of such Subsidiary;

and the Parties shall use all their respective powers in order to procure the election or recall of such nominees as E.ON or the Ministry, as the case may be, shall request in accordance with this Subclause 3H.1. The Parties shall also procure, as far as they can, that no changes to the corporate governance structure of the Subsidiaries, to the extent such changes would negatively affect the rights of the Ministry in relation to the Subsidiaries under this Agreement, shall be made without the consent of both the Ministry and E.ON.

- b) Notwithstanding Subclause 3H.1, the Parties shall use all their respective powers in order to procure that, to the extent legally possible and feasible, the corporate governance structure of those Subsidiaries (other than Key Subsidiaries) whose corporate governance structure is inconsistent with the rights of E.ON or the Ministry provided for in this Agreement be modified in such manner to make it consistent with the rights of E.ON or the Ministry in relation to such Subsidiaries under this Agreement. Notwithstanding Subclause 3H.1, if the Company has (directly or indirectly) the right to nominate or appoint only one (1) member to the corporate bodies of those Subsidiaries, then this member shall be the member designated by E.ON regardless of whether at the level of the supervisory board or the board of directors (or other statutory body).

3H.2 Decision Making

- a) The Parties shall use their best efforts to secure (by enacting amendments to the corporate documents pertaining to the relevant Subsidiary (other than Key Subsidiaries)) that any approval of any acts of any Subsidiary (other than Key Subsidiaries) set out in Subclauses 3.2c) requires the consent of the general meeting of the respective Subsidiary (and if such Subsidiary is only indirect Subsidiary of the Company, consent of the general meeting of the Subsidiary which is direct Subsidiary of the Company is required).
- b) The Parties shall procure that the respective representatives of the Company or the Key Subsidiary shall, before the voting at a general meeting of the respective Subsidiary, obtain, in relation to matters set out in Subclause 3.2c), the consent of the Supervisory Board or the Supervisory Board of the respective Key Subsidiary, as the case may be.

4. TRANSFERS OF SHARES

4.1 General Meeting Approval

- a) The Shares shall have a restricted transferability.
- b) Any transfer of Shares shall be subject to the prior approval by the General Meeting. The Parties agree to vote in favour of any Permitted Transfer as defined in and subject to the provisions of Subclause 4.3a) at the General Meeting at which the resolution approving such transfers are adopted pursuant to the relevant provisions under the Articles of Association. The Parties are obliged to use all rights permitted to them by law and this Agreement to ensure that the General Meeting grants or refuses approval, and notifies the proposed

transferor of such grant or refusal in writing, within (i) forty (40) days after the Relevant Date, if the provisions of Subclauses 4.2c) to 4.2n) (inclusive) are relevant or otherwise (ii) within forty (40) days after receiving the relevant request from the proposed transferor.

- c) The Parties are obliged to use their voting rights at General Meetings to ensure that the General Meeting shall grant its approval only to the Share transfer that is in compliance with the rules applicable on transfers of Shares contained in this Agreement and the applicable rules in the Articles of Association and that any other Share transfer shall not be approved by the General Meeting.

4.2 Pre-emptive Rights

- a) Unless the Parties otherwise agree in writing or unless the provisions of this Agreement stipulate otherwise, a transfer of Shares to any third party shall be possible only in compliance with the provisions specified further below in this Subclause 4.2.
- b) A Share Owning Party may transfer its Shares, or any part thereof, to another person if it complies with the provisions of this Subclause 4.2 set out below.
- c) If a Share Owning Party (the “Transferor”) wishes to transfer its Shares, or any part thereof, then the Transferor shall first give written notice thereof (the “Transfer Notice”) to the other Share Owning Party (the “Recipient”) and the chairman and vice-chairman of the Supervisory Board. The Transfer Notice shall provide at least the following information:
 - (i) the number of Shares to be transferred (the “Transfer Shares”); and
 - (ii) the price for each Transfer Share (“Price”), which shall be, at the option of the Transferor, the Option Price, or any price which has been demonstrably offered by a third party in good faith, or the Market Price as determined by the Determining Person at any time during the period of twenty (20) Business Days prior to the date of the Transfer Notice; and
 - (iii) written confirmation of the Market Price from the Determining Person (the cost of establishing the Market Price being borne by the Company) if the Price chosen by the Transferor is the Market Price; and
 - (iv) payment conditions; and
 - (v) any other conditions of the transfer.
- d) The Transfer Notice shall constitute an offer by the Transferor to the Recipient to transfer the Transfer Shares to the Recipient at the Price and on the terms set out in the Transfer Notice subject to the provision that no Recipient shall be required to fulfil any non-monetary terms not capable of being reasonably performed by the Recipient (the “Offer”).
- e) If the Recipient is E.ON, the Price shall be the Option Price in respect of the number of Transfer Shares necessary to increase the Shares held by the Buyer’s Group to an amount equivalent to 51% of the registered capital of the Company,

and, in respect of any other Transfer Shares, the Price shall be in accordance with Subclause 4.2c)(ii).

- f) The Recipient shall have the right to purchase all, but not less than all, of the Transfer Shares in accordance with the terms of the Offer.
- g) The Recipient shall, within a period of sixty (60) days commencing on the date of receipt of the Transfer Notice, notify the Transferor and the chairman and vice-chairman of the Supervisory Board in writing as to whether it wishes to exercise its pre-emptive right to acquire the Transfer Shares on the terms of the Offer.
- h) The exercise of the pre-emptive right shall be evidenced by a written notice (the “**Acceptance Notice**”) addressed and delivered to the Transferor and the chairman and vice-chairman of the Supervisory Board. The Acceptance Notice shall specify whether the Recipient wishes to accept or refuse the Offer.
- i) Should the Acceptance Notice fail to be delivered in the 60 day period referred to in Subclause 4.2g) the Offer shall be deemed refused.
- j) If the Recipient accepts the Offer all the Transfer Shares shall be sold to the Recipient on the terms of the Offer. The execution by the Transferor and the Recipient of all documents necessary to be executed by them to transfer the Transfer Shares shall take place at such time and place as the Transferor and the Recipient shall agree in writing, but in default of such agreement it shall take place in the registered office of the Company at 14.00 Bratislava time on the twentieth (20) Business Day after the date by which the Acceptance Notice was received by both the chairman and vice-chairman of the Supervisory Board. If the Recipient rejects the Offer, or if the Offer is deemed rejected in accordance with Subclause 4.2i), the Transferor has the right to transfer all, but no less than all, the Transfer Shares to a third party, within the period of one hundred and twenty (120) days commencing on (i) the last day of the sixty – day period referred to in Subclause 4.2g) or (ii) the date by which both the chairman and vice-chairman of the Supervisory Board have received notice from the Recipient that it wishes to refuse the Offer, whichever date is relevant (“**Relevant Date**”). The transfer to the third party may not be for a price which is lower than the Price, nor may the transfer take place on terms and conditions more favourable to the transferee than those contained in the Offer.
- k) If the Transfer Shares represent all the Shares owned by the Transferor and if they are to be transferred to a person that is not a party to this Agreement, the Transferor is obliged to ensure that a condition of the transfer is that the rights and obligations of the Transferor under this Agreement are assigned and transferred to such transferee along with the transfer of the Transfer Shares and the Parties are obliged to use all rights permitted to them by law and this Agreement to ensure that the transfer of the Transfer Shares shall be approved by the General Meeting on the condition that such transferee shall become a party to this Agreement.
- l) If the Transfer Shares do not represent all the Shares owned by the Transferor and if the Transfer Shares are to be transferred to a person that is not a party to this Agreement, the Transferor is obliged to ensure that the transferee and the

Parties enter into a shareholders' agreement on terms similar to this Agreement, on terms acceptable to the Parties. In this case the Parties shall use all rights permitted to them by law and this Agreement to ensure that the transfer of the Transfer Shares shall be approved by the General Meeting subject to the condition that such shareholders' agreement shall be entered into.

- m) Each Offer shall be processed in accordance with the order of receipt of the Transfer Notices by the chairman and vice-chairman of the Supervisory Board. Once the processing of one Offer has been commenced in accordance with the procedure set out above, the processing of any subsequent Offer shall not be commenced until the processing of the immediately prior Offer has been completed.
- n) If the transfer to the Recipient, or to the third party referred to in Subclause 4.2j), is subject to a decision of the Antimonopoly Office or the European Commission, the periods of twenty (20) Business Days and one hundred and twenty (120) days referred to in Subclause 4.2j) shall, if the relevant decision of the Antimonopoly Office or the European Commission has not been made by the tenth (10th) Business Day prior to the end of the relevant period, be extended so that the relevant period expires at the end of the tenth (10th) Business Day after the day on which the Antimonopoly Office or the European Commission makes the relevant enforceable decision.

4.3 Permitted Transfers

- a) Permitted Transfers shall mean:
 - (i) any transfer of Shares held by the Slovak Republic to a Public Institution;
 - (ii) any transfer of Shares held by a Buyer to a member of the Buyer's Group;
 - (iii) any transfer of Shares by one Party to another Party;
 - (iv) any transfer of Shares agreed among the Parties in writing.
- b) The provisions on pre-emptive rights pursuant to Subclauses 4.2c) to 4.2n) (inclusive) shall not apply to Permitted Transfers, provided that the provisions of Subclause 4.2l) shall apply to the Permitted Transfers referred to in Subclauses 4.3a)(ii) and 4.3a)(iv) and the provisions of Subclause 4.2k) shall apply to the Permitted Transfers referred to in Subclauses 4.3a)(i), 4.3a)(ii) and 4.3a)(iv), as though the reference to "Transfer Shares" therein were a reference to the Shares to be transferred under the Permitted Transfer.
- c) If a Buyer transfers Shares to its Associate that subsequently to such transfer ceases to be an Associate of the Buyer (the "Former Associate"), then both parties to such transfer shall be obliged to ensure that a back transfer of all the Shares, originally transferred to the Former Associate, from the Former Associate to the Buyer is executed no later than within sixty (60) days after the Former Associate ceased to be an Associate of the Buyer. Along with the back transfer of the Shares, all rights and obligations under this Agreement shall be

assigned and transferred back to the Buyer to which assignment and transfer the Parties hereto give their explicit advance consent.

- d) If the Slovak Republic transfers Shares pursuant to Subclause 4.3a)(i) the State Party is obliged to ensure that the relevant Public Institution carries out the obligations imposed on the State Party under this Agreement as though it was the State Party.

4.A TRANSFERS OF SHARES OF KEY SUBSIDIARIES

4A.1 Consent with Transfer of Shares of Key Subsidiaries

- a) The transferability of the Shares of Key Subsidiaries shall be limited.
- b) Each transfer of the Shares of Key Subsidiaries shall require prior consent of the Ministry and E.ON with the transfer. The Parties shall be obliged to cause that all representatives of the Parties in the Company's Board of Directors vote by all their votes and act on the Company's behalf in such a manner that there shall be no transfer of the Shares of Key Subsidiaries from the Company to other person without the prior consent of the Ministry and E.ON.
- c) The Ministry and E.ON shall be obliged to exercise all their rights under law and hereunder in order to provide that they shall grant or reject consent with a transfer of the Shares of Key Subsidiaries and that they shall notify the Company and other Parties in writing of granting the consent or rejection of the consent with the transfer of the Shares of Key Subsidiaries within the period of forty (40) days upon a receipt of a written request of the Company for granting consent with the transfer of the Shares of Key Subsidiaries.

5. CONFIDENTIALITY

5.1 Confidential Information

- a) For the purposes of this Agreement the term "Confidential Information" shall mean any information in relation to the business of the Company, any Subsidiary or any of the Parties, disclosed by the Company, any Subsidiary or a Party, to any Party when negotiating, executing or performing the transactions contemplated by this Agreement, and furthermore during the continuance of this Agreement, unless such information is expressly identified by the person so disclosing it as information that is neither protected nor confidential. The Confidential Information shall also include the terms and conditions of this Agreement and the details of the negotiations thereof.
- b) The Confidential Information shall not include information that is generally known to the public or is known to the Party receiving it (the "**Receiving Party**") (which fact must be supported by written records) at the time when first obtained by the Receiving Party.
- c) The Confidential Information shall lose its confidential character if it becomes part of the public domain from the time when it enters the public domain or when such information is lawfully delivered to the Receiving Party without any restrictions from any third person, or when the Receiving Party discloses or

develops such information independently of any other disclosure made under this Agreement.

5.2 Confidentiality Undertaking

- a) The Parties agree and acknowledge that the Confidential Information constitutes or contains business secret of one or more of the Parties, or the Company or the relevant Subsidiary, is meant to be kept confidential and should be protected against any unauthorized disclosure or dissemination.
- b) Each Party hereto shall maintain the confidentiality of the Confidential Information, use such Confidential Information exclusively for the purposes of the performance of this Agreement, take all necessary steps aimed at protecting and securing the Confidential Information and not disclose such information to any other person, except for Associates, directors, employees or other representatives of such Party, including its attorneys, accountants, consultants and financial advisers who are committed to protect the Confidential Information under conditions at least as stringent as those contained in this Agreement.
- c) The confidentiality undertaking of the Parties contained in the preceding paragraph shall not apply to the cases when
 - (i) the Confidential Information is disclosed, communicated, disseminated or used by a Receiving Party with the prior written consent of the disclosing person; or
 - (ii) the Confidential Information is disclosed or communicated as may be required by applicable legal regulations, or stock market or similar disclosure rules, or order of a court or administrative authority of competent jurisdiction; or
 - (iii) the Confidential Information is disclosed to a court or arbitral tribunal as evidence.

5.3 Exemption from the Confidentiality Undertaking

Notwithstanding the provisions of Subclauses 5.1 and 5.2, the Parties agree that the disclosure of Confidential Information by nominees of the Parties on the Board of Directors or any Key Subsidiary Board of Directors as well as members of the Supervisory Board or any Key Subsidiary Supervisory Board to the Parties nominating them (and to the Slovak Republic in the case of the nominees of the Ministry) shall not represent a breach of this Agreement.

5.4 Competition

- a) E.ON is obliged to ensure that, during the period commencing on the date of execution of this Agreement by all the Parties and continuing for so long as the E.ON holds Shares and for a period of six (6) months thereafter, neither it nor any of its Associates competes with the Company or any of its Subsidiaries in the Slovak Republic in the purchase of electricity, its sale to end consumers and the distribution of electricity.

- b) The provisions of Sub-Clause 5.4. a) shall become effective only if the Antimonopoly Office decides that the prohibition on agreements restricting competition provided by Act No. 136/2001 Coll. on the Protection of Economic Competition does not apply to Sub-Clause 5.4. a), in which case the provisions of Sub-Clause 5.4. a) shall only apply to the extent permitted by the Antimonopoly Office.

5.5 Third Party Rights

In accordance with section 50 of Act No. 40/1964 Coll. the Civil Code as amended, the agreement made in this Clause 5 is also made in favour of the following third parties: the Company and its Subsidiaries.

6. TERMINATION

6.1 Term of Agreement

- a) This Agreement is concluded for an indefinite period of time.
- b) Except for the cases mentioned in Subclause 6.2, this Agreement is not terminable by any Party's unilateral notice. This Agreement, however, may be terminated at any time upon the Parties' unanimous consent in writing.

6.2 Termination by Notice

- a) This Agreement may be terminated upon one (1) month written notice by E.ON delivered to the State Party in the case that the combined aggregate holding of Shares by the Slovak Republic and any Public Institution falls to a level representing less than one third of the registered capital of the Company.
- b) This Agreement may be terminated upon one (1) month written notice served by the State Party and delivered to E.ON in the case that the combined aggregate holding of Shares by the Buyers and any Associate of a Buyer falls to a level representing less than one third of the registered capital of the Company.

7. SANCTIONS

7.1 Contractual Penalties for Material Breaches

- a) In the case that E.ON commits any Material Breach referred in paragraphs a) – e) (inclusive) of the relevant part of the definition of Material Breach and such Material Breach is not remedied within a period of sixty (60) days commencing on the date of delivery to E.ON by the Slovak Republic or the Ministry of a notice specifying the Material Breach then E.ON shall pay to the State Party a contractual penalty in the amount of EUR 500,000 for every such Material Breach.
- b) If the State Party commits any Material Breach and such Material Breach is not remedied within a period of sixty (60) days commencing on the date of delivery to the State Party by E.ON of a notice specifying the Material Breach then the State Party shall pay to E.ON a contractual penalty in the amount of EUR 500,000 for every such Material Breach.

- c) The State Party shall have the right to withdraw (*odstúpit*) from this Agreement in the event of a Material Breach by E.ON and the Buyers shall have the right to withdraw from this Agreement in the event of a Material Breach by the State Party. This shall not affect the right of any Party to claim damages or contractual penalties.

7.2 No Limitation of Damages

The contractual penalties pursuant to Subclause 7.1 shall not exclude or limit the right of a damaged Party to claim compensation for damages suffered by such Party as a result of the breach by any other Party of its obligation set forth in this Agreement. Such damaged Party shall be entitled to claim compensation for damages irrespective of the amount of any contractual penalty that might have been received by it for the same breach of another Party's obligation and in excess of the amount of such contractual penalty.

8. CERTAIN STATEMENTS

8.1 Statement by the Slovak Republic and the Ministry

In addition to the Statements (as defined in the Share Purchase Agreement) given by the Seller (as defined in the Share Purchase Agreement) and the Ministry in Clause 4.1 of the Share Purchase Agreement, the Slovak Republic and the Ministry declare to E.ON that to the best of their knowledge the privatization has been carried out free from any legal defect that would give rise to the right of the Slovak Republic or any person to initiate any judicial or administrative proceeding to cancel, or change the terms of, the privatization.

9. CERTAIN PROVISIONS RELATING TO SHAREHOLDER ARRANGEMENTS

9.1 Affirmative Covenants

The State Party and E.ON shall cause the Company to:

- a) maintain its financial statements and annual reports in accordance with International Financial Reporting Standards (IFRS), and maintain a system of internal accounting controls and management information systems sufficient to permit preparation of its financial statements in conformity with the IFRS; and
- b) obtain and maintain in force (or where appropriate, renew) all licenses, consents, approvals and authorizations necessary for the operation of its business.

9.2 Negative Covenant of the Slovak Republic

The Slovak Republic (and the Ministry, as far as applicable) hereby undertakes and agrees to refrain from:

- a) submitting to the Ministry a proposal to amend or cancel, pursuant to the Act of the Slovak Republic on Privatization (Act No. 92/1991 Coll.) as amended, the Privatization Project or the Privatization Decision; or

- b) otherwise challenging the validity of the process of the Privatization, including the establishment of the Company's registered share capital and contributions by the Fund thereto.

10. SHAREHOLDERS' INFORMATION COMMITTEE

10.1 Shareholders' Information Committee

- a) The Shareholders shall set up a shareholders' information committee that shall be composed of three representatives of the Ministry and three representatives of E.ON (the "**Shareholders' Information Committee**"). The relevant Shareholder of the Company shall appoint the members of the Shareholders' Information Committee by giving notice in writing to the other Shareholder to the extent that the appointment of the member of the Shareholders' Information Committee may not be reasonably held to be detrimental to the interests of the Company or any Subsidiary (e.g. due to potential conflict of interest). A Shareholder of the Company may at any time remove any of its representatives and appoint any other person instead by giving notice to the other Shareholder. Any member of the Shareholders' Information Committee may resign by giving notice in writing to the other shareholder of the Company. For the avoidance of doubt, no consideration or remuneration shall be payable to the representatives in the Shareholders' Information Committee.
- b) Members of the Shareholders' Information Committee shall elect a chairman (the "**SIC Chairman**"). The member to be elected SIC Chairman of the Shareholders' Information Committee shall be designated by the State Party and shall be one of the three representatives of the Ministry on the Shareholders' Information Committee.
- c) To the maximum extent permitted under the applicable legal regulations and subject to confidentiality undertakings of the Company and relevant Subsidiary and, where appropriate, the execution of customary confidentiality agreement between the Company and relevant Subsidiary and Shareholder of the Company, E.ON shall use all its respective powers in order to procure that the Company and each Subsidiary provides the Shareholders' Information Committee with all information regarding the material business of the Company or respective Subsidiary as may be reasonably and justifiably required by the Shareholders' Information Committee to perform its duties and requested and substantiated in the notice convening the meeting of the Shareholders' Information Committee delivered to E.ON pursuant to Subclause 10.1e) to the extent any of the foregoing may not be reasonably held to be detrimental to the interests of the Company or relevant Subsidiary. To the maximum extent permitted under the applicable legal regulations and subject to confidentiality undertakings of the Company and relevant Subsidiary, E.ON shall use all its respective powers in order to procure that the Company or respective Subsidiary shall use its best endeavours to provide the Shareholders' Information Committee with such requested information at the next meeting of the Shareholders' Information Committee to the extent provision of such information may not be reasonably held to be detrimental to the interests of the Company and relevant Subsidiary.

- d) Shareholders' Information Committee will discuss, on quarterly basis, any material matters relating to the business of the ZSE Group, including any matters of interest to the Shareholders and any of the Company and Subsidiaries, to the extent permitted by law. The Shareholders' Information Committee shall have access to the information on the business of the ZSE Group subject to the conditions pursuant to Subclause 10.1c) of this Agreement. Subject to Subclause 10.1e) the Shareholders' Information Committee shall have no other powers or competences.
- e) Subject to compliance with the applicable legal regulations, the Parties shall use all their respective powers in order to procure that the Shareholders' Information Committee will receive all notices of meetings of the Supervisory Board, supervisory board of each Key Subsidiary, the Board of Directors, the board of directors of each Key Subsidiary, general meeting of each Key Subsidiary and subsequently, after the relevant meeting, the minutes of such meetings, in such time as they will be provided to members of the relevant bodies of the relevant Company and Subsidiaries. For the avoidance of doubt, this Subclause does not grant the members of the Shareholders' Information Committee the right to participate at the respective meetings of the Company and Subsidiaries corporate bodies.
- f) Meetings of the Shareholders' Information Committee shall only be held at the registered office of the Company or at any other place agreed among the Shareholders. Meetings of the Shareholders' Information Committee may be convened by the SIC Chairman. Any two members of the Shareholders' Information Committee may likewise convene a meeting of the Shareholders' Information Committee. Unless the Shareholders agree otherwise, meetings of the Shareholders' Information Committee shall be convened at least 10 (ten) days before the proposed date of the meeting by a notice in writing delivered to each Shareholder. This notice shall include the agenda of the meeting, including any request for information pursuant to Subclause 10.1c) of this Agreement.
- g) Any member of the Shareholders' Information Committee may participate in a meeting of the Shareholders' Information Committee by videoconference, telephone or similar means of communication.
- h) A Shareholder's agents may participate in a meeting of the Shareholders' Information Committee subject to the execution of customary confidentiality undertakings, unless reasonably objected by any member of the Shareholders' Information Committee.
- i) For the avoidance of doubt, the provision of information to the Shareholders' Information Committee, and the representatives in the Shareholders' Information Committee under this Clause 10 shall in each case be subject to the confidentiality obligation as provided for in Clause 5 of this Agreement and each Shareholder shall ensure that its representatives in the Shareholders' Information Committee shall comply with this obligation as well as sign a confidentiality agreement in the form approved by the Board of Directors.

11. NOTICES

11.1 Addresses

All notices and other communications that are required or permitted to be given under this Agreement shall be in writing and shall be considered to have been duly given if delivered personally (including via courier) or by registered mail (return receipt requested) to the following address:

a) if to the Ministry:

Ministry of the Economy of the Slovak Republic
Mlynské nivy 44/A
827 15 Bratislava, Slovak Republic
Attention: Minister of the Economy of the Slovak Republic
Telephone: 00421 2 4854 7004

b) if to E.ON Slovensko:

E.ON Slovensko, a.s.
Čulenova 6
811 09 Bratislava, Slovak Republic
Attention: Board of Directors
Telephone: 00421 2 5061 2201

c) if to E.ON Beteiligungen:

E.ON Slovensko, a.s.
Čulenova 6
811 09 Bratislava, Slovak Republic
Attention: Board of Directors
Telephone: 00421 2 5061 2201

d) if to E.ON First Future Energy Holding:

E.ON First Future Energy Holding B.V.
[●]
Attention: [●]
Telephone: [●]

and/or to any such other addressee and/or address as any of the Parties have specified by notice delivered in accordance with this Clause 11 to the other Parties.

11.2 Date of delivery

Each notice or other communication which shall be delivered personally or mailed, shall be deemed sufficiently given, served, sent, received or delivered for all purposes on the first Business Day following the date that it is delivered to the addressee (while the return receipt, the delivery receipt, or the affidavit of courier shall be deemed conclusive, but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

12. GOVERNING LAW AND DISPUTE RESOLUTION

12.1 Governing Law

This Agreement and the legal relations of the Parties hereunder shall be construed and interpreted in accordance with the laws of the Slovak Republic without reference to conflict of law's provisions.

12.2 Dispute Resolution

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce as at present in force (the "Rules"). There shall be three (3) arbitrators all of whom shall be fluent in the English language. Each party shall nominate one arbitrator and the two arbitrators so selected shall nominate the third arbitrator. If the two arbitrators selected by the parties cannot agree on a third arbitrator within thirty (30) days after the selection of the two arbitrators, the third arbitrator shall be appointed by the International Court of Arbitration of the International Chamber of Commerce in accordance with the Rules. The place of arbitration shall be Vienna, Austria and the English language shall be used throughout the arbitral proceedings. To the extent to which the Rules do not provide otherwise, the Austrian law of procedure governing international arbitration shall apply. Any rights under applicable law to appeal any arbitration award to, or to seek determination of a preliminary point of law by, the courts of any jurisdiction are hereby waived. The arbitral tribunal shall not be authorized to take or provide, and no Party may or shall be authorized to seek from any judicial authority any interim or conservatory measures of protection or pre-award relief against any other Party, any provision of applicable law and/or the Rules notwithstanding.

12.3 Waiver of Sovereign Immunity

The Parties recognize and acknowledge that this Agreement constitutes a commercial transaction. Each of the Parties hereby waives irrevocably, to the fullest extent permitted by law, any immunity from jurisdiction to which it might otherwise be entitled in any action arising out of or based on this Agreement which may be instituted as provided in this Agreement. Such waiver constitutes only a limited and specific waiver for the purpose of this Agreement and under no circumstances shall it be interpreted as a general waiver by any Party or a waiver with respect to proceedings unrelated to this Agreement. Further, this waiver shall not be interpreted to include the waiver of any immunity with respect to: (i) present or future „premises of the mission” as defined in the Vienna Convention on Diplomatic Relations signed in 1961, (ii) “consular premises” as defined in the Vienna Convention on Consular Relations signed in 1963, (iii) any other property or assets used solely or mainly for official state purposes in the Slovak Republic or elsewhere, (iv) military property or military assets or property or assets of the Slovak Republic related thereto, or (v) assets which may under applicable law be owned solely by the Slovak Republic.

13. FINAL PROVISIONS

13.1 Amendments

This Agreement may only be modified or amended in writing upon the unanimous consent of all the Parties.

13.2 Assignment

- a) No Party hereto may assign and transfer the rights and obligations under this Agreement, in whole or in part, without the prior written consent of the other Parties.
- b) Notwithstanding the restriction mentioned in the preceding paragraph:
 - (i) the State Party may assign and transfer their rights and obligations under this Agreement pursuant to Subclause 4.2k); each Buyer provides its explicit advance consent to such assignment and transfer; and
 - (ii) each Buyer may assign and transfer its rights and obligations under this Agreement pursuant to Subclause 4.2k); the State Party provide their explicit advance consent to such assignment and transfer.

13.3 Surviving Provisions

- a) The provisions of Subclause 4.3c) shall survive the termination of this Agreement or the discontinuation of its applicability in respect of one or more of the Parties for five (5) years and one (1) month.
- b) The confidentiality undertaking under Clause 5 shall survive the termination of this Agreement or the discontinuation of its applicability in respect of one or more of the applicable Parties for two (2) years.
- c) The provisions of Subclause 5.4a) shall survive the termination of this Agreement or the discontinuation of its applicability in respect of one or more of the applicable Parties for the period ending six (6) months after the date on which E.ON no longer holds Shares.

13.4 Termination of VSEH Shareholders' Agreement

By signing this Agreement, the relevant Parties equally agree to terminate the Shareholders' Agreement dated [26] August 2020 by and among the Ministry and EFFEH in relation to VSEH. For the avoidance of doubt, termination of the VSEH Shareholder's Agreement shall be without prejudice to the validity and/or effectiveness of the then pending corporate processes at VSEH and/or its Subsidiaries, including, for example, pending invitations to General Meeting, invitations for respective board and/or supervisory board meeting, etc. For avoidance of doubt, in case of any claims that arose prior to the termination of VSEH Shareholders' Agreement and remain outstanding, such claims shall not be deemed terminated hereunder.

13.5 Termination of the (ZSE) Amended and Restated Shareholders' Agreement dated 11 June 2007

By signing this Agreement, the relevant Parties equally agree to terminate the Amended and Restated Shareholders' Agreement dated 11 June 2007 as amended by Amendment

No. 1 of 14 January 2013 between the Fund, the Ministry, E.ON Energie, and E.ON Slovensko, a.s. For the avoidance of doubt, termination of the former ZSE Amended and Restated Shareholders' Agreement shall be without prejudice to the validity and/or effectiveness of the then pending corporate processes at ZSE and/or its Subsidiaries, including, for example, pending invitations to General Meeting, invitations for respective board and/or supervisory board meeting, etc. For avoidance of doubt, in case of any claims that arose prior to the termination of Amended and Restated Shareholders' Agreement and remain outstanding, such claims shall not be deemed terminated hereunder.

13.6 Effect

- a) This Agreement shall become valid on the day of its signature by the Parties.
- b) This Agreement (including, for avoidance of doubt, its Clauses 13.4 and 13.5) shall become effective the next day after the following conditions will be cumulatively fulfilled:
 - (i) the occurrence of the registration of the Contribution by the applicable Commercial Register, as a result of which registration the VSEH will become the Subsidiary of the Company ; and
 - (ii) the publication of this Agreement with Central Register of Contracts.
- c) The Ministry undertakes to publish this Agreement in the Central Register of Contracts within five days as of the date hereof.

13.7 Original Copies and Language Versions

- a) This Agreement has been executed in six (6) original copies in the Slovak language version and six (6) original copies in the English language version.
- b) In the case of any discrepancy or conflict between the Slovak and English language versions of this Agreement, the English language version shall prevail.

MINISTRY OF ECONOMY OF THE SLOVAK REPUBLIC ACTING ON BEHALF OF THE SLOVAK REPUBLIC

By _____
Name:
Title: Minister of Economy of the Slovak Republic
Place:.....
Date:.....

E.ON SLOVENSKO A.S.⁵

⁵ To be updated before signing.

By: _____
Name:
Title:
Place:.....
Date:.....

E.ON BETEILIGUNGEN GMBH

By: _____
Name:
Title:
Place:.....
Date:.....