

TERMS AND CONDITIONS OF THE NOTES

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to (and should not be offered, sold or otherwise made available to) any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments, and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID II**”); (b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not an eligible counterparties as defined in Directive 2003/71/EC of the European Parliament and of the Council, of 4 November 2003, on the prospectus to be published when securities are offered to the public or admitted to trading, and amending Directive 2001/34/EC (as amended, the “**Prospectus Directive**”).

NO PRIIPS REGULATION KID

No key information document (“**KID**”), under Regulation (EU) No. 1286/2014 of the European Parliament and of the Council, of 26 November 2014, on key information documents for packaged retail and insurance-based investment products (the “**PRIIPs Regulation**”), has been prepared by the Issuer and by the Sole Lead Manager.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

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

DESCRIPTION OF THE NOTES

The following are the terms and conditions of the Notes.

The notes issued have a nominal value of €58,000,000, with a face value of €100,000, each grouped in a single class and series, and pay a fixed interest rate of 4.5%, as is regulated in Condition 6 (*Interest*) below. The issue of the Notes due 23 July 2024 (the “**Notes**”, which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 16 (*Further issues*) and consolidated and forming a single series with the Notes) of EFACEC Power Solutions, SGPS S.A. (the “**Issuer**”) was (save in respect of any such further notes to be issued pursuant to Condition 16 (*Further issues*)) authorised by a decision of the Issuer’s Board of Directors passed on 19 July 2019. The Notes will be fully guaranteed by irrevocable guarantee issued by EFACEC Energia – Máquinas e Equipamentos Eléctricos, S.A., EFACEC Engenharia e Sistemas, S.A. and EFACEC Electric Mobility, S.A. pursuant to the guarantee described in Condition 10 (*Guarantors: personal guarantee*).

The Notes have the benefit of a paying agency agreement dated 19 July 2019, as amended or supplemented from time to time (the “**Paying Agency Agreement**”), between the Issuer and Banco Comercial Português, S.A. as paying agent (the “**Paying Agent**”, which expression includes any paying agent appointed from time to time in connection with the Notes). Bondholders, S.L. is appointed as the common representative of the Noteholders (the “**Common Representative**”, which expression shall include any successor as common representative).

Any reference to “**Noteholders**” shall mean the persons in whose name the Notes are registered in the individual securities account held with an Affiliate Member of Interbolsa (as defined below) in accordance with Portuguese law and the relevant Interbolsa procedures and, for the purposes of Condition 11 (*Taxation*), the effective beneficiary of the income attributable thereto.

1. FORM, DENOMINATION, PRICE AND STATUS

1.1. Form and Denomination

The Notes are issued in dematerialised book-entry form (“*forma escritural*”) and in the nominal value of €58,000,000 in denomination of €100,000 each.

The Notes are “*nominativas*” which means that Interbolsa may, at the Issuer’s request, ask the Affiliate Members of Interbolsa for information regarding the identity of the holders of the Notes and transmit such information to the Issuer.

The Notes will be registered by, and held through, Interbolsa as management entity of the CVM (*Central de Valores Mobiliários*).

1.2. Status of the Notes

The Notes are direct, senior, unconditional, unsecured (subject to the provisions of Condition 4.4 (*Negative Pledge*)) and unsubordinated obligations of the Issuer, guaranteed by the Guarantors. The Noteholders' rights against the Issuer, arising from the Issue, will have at least the same priority in terms of ranking, preferences or privileges, without any preference among themselves (and save for certain obligations required to be preferred by law), as the rights arising from the senior debt of other present or future creditors of the Issuer, and a higher priority in ranking, preferences or privileges than the rights arising from the subordinated debt of other present or future creditors of the Issuer.

1.3. Price of the Notes: 100%

1.4. ISIN Code: Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. has, as management entity of the CVM, assigned the following ISIN to identify the Notes: PTEFWAOM0001.

1.5. Name of the Issue: EFACEC Fixed Rate Notes 2019-2024

2. REGISTER, TITLE AND TRANSFERS

2.1. Registration

The Notes will be registered with Interbolsa, as management entity of the CVM. Each Noteholder's (as defined below) title to the corresponding principal amount of the Notes will be evidenced by book-entry in individual securities accounts held with the relevant Affiliate Member of Interbolsa, in accordance with the Portuguese Securities Code and the regulations issued by, or otherwise applicable to, Interbolsa. Noteholders who do not have, directly or indirectly through their custodians, a participating account with Interbolsa may participate in the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, Luxembourg.

2.2. Title

Title to the Notes will be evidenced by book-entries in individual securities accounts held with the relevant Affiliate Member of Interbolsa, in accordance with the Portuguese Securities Code and the regulations issued by, or otherwise applicable to, Interbolsa. Title to the Notes held through Interbolsa is subject to compliance with all applicable rules,

restrictions and requirements of Interbolsa and under Portuguese law.

No physical document of title will be issued in respect of the Notes held through Interbolsa.

Each person shown in the individual securities accounts of an Affiliate Member of Interbolsa as having an interest in the Notes (each, a **“Holder”**) shall (except as otherwise required by law) be deemed, for all legal purposes, as the holder of the principal amount of the Notes recorded therein (each, a **“Noteholder”**).

One or more certificates in relation to the Notes (each, a **“Certificate”**) attesting to the relevant Holder's holding of the Notes in the relevant registry will be delivered by the relevant Affiliate Member of Interbolsa, or, where the Holder is itself an Affiliate Member of Interbolsa, by Interbolsa (in each case, pursuant to article 78 of the Portuguese Securities Code and in accordance with the procedures of the relevant Affiliate Member of Interbolsa or, as the case may be, of Interbolsa), to such Holder upon such Holder's request.

The Issuer and the Paying Agent may (to the fullest extent permitted by the applicable laws) deem and treat the person or entity registered in each individual securities account of an Affiliate Member of Interbolsa as the holder of any Note and its absolute owner for all purposes. Proof of such registration is made by means of a Certificate.

2.3. Transfer of Notes

The Notes are issued without any restrictions on their transferability.

Consequently, the Notes may be transferred and title to the Notes may pass (subject to Portuguese law and to compliance with all applicable rules, restrictions and requirements of Interbolsa or, as the case may be, of the relevant Affiliate Member of Interbolsa) upon registration in the relevant individual securities accounts held with an Affiliate Member of Interbolsa and/or Interbolsa itself, as applicable. Each Holder will be treated (except as otherwise required by Portuguese law) as the legitimate owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, or any interest or annotation of, or the theft or loss of the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

3. DEFINITIONS

In these Conditions the following expressions have the following meanings:

“Affiliate Member of Interbolsa” means any authorised financial intermediary for the

purposes of the Portuguese Securities Code, and which are entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg, for the purposes of holding accounts on behalf of Euroclear and Clearstream, Luxembourg;

“Business Day” means a day which is both (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and in Madrid; and (ii) a Target Settlement Day;

“Change of Control” means the event by which any person or group of persons acting in concert gains control over the Issuer by means of acquiring shares that represent more than 50% of the voting rights and/or being attributed with more than 50% of the voting rights and/or having the power to appoint the majority of the members of its board of directors;

“Clearstream, Luxembourg” means Clearstream Banking société anonyme, Luxembourg;

“CMVM” means the *Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission;

“Common Representative” means Bondholders, S.L. or any successor thereof;

“Completion” means [the sale of the share capital of the Issuer pursuant to the share purchase agreement entered into between Parpública – Participações Públicas \(SGPS\), S.A., mutares Holding-65 GMBH and mutares Holding-66 GMBH, as purchasers, and Mutares SE & CO. KGaA, as the parent company of the purchasers, on 23 June 2023, which shall take place until 30 September 2023 or, in case there is an extension of such date as foreseen in the contract, until 30 November 2023 at the latest, and to be notified to the Noteholders in accordance with Condition 17 of the Terms and Conditions of the Notes;](#)

“Consolidated Cash and Equivalents” means, in respect of the Issuer and its Subsidiaries, at any time, the aggregate of the following:

- (a) cash at bank and at hand;
- (b) time deposits;
- (c) securities, which are not convertible into any other form of security, issued, or unconditionally guaranteed, by the government of any Specified Sovereign or issued by any agency thereof and guaranteed or backed by the full faith and credit of the government of any Specified Sovereign, in each case maturing within one (1)

year of the date of acquisition;

- (d) commercial paper issued by any corporation organised under the laws of a Specified Sovereign maturing no more than one (1) year from the date of acquisition thereof and, at the time of acquisition which is not convertible into any other form of security and is not issued or guaranteed by the Issuer and its Subsidiaries; and
- (e) certificates of deposit or bankers' acceptances issued by any commercial bank, other than those referred to in paragraph (c) above, organised under the laws of a Specified Sovereign and maturing within one (1) year from the date of acquisition thereof;

"Consolidated EBIT" means, in respect of the Relevant Period, the consolidated operating profit in respect of the Group;

"Consolidated EBITDA" means, in respect of any Relevant Period, the Consolidated EBIT before provisions, depreciation and amortisation;

"Consolidated Net Debt" means, at any time, the Consolidated Total Debt less Consolidated Cash and Equivalents;

"Consolidated Total Debt" means, in respect of the Group but excluding any intercompany loans, shareholders loans, or any other form of indebtedness between companies within the Group, at any time, without double counting, the aggregate of the following:

- (a) moneys borrowed;
- (b) any amount raised pursuant to any note sale facility or the issue of bonds, notes, debentures or any similar instrument;
- (c) receivables sold or discounted (other than any receivables sold on a non-recourse basis);
- (d) any amount arising from any deferred payment agreement or any forward sale or purchase agreement, when arranged primarily as a method for raising finance or financing the acquisition of an asset; and
- (e) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (d) above,

excluding the lease of right-of-use assets in accordance with IFRS16;

“Coordinators” means Beka Finance, Sociedad de Valores, S.A. and Optimal Investments, S.A.;

“Co-Dealer” means Banco Finantia, S.A.;

“CVM” means the *Central de Valores Mobiliários*, the Portuguese central securities clearing system managed by Interbolsa;

“Dealer” means Beka Finance, Sociedad de Valores, S.A.;

“EBITDA” means the consolidated profit of the Issuer before interest, taxes, depreciations, provisions and other non-operating expenses and incomes for any 12 (twelve) month period ending on the last day of the audited financial statements for each financial year;

“Euroclear” means Euroclear Bank SA/NV;

“Event of Default” means any of the events listed in Condition 12 (*Events of Default*);

“Extraordinary Resolution” means a resolution passed at a meeting of Noteholders in respect of any of the following matters: (i) change in any date fixed for payment of principal or interest in respect of the Notes, reduction of the amount of principal or interest due on any date in respect of the Notes, or variation in the method of calculating the amount of any payment in respect of the Notes on redemption or maturity; (ii) change in the currency in which amounts due in respect of the Notes are payable; (iii) approval of the modification or abrogation of any of the provisions of these Conditions; (iv) approval of any amendment to this definition; (v) approval of any modification or abrogation of any provisions of any Guarantee or the substitution of any Guarantor; and (vi) approval of any other matter in respect of which these Conditions require an Extraordinary Resolution to be passed;

“Final Redemption Amount” means 50% of the principal nominal amount of the Notes;

“First Interest Payment Date” means 23 July 2020, provided that if it falls on a date which is not a Business Day then the relevant payment will be made on the following Business Day;

“Group” means the Issuer and its Subsidiaries;

“Guarantee” means the irrevocable guarantee granted by each of the Guarantors in relation to the Notes, as foreseen in Condition 10 (*Guarantors: Personal Guarantee*);

“Guarantors” means each of EFACEC Energia – Máquinas e Equipamentos Eléctricos, S.A.,

EFACEC Engenharia e Sistemas, S.A. and EFACEC Electric Mobility, S.A.

“Indebtedness for Borrowed Money” means (i) any indebtedness (whether being principal, premium interest or any other amounts) for or in respect of notes, bonds, debentures, debenture stock, loan stock or other securities; or (ii) any borrowed money, in each case other than Intra-Group Indebtedness and shareholder’s loans;

“Interbolsa” means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as management entity of the CVM;

“Interest Payment Date” means the First Interest Payment Date and the date that falls every 12 (twelve) months after the First Interest Payment Date (up to and including the Maturity Date), provided that if an Interest Payment Date falls on a date which is not a Business Day then the relevant payment will be made on the following Business Day;

“Interest Period” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the First Interest Payment Date or the next Interest Payment Date, as the case may be;

“Interest Rate” means the rate of interest applicable to the Notes for each Interest Period, as determined pursuant to Condition 6 (*Interest*);

“Intra-Group Indebtedness” means money borrowed by one entity within the Group from another entity within the Group;

“Issue Date” means 23 July 2019;

“MARF” means the Spanish Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*);

“Material Assets” means, with respect to any date, the real estate assets of the Issuer and its Material Subsidiaries;

“Material Subsidiary” means any Subsidiary whose EBITDA, according to the latest audited annual accounts approved by the general meeting, represents at least 10 per cent. of the consolidated EBITDA of the Issuer (according to the latest audited consolidated annual accounts approved by the general meeting);

“Material Subsidiary Sale” means the sale of more than 50 per cent. of the shares of any Material Subsidiary;

“Maturity Date” [means the date falling within the maximum of 5 Business Days after the Completion](#) ~~means the Interest Payment Date falling on 23 July 2024;~~

“Net Debt To EBITDA Ratio” means, on any date, the ratio of (i) Consolidated Net Debt to (ii) Consolidated EBITDA;

“Noteholder” means each person shown in the individual securities accounts of an Affiliate Member of Interbolsa as having an interest in the Notes;

“Paying Agency Agreement” means the agreement entered into by the Issuer and the Paying Agent, and dated on or about the Issue Date;

“Portuguese Commercial Companies Code” means Decree-Law no. 262/86, of 2 September, as amended from time to time;

“Paying Agent” means Banco Comercial Português, S.A.;

“Portuguese Securities Code” means Decree-Law no. 486/99, of 13 November, as amended from time to time;

“Principal Amount Outstanding” means, on any day, (i) in relation to a Note, the principal amount of that Note upon issue; and (ii) in relation to the Notes outstanding at any time, the aggregate amount of (i) with respect to all Notes outstanding;

“Relevant Period” means a period of 12 (twelve) months ending on the last day of a financial year, as relevant;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest (*“garantia real”*), including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, created upon the entirety or any part of the Issuer’s undertakings or assets, present or future, which represent more than 25 (twenty-five) per cent. of its consolidated net assets, except:

- (i) security existing as at the date hereof and any that is or will be created to secure obligations of the Issuer arising in connection with the Notes;
- (ii) security created with the prior consent of the Noteholders, granted through an Extraordinary Resolution of Noteholders;
- (iii) security created upon assets to be acquired by the Issuer or for its benefit, to the extent that (i) the relevant acquisition does not correspond to a mere substitution of assets, it being understood that the investment in assets forming part of the real estate of the Issuer, but which are obsolete or deteriorated, will not be deemed a mere substitution of assets, and (ii) the security is created to secure the payment of the relevant price or is otherwise associated with any credit extended for such

purpose; and

- (iv) Security Interest securing any indebtedness incurred in relation to any asset for the purpose of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset, where the financial institutions to whom such indebtedness is owed have recourse solely to the applicable project borrower and/or such asset and/or the shares held in such project borrower and any similar transaction in nature.

To this effect, consolidated net assets (“*ativo líquido consolidado*”) means the total assets as evidenced by the consolidated financial position statement (“*demonstração da posição financeira consolidada*”);

“**Specified Denomination**” has the meaning given to that term in Condition 1 (*Form, Denomination, Price and Status*) above;

“**Subsidiary**” means any entity that, from time to time, the Issuer (i) owns, directly or indirectly, more than 50 (fifty) per cent. of its share capital or similar rights of ownership; or (ii) owns or is able to exercise, directly or indirectly, more than 50 (fifty) per cent. of the voting rights; or (iii) has the right to appoint the majority of the members of its Board of Directors; and, in each case, when such entity is within the accounting consolidation perimeter of the Issuer in accordance with the accounting principles and rules approved by the European Union;

“**Dealer Agreement**” means the agreement entered into by the Issuer, the Coordinators, the Dealer and the Co-Dealer, dated on or about the Issue Date;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open; and

“**Total Assets**” means the sum of the current and non-current assets as described under Section VI (*Consolidated Financial information of the Issuer*).

4. COVENANTS AND UNDERTAKINGS

4.1. Issuer General Obligation

So long as any Note remains outstanding, the Issuer shall comply, at all times, with the legal regulations and contractual obligations that apply to it in every jurisdiction, and with all payment obligations regarding the payment of principal and interest on the Notes.

4.2. Authorisations

The Issuer has obtained and shall comply with the terms of, and do all that is necessary to maintain in full force and effect, any authorisations, approvals, licenses, resolutions, exemptions, notarizations, registrations and consents required pursuant to Portuguese law to enable it to lawfully enter into and perform its obligations under the Terms and Conditions, the Notes and the Paying Agency Agreement, and to ensure the legality, validity, enforceability or admissibility in evidence in the Republic of Portugal of the Terms and Conditions, and/or the Notes.

4.3. Trading of the Notes on the multilateral trading facility of MARF

So long as the Notes remain outstanding, the Issuer shall perform each and every action available to it to ensure the continued trading of the Notes on MARF or on any other multilateral trading facility as the Issuer and the Noteholders may agree from time to time.

4.4. Negative pledge

So long as the Notes remain outstanding, the Issuer shall not create or permit to subsist any Security Interest upon their Material Assets to secure any Indebtedness without at the same time, or prior thereto, (a) securing the Notes through the creation of equivalent Security Interest in favour of the Noteholders or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of the Noteholders.

4.5. *Pari Passu* Ranking

Without prejudice to the guarantee provided by the Guarantors with respect to the Notes, the Issuer shall ensure that the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured obligations of the Issuer subject to any laws affecting the rights of creditors generally.

4.6. Financial Covenants

So long as any Note remains outstanding, the Issuer must ensure that: (i) in respect to the Relevant Period ending on 31 December 2023, its Net Debt To EBITDA Ratio is equal to, or below, 4,5x.

4.7. Disposal of assets

So long as any Note remains outstanding, the Issuer will not, and will not cause or permit any of its Material Subsidiaries to, sell or otherwise transfer all or a substantial part of its assets if such transaction would result in a disposal exceeding 10 (ten) per cent. of the

Total Assets.

Notwithstanding the above, any sale or transfer of assets by the Issuer or by its Material Subsidiaries shall be carried out (i) in the ordinary course of business or (ii) on an arm's length basis.

4.8. Sale of Material Subsidiaries

So long as any Note remains outstanding, the Issuer undertakes not to carry out a Material Subsidiary Sale.

5. CHANGE OF CONTROL

If a Change of Control occurs, then the Issuer shall, without undue delay and after becoming aware thereof, give notice of the Change of Control (a "**Put Event Notice**") to the Noteholders in accordance with Condition 17 (*Notices*), specifying the nature of the Change of Control.

If a Change of Control (which is not considered an Event of Default) occurs, each Noteholder may, having given not less than 15 (fifteen) nor more than 30 (thirty) days' notice as from the date on which the Change of Control has been notified by the Issuer to the Noteholders in accordance with Condition 17 or, in the absence of such notice, as from the date on which the relevant Noteholder becomes aware of the Change of Control, shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of), in whole or in part, all of the Notes then outstanding held by such Noteholder at 100 per cent. of their nominal amount on the 15th (fifteenth) day as from the date of delivery of the relevant notice, with interest accrued to (but excluding) the relevant redemption date. (the "**Put Option**").

To exercise the right to require redemption of the Notes under this Condition 5, the relevant Noteholder must deliver, at the specified office of the Portuguese Paying Agent at any time during normal business hours, a duly completed and signed notice of exercise in the form obtainable from any specified office of the Portuguese Paying Agent and attached as a schedule to the Paying Agency Agreement (a "**Put Notice**"). The relevant Noteholder shall specify/complete/provide such information as required in the form of put notice as attached to the Paying Agency Agreement, including a certificate of ownership and blocking issued by the relevant Affiliate Member of Interbolsa through which the Notes are held. Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable.

To exercise the Put Option, a Noteholder must, within the Put Period, block the relevant Note(s), or instruct CVM or its Affiliate Member of Interbolsa to block such Note(s), and deposit a duly signed and completed notice of exercise, in the then current form, obtainable from the specified office of the Paying Agent and attached as a schedule to the Paying Agency Agreement (a “**Put Notice**”) and in which the Noteholder must specify a bank account to which payment is to be made under this Condition 5 (*Change of Control*), at the specified office of the Paying Agent, during normal business hours (on any business day) in the city of the specified office of the Paying Agent.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the “**Put Date**”) falling seven days after the expiration of the Put Period, unless such Notes are previously redeemed or purchased and cancelled. A Put Notice, once given, shall be irrevocable.

6. INTEREST

6.1. Interest ~~Payment Dates. Interest period~~

The Notes will not bear interest between 23 July 2023 and the Maturity Date. For the avoidance of doubt, no interest will be payable under the Notes, other than the interest that has already been paid by the Issuer and any potential default interest due under the terms set forth in Condition 6.2.

~~The Notes bear interest from and including 23 July 2019 (the “**Issue Date**”) at the rate established in Condition 6.2 (*Interest Rate*) below, payable annually in arrears on 23 July of each year (each, an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 23 July 2020 and ending on 23 July 2024 (the “**Maturity Date**”), subject as provided in Condition 9 (*Payments*). For the sake of clarity, the First Interest Payment Date will be 23 July 2020 and the last Interest Payment Date will be 23 July 2024.~~

~~For the purposes of calculating the applicable interest, the time between the Issue Date and the Maturity Date of the issue will be deemed to be divided into successive interest periods (each an “**Interest Period**”), with a duration adjusted as follows:~~

- ~~(a) Interest Periods will have a term of twelve months;~~
- ~~(b) The first Interest Period will start on 23 July 2019;~~
- ~~(c) At the end of each Interest Period a new Interest Period shall begin;~~
- ~~(d) The computation of each Interest Period takes into account the preceding Interest Payment Date (or, if none, the Issue Date) included, but excluding the next Interest~~

Payment Date;

~~(e) For computation of the Interest Period, if the last day thereof is not a Business Day, the end of the relevant Interest Period shall be deemed to fall on the very next Business Day;~~

~~(f) Each Note will cease to bear interest, where such Note is being redeemed or repaid pursuant to Condition 8 (Redemption and Purchase) or Condition 12 (Events of Default), from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Notes is improperly withheld or refused, in which event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder, and (ii) the day falling seven (7) days after the Paying Agent has notified Noteholders of the receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is any failure in the subsequent payment to the relevant Holders under these Conditions).~~

~~If interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, it shall be calculated by applying the corresponding interest rate established in Condition 6.2 (Interest Rate) below to the Specified Denomination, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:~~

~~“Day Count Fraction” means, in respect of any period, the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Regular Period in which the relevant period falls; and~~

~~“Regular Period” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.~~

~~In accordance with the above, interest on the Notes will accrue daily on an Actual/Actual ICMA basis.~~

6.2. Interest rate

~~The interest rate applicable to the Notes shall be a fixed rate equal to 4.5% per annum (the “Fixed Interest Rate”).~~

6.3.6.2. Default Interest

Default interest on overdue principal on the Notes, if any, will accrue from the due date up to the date of actual payment at a rate of 5.5% per annum. ~~on overdue principal and interest on the Notes, if any, will accrue from the due date up to the date of actual payment at a rate of 1 (one) per cent. higher than the interest rate then applicable to the Notes.~~

7. PLACEMENT OF THE NOTES

The Issue of the Notes was subject to private placement among professional clients and eligible counterparties by the Dealer, which signed a placement contract with the Issuer.

Immediately after the close of the placement period, the Dealer notified the Issuer of the amount of the Notes placed by them, so that the Issuer could request the registration of the Notes in the register of Interbolsa.

Neither the Dealer nor any other entity assumed underwriting commitments with the Issue.

8. REDEMPTION AND PURCHASE

8.1. Final redemption

Unless previously purchased and cancelled or redeemed as provided herein, the Notes will be redeemed at the Final Redemption Amount on the Maturity Date. The payment of the Final Redemption Amount shall extinguish any and all obligations regarding payment of principal and interest or any other amounts of whatsoever nature due by the Issuer or by any Guarantor in respect of the Notes. ~~the Notes will be redeemed at their principal amount on the Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 8 (Redemption and Purchase).~~

8.2. No other redemption

The Issuer shall not be entitled to redeem the Notes other than as provided in Condition 8.1 (*Final redemption*), except in accordance with Condition 8.3 (*Purchase*) below.

8.3. Purchase

Subject to the applicable laws and regulations in force from time to time, the Issuer may, at any time, purchase Notes in the secondary market or otherwise at any price.

Subject to the applicable laws and regulations in force from time to time, such Notes may be held, re-sold or, at the option of the relevant purchaser, cancelled and, while held by or on behalf of the Issuer, the Notes shall not entitle the holder to vote at any meetings

of Noteholders, and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 15 (*Meetings of Noteholders*).

8.4 Cancellation

All Notes redeemed will forthwith be cancelled in accordance with Interbolsa's regulations. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.3 (*Purchase*) above shall be cancelled by Interbolsa and cannot be held, reissued or resold.

8.5 Notice of redemption

All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice, in accordance with this Condition.

9. PAYMENTS

9.1 Principal and interest

Payment in respect of the Notes will be (i) credited, according to the procedures and regulations of Interbolsa, as operator of the Portuguese central securities clearing system (Central de Valores Mobiliários), to TARGET2 payment current accounts held in the payment system of TARGET2 by financial intermediaries for the purposes of the Portuguese Securities Code, and which are entitled to hold control accounts with Interbolsa on behalf of holders of the Notes (each, an "**Affiliate Member of Interbolsa**") whose accounts with Interbolsa are credited with such Notes, thereafter (ii) credited by such Affiliate Members of Interbolsa from the respective above mentioned payment current accounts to the accounts of the Noteholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be .

All payments to be made by the Issuer in connection with the Notes will be net and will therefore be made free of any deductions, set offs or counterclaims.

9.2 Notification of non-payment

If the Issuer determines that it will not be able to pay the full amount of principal and/or interest in respect of the Notes on the relevant due date, the Issuer will, in accordance with Condition 17 (*Notices*), promptly give notice to the Noteholders of its inability to make such payment.

9.3 Notification of late payment

If the Issuer expects to pay the full amount in respect of the Notes on a date later than the date on which such payments are due, the Issuer will, in accordance with Condition 17 (*Notices*), give notice of such late payment to the Noteholders and MARF.

9.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject, in all cases, to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of these Conditions.

9.5 Payments on Business Days

Where payment is to be made by transfer to a euro account (or other account to which euros may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

10. GUARANTORS: PERSONAL GUARANTEE

Without prejudice to the universal liability of the Issuer, the payment of principal and interest in respect of the Notes outstanding from time to time is and will be unconditionally and irrevocably guaranteed by a personal guarantee (the “**Guarantee**”) granted by the Guarantors.

The obligations guaranteed by the Guarantee shall be all current and future obligations due, payable or incurred at any time by the Issuer against the Noteholders, either jointly or separately, and as principal or guarantee or in any other capacity.

The intent and purpose of the Guarantee is to ensure that the holders of the Notes, under all circumstances and regardless of the factual or legal circumstances, motives or considerations by reason of which the Issuer may fail to effect payment, shall receive the amounts payable on the due dates provided for in these Terms and Conditions.

The obligations of the Guarantors under the Guarantee constitute direct, unconditional, irrevocable and unsecured obligations of the relevant Guarantor and rank, and will rank, at least *pari passu* among themselves and with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future.

The main features of each of the Guarantors are described below:

EFACEC Energia – Máquinas e Equipamentos Eléctricos, S.A.

- (a) Corporate domicile: Lugar da Arroteia, 4465-587 – Leça do Balio, parish of Custóias, Leça do Balio e Guifões, municipality of Matosinhos, district of Oporto, Portugal;
- (b) Corporate purpose: 1. Exercise of industry, trade, installation, repair and maintenance of electrical and mechanical material, namely those destined to energy production and distribution; 2. Study, development, design, project, production, trade, installation and maintenance of systems, electronic, electric and electromechanical equipment and installations, telecommunications and software, for various industrial areas and services; 3. Provision of management, command and control systems of electric networks and industrial premises; 4. Development, production and trade of electronic circuits and boards; 5. The company is also dedicated to the provision of vocational training services;
- (c) Registration details: a limited liability company incorporated and validly existing under Portuguese law, with head office at Lugar da Arroteia, 4465-587 – Leça do Balio, Matosinhos, district of Oporto, Portugal, is registered with the Commercial Registry Office of Oporto under registration and tax number 504 040 847.

EFACEC Engenharia e Sistemas, S.A.

- (a) Corporate domicile: Rua Engenheiro Fernando Ulrich, Guardedeiras, 4470-605 – Maia, parish of Moreira, municipality of Maia, district of Oporto, Portugal;
- (b) Corporate purpose: The company's object consists: a) in the study, development, design, project, production, trade, installation and maintenance of equipment and electronic, electrical and electromechanical systems, of telecommunications and software, for several industrial sectors and of services, in execution of public and private works; b) in activity on engineering and civil construction, c) in supply of management systems, command and control of electrical power grids and industrial premises; d) in the production and trade of automation systems, robotisation and automatic storage; e) carrying out installations of air-conditioning, gas distribution networks, communication networks, dust removal, networks and water treatment facilities and sewage and industrial waste waters and other anti-pollution systems, including the production of equipments needed for the purpose; f) in provision of services of exploitation of sewerage service systems;
- (c) Registration details: a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua Engenheiro Fernando Ulrich,

Guardeiras, 4470-605 – Maia, district of Oporto Portugal, is registered with the Commercial Registry Office of Maia under registration and tax number 502 533 447.

EFACEC Electric Mobility, S.A.

- (a) Corporate domicile: Rua Engenheiro Fernando Ulrich, Guardaeras, 4470-605 – Maia, parish of Moreira, municipality of Maia, district of Oporto, Portugal;
- (b) Corporate purpose: Development, project, production, trade, installation and maintenance of equipment and power electronics systems for various industrial sectors and services;
- (c) Registration details: a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua Engenheiro Fernando Ulrich, Guardaeras, 4470-605 – Maia, district of Oporto Portugal, is registered with the Commercial Registry Office, entity with all documents deposit in electronic format, under registration and tax number 502 533 447.

11. TAXATION

11.1. Payments of Interest without Withholding or Deduction

All payments in respect of the Notes made by or on behalf of the Issuer will be made without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of a Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law.

In such event, the Issuer will pay such additional amounts to ensure the receipt, by the relevant Beneficiaries, of the amounts they would have been received had no such withholding or deduction been required, except that no additional amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Beneficiary who is liable for Taxes in respect of the Note by reason of having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (b) to, or to a third party on behalf of, a Beneficiary in respect of whom the information required in order to comply with Decree-Law no. 193/2005, of 7 November 2005, as amended (“**Debt Securities Taxation Act**”), and any implementing legislation, is not received by the Affiliate Member of Interbolsa with which securities are registered in the name of the Beneficiary, no later than the second Business Day

- prior to the Relevant Date (as defined in Condition 11.2(a)), or which does not comply with the formalities to benefit from tax treaty benefits, when applicable; or
- (c) to, or to a third party on behalf of, a Beneficiary (i) resident for tax purposes in the Relevant Jurisdiction, or when the investment income is imputable to a permanent establishment of the Beneficiary located in Portuguese territory, or (ii) resident in a tax haven jurisdiction, as defined in Ministerial Order (“**Portaria**”) 150/2004, of 13 February 2004, as amended by Ministerial Order No. 292/2011, of 8 November 2011, and by Ministerial Order No. 345-A/2016, of 30 December 2016, with the exception of (a) central banks and governmental agencies, as well as international institutions recognised by the Relevant Jurisdiction, of those tax haven jurisdictions; and (b) tax haven jurisdictions which have a double taxation treaty or a tax information exchange agreement in force with the Relevant Jurisdiction; and/or
- (d) to, or to a third party on behalf of, (i) a Portuguese resident legal entity subject to Portuguese corporate income tax, with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions, or (ii) a legal entity not resident in Portuguese territory acting with respect to the holding of the Notes through a permanent establishment in Portuguese territory, with the exception of entities that benefit from a waiver of Portuguese withholding tax (for the avoidance of doubt, an Affiliate of Interbolsa holding Notes on behalf of a Noteholder should not be considered as having a permanent establishment in Portuguese territory).

11.2. Interpretation

In these Conditions:

- (a) “**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Paying Agents on or before the due date, it means the date on which, the full amount of the money having been received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 9 (*Payments*);
- (b) “**Relevant Jurisdiction**” means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, to which the Issuer, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes; and

- (c) “**Beneficiary**” means the holder of the Notes who is the effective beneficiary of the income arising thereto.

11.3. Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed to also refer to any additional amounts which may be payable under this Condition 11 (*Taxation*) or under any undertakings given in addition to, or in substitution for, this Condition 11 (*Taxation*).

12. EVENTS OF DEFAULT

12.1. Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing:

- (a) *Non-payment*: The Issuer fails to pay, on the relevant due date, any amount of principal or interest in respect of any of the Notes or any of the Guarantors fails to pay any amount of principal or interest under the Guarantee and such failure continues for a period of 7 (seven) days after the Maturity Date, in the case of principal, and 14 (fourteen) days after the relevant Interest Payment Date, in the case of interest; or
- (b) *Breach of other obligations or undertakings*: The Issuer defaults on the performance or observance of any of its other obligations or undertakings under or in respect of the Notes and such default (if capable of remedy) remains unremedied for a period of 30 (thirty) calendar days (or a longer period allowed by the common representative of the Noteholders (if any) or by the Noteholders) after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer; or
- (c) *Breach of financial covenant*: Any requirement of Condition 4.6 (*Financial Covenants*), if applicable, is not satisfied, provided that no Event of Default under this paragraph will occur as a result of failure to comply with the financial covenants specified in Condition 4.6 (*Financial Covenants*) if such failure is cured, as evidenced by a certificate signed by two (2) of its directors, attorneys or senior officers on its behalf, delivered after a period of 180 (one hundred and eighty) days from the date on which the Net Debt To EBITDA Ratio has been breached; or
- (d) *Guarantee*: The Guarantee is or becomes inexistent, invalid, ineffective or unenforceable, or is or becomes not (or is claimed by the relevant Guarantor not to

- be) in full force and effect; or
- (e) *Cross-default of Issuer or Material Subsidiary*: The occurrence of an event of default in respect of any Indebtedness for Borrowed Money of the Issuer or a Material Subsidiary, provided that the amount in question exceeds €5,000,000.00 (or its equivalent in another currency), considered individually or in aggregate; or
- (f) *Insolvency, etc.*: Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Material Subsidiary;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer or any Material Subsidiary;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary;
 - (iv) enforcement of any Security over the generality of the assets of the Issuer or any Material Subsidiary; or
 - (v) any analogous procedure or step is taken in any jurisdiction;
- (g) *Cessation of business*: The Issuer or any Material Subsidiary ceases, or threatens to cease, to carry on all or substantially all of its business or operations, except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Noteholders; or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Material Subsidiaries; or
- (h) *Failure to take action*: Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the Notes; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the Notes

admissible in evidence in the courts of Portugal, is not taken, fulfilled or done; or

- (i) *Analogous events*: The occurrence of any event which the Issuer has, directly or indirectly, caused and which, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or
- (j) *Unlawfulness*: It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes;

then any Note may, by notice in writing given to the Issuer by (i) the Common Representative acting upon a resolution of the Noteholders, in respect of all Notes, or (ii) unless there has been a resolution to the contrary by the Noteholders, any Noteholder in respect of such Note, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount, together with accrued interest, without further action or formality.

12.2. Issuer to inform

Immediately upon becoming aware of the occurrence of an Event of Default, or of any event likely to cause an Event of Default, the Issuer shall forthwith notify the Noteholders and the Common Representative, with copy to the Paying Agent and MARF.

13. PRESCRIPTION

Claims against the Issuer for principal and interest in respect of the Notes shall become void unless made within a period of 20 (twenty) years, in the case of principal, and 5 (five) years, in the case of interest, from the Relevant Date (as defined in Condition 11.2(a)) in respect of the Notes.

14. PAYING AGENT

When acting under the Paying Agency Agreement and in connection with the Notes, the Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards, or relationship of agency or trust for or with, any of the Noteholders.

The Paying Agent and its initial specified office is Banco Comercial Português, S.A..

The Issuer reserves the right to, at any time, vary or terminate the appointment of any Paying Agent and to appoint a successor agent, and additional or successor agents, provided, however, that:

- (i) the Issuer shall at all times maintain a paying agent;

- (ii) so long as the Notes are held through Interbolsa, there will at all times be a paying agent with a specified office in such place of registration and complying with any requirements that may be imposed by the rules and regulations of Interbolsa; and
- (iii) so long as the Notes are listed on any stock exchange, or listed or admitted to trading by any competent authority, multilateral trading facility and/or quotation system which requires the appointment of a paying agent in any particular place, there will at all times be a paying agent with a specified office in such place, as may be required by the rules and regulations of the relevant competent authority, multilateral trading facility and/or quotation system.

Notice of any change in the Paying Agent or in its specified offices shall promptly be given to the Noteholders and MARF.

15. MEETING OF NOTEHOLDERS; MODIFICATION AND WAIVER

15.1. Meetings of Noteholders

Meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation of any of these Conditions by Extraordinary Resolution and the appointment or dismissal of a common representative, are governed by the Portuguese Commercial Companies Code.

15.2. Request for Meetings

Meetings may be convened by a common representative (if any), or by the chairman of the general meeting of shareholders of the Issuer before the appointment of, or in case of refusal to convene the meeting by, a common representative, and when the common representative and the chairman of the general meeting of shareholders refuse to convene a meeting, Noteholders holding not less than five (5) per cent. in principal amount of the Notes for the time being outstanding may petition the court to order the convening of a meeting.

15.3. Quorum

The quorum required for a convened meeting to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing the Notes then outstanding, regardless of the principal amount thereof; and an Extraordinary Resolution will require the attendance of a person or persons holding or representing at least fifty (50) per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, the attendance of a person or persons holding or representing the

Notes then outstanding, regardless of the principal amount thereof.

15.4. Majorities

The majority required to pass a resolution other than an Extraordinary Resolution is the majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain provisions of these Conditions, is of at least fifty (50) per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, two thirds (2/3) of the votes cast at the relevant meeting.

Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they were present at the meeting or voted against the approved resolutions.

Resolutions involving the increase of charges for Noteholders require unanimity to be approved.

15.5. Appointment, dismissal and substitution of common representative

Pursuant to, and in accordance with, the relevant provisions of the Portuguese Commercial Companies Code, Bondholders, S.L. has been appointed as Common Representative on or about the Issue Date.

The dismissal and substitution of the common representative, pursuant to the relevant provisions of the Portuguese Commercial Companies Code, shall be made by way of a resolution passed by the Noteholders for such purpose, pursuant to these Conditions and the relevant provisions of the Portuguese Commercial Companies Code. Each of the Noteholders may also request a court to dismiss (for cause) the Common Representative.

All fees, commissions and expenses related to the functions of the Common Representative shall be borne by the Issuer.

15.6. Notification to the Noteholders

Any modification, abrogation, waiver or authorisation, in accordance with this Condition 15 (*Meetings of Noteholders*), shall be binding on all Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter, in accordance with Condition 17.1. (*Notices to Noteholders*).

15.7. Resolutions bind all Noteholders

A Resolution approved at any meeting of Noteholders shall be binding on all holders of

Notes, whether or not they were present at the meeting.

16. FURTHER ISSUES

The Issuer may, from time to time, subject to the Conditions and without the Noteholders' consent, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and also the same Common Representative (if one has been appointed), so as to form a single series with the Notes.

17. NOTICES

17.1. Notices to Noteholders

So long as the Notes are admitted (*incorporadas*) to trading on MARF, notices to the Noteholders will be published in the official website of MARF. Any such notice will be deemed to have been given on the date of the first publication.

In addition, notices to the Noteholders shall be valid if made by registered mail, by publication in a leading newspaper having general circulation in Portugal, or by any other means which complies with the Portuguese Securities Code and Interbolsa's rules on notices to investors, including the disclosure of information through the official website of the CMVM. Any such notice shall be deemed to have been given on the date of first publication (or, if required to be published in more than one newspaper, on the first date on which it was published in all the required newspapers) or, if applicable, on the day after being mailed.

17.2. Notices to the Common Representative

Copies of any notice given to any Noteholder will also be given to the Common Representative.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1. Governing law

The Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and will be construed in accordance with, Portuguese law.

18.2. Jurisdiction

The courts of Lisbon, Portugal, shall have jurisdiction to settle any disputes arising out of or in connection with the Notes.

