

**NON-BINDING DECLARATION OF SUPPORT FOR  
KEY ELEMENTS FOR A SETTLEMENT PLAN PURSUANT TO ART. 43 EA ACT  
("KEY ELEMENTS")**

Agrokor d.d., the members of the interim creditors' council ("**ICC**") as well as certain pre-petition creditors, each of them having signed the Key Elements below (together the "**Undersigned**"), have been in discussions with the objective of reaching a joint approach on the restructuring of the Agrokor Group. The current status of those discussions is reflected in the Key Elements.

The Undersigned support, in principle, the Key Elements as an acceptable framework for the restructuring of Agrokor Group and of its liabilities. They each currently intend to support the further negotiation and drafting of the Settlement Plan according to the process set forth in the EA Act including the ancillary documents in line with the Key Elements.

For the avoidance of doubt, the terms summarised in this document are not binding and are indicative only and each of the Undersigned remains free to take any decision independently (and subject always to due diligence, satisfactory documentation and the approval of its governance bodies such as a credit committee or other applicable body), without prejudice or limitation by this declaration of support. This declaration of support is made by each of the Undersigned without prejudice or limitation to its rights in any litigation or other proceedings anywhere in the world and shall not be used in any court or other proceedings against any of the Undersigned, but may be disclosed to courts as necessary for the implementation of the settlement plan in accordance with the EA Act.

**BACKGROUND OF KEY ELEMENTS**

Based on the application of Agrokor d.d. dated 7 April 2017, on 10 April 2017 and under file no. 47.St-1138/17 and by further decisions, the Commercial Court of Zagreb opened extraordinary administration proceedings under the Law on Extraordinary Administration Proceeding in Companies of Systemic Importance for the Republic of Croatia ("**EA Act**") over Agrokor d.d. and certain of<sup>1</sup> its direct and indirect Croatian subsidiaries and affiliates (the "**Current Croatian Subsidiaries**"; and together with Agrokor d.d. the "**EA Group**"; Agrokor d.d. and all of its Croatian and non-Croatian subsidiaries "**Agrokor Group**").

Agrokor d.d. intends to propose a settlement plan for the EA Group under Article 43 of the EA Act ("**Settlement Plan**"; the settlement to be proposed the "**Settlement**").

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<sup>1</sup> Certain Croatian subsidiaries have not triggered the EA Act's shareholding and control requirements for the opening of the extraordinary administration. They will be addressed as assets of the relevant parent company that is part of the EA Group.

## KEY RESTRUCTURING TERMS

The Settlement Plan will *inter alia* provide for the following:

### A. Corporate Structure

#### 1. New Holding Structure

New Holding Companies		
<b>a.</b>	<b>New Investors</b>	<ul style="list-style-type: none"> <li>– New Dutch holding company structure economically held by pre-petition creditors as new equity investors and new debt investors (the “<b>New Investors</b>”) upon full and final implementation of the Settlement (the date of such implementation being the “<b>Settlement Effective Date</b>”)</li> <li>– Economic status of existing direct and indirect shareholders of Agrokor d.d. legally formalised at the Settlement Effective Date as being left behind in the old structure</li> <li>– The holding companies of the New Group, consisting of a Dutch stichting (“<i>Stichting Administratiekantoor</i>”, “<b>STAK</b>”), Dutch TopCo, Dutch HoldCo and Croatian HoldCo (each as defined below), are together referred to herein as the “<b>Holding Companies</b>”</li> </ul>
<b>b.</b>	<b>Dutch TopCo<sup>2</sup></b>	<ul style="list-style-type: none"> <li>– New Dutch entity (“<b>Dutch TopCo</b>”) to be established as the parent of the new group (“<b>New Group</b>”); ultimately solely (economically) held by the New Investors</li> <li>– Legal form: Dutch private limited liability company (B.V.)</li> <li>– Equity (ordinary shares) in Dutch TopCo to be held by STAK on behalf of all the DR Holders (as defined below); STAK will issue depositary receipts (“<b>DRs</b>”) in respect of the shares it holds in Dutch TopCo</li> <li>– Voting and governance rights in relation to Dutch TopCo to be vested entirely in STAK</li> <li>– Direct parent of Dutch HoldCo</li> </ul>
<b>c.</b>	<b>Dutch HoldCo</b>	<ul style="list-style-type: none"> <li>– Intermediate entity (“<b>Dutch HoldCo</b>”) as a wholly-owned subsidiary of Dutch TopCo and direct parent of</li> </ul>

<sup>2</sup> Structure subject to further legal and tax analysis.

		<p>Croatian HoldCo</p> <ul style="list-style-type: none"> <li>– Legal form: Dutch private limited liability company (B.V.)</li> </ul>
<b>d.</b>	<b>Croatian HoldCo</b>	<ul style="list-style-type: none"> <li>– New Croatian holding company with its seat in Zagreb (“<b>Croatian HoldCo</b>”)</li> <li>– Legal form: Croatian joint stock corporation (d.d.)</li> <li>– Purpose: to be established as the wholly-owned subsidiary of Dutch HoldCo and parent and holding company of all operating subsidiaries (“<b>OpCos</b>”) and to receive business units (including assets) of Agrokor d.d. (applying the principles set out under Cl. A.2.b. accordingly)</li> </ul>

## 2. New OpCo Structure<sup>3 4</sup>

<b>a.</b>	<b>Establishment of New Croatian Subsidiaries<sup>5</sup></b>	<ul style="list-style-type: none"> <li>– New Croatian subsidiaries (“<b>New Croatian Subsidiaries</b>”) in the form of limited liability companies (d.o.o.) to be established as direct subsidiaries of Croatian HoldCo for each Current Croatian Subsidiary that is insolvent as determined per Cl. A.2.d (the “<b>Insolvent Croatian Subsidiaries</b>”)</li> </ul>
<b>b.</b>	<b>Transfer of Assets and Post-Petition Liabilities<sup>6 7</sup></b>	<ul style="list-style-type: none"> <li>– Core assets of the Insolvent Croatian Subsidiaries to be transferred at fair market value to the respective mirror New Croatian Subsidiaries pursuant to the Settlement as business units (consisting of assets and post-petition liabilities<sup>8</sup> as appropriate);<sup>9</sup> consideration to be set off against pre-petition claims that will have been assigned to the New Group in the same amount</li> <li>– Material non-core assets of the Insolvent Croatian Subsidiaries to be transferred to appropriate subsidiary (not necessarily mirror subsidiary) in the New Group</li> <li>– Purpose: ensures going concern post-settlement free</li> </ul>

<sup>3</sup> Details on potential MTO issues to follow.

<sup>4</sup> Details on CoC issues and existing minority shareholder consent rights to follow.

<sup>5</sup> Pro forma capital structure of New Croatian Subsidiaries to follow.

<sup>6</sup> Wording to be aligned with terminology agreed with and signed off by the tax authorities.

<sup>7</sup> To be ensured that the registers / registry courts can make the requisite changes following the asset transfers based on the Settlement Plan.

<sup>8</sup> List of claims to be provided to the ICC and subject to due diligence.

<sup>9</sup> Budget for wind-down of the old group to be agreed.

		of legacy liabilities (pre-petition known and unknown claims); Agrokor Group's current third party shareholders, share pledges and repo claims are removed or disenfranchised in line with the determination pursuant to Cl. A.2.d. Also ensures that the old structure is ring-fenced from, and with no cross-guarantees/cross-collateral from the new structure implemented pursuant to the Settlement
<b>c.</b>	<b>Transfer of Shares<sup>10</sup></b>	<ul style="list-style-type: none"> <li>– Assets of Current Croatian Subsidiaries that are solvent as determined per Cl. A.2.d (the “<b>Solvent Croatian Subsidiaries</b>”) to remain unaffected by the Settlement</li> <li>– Agrokor Group's shares in Solvent Croatian Subsidiaries to be transferred at fair market value to Croatian HoldCo pursuant to the Settlement Plan; minority and majority shareholders and creditors of each such Solvent Croatian Subsidiary to stay in place unaffected<sup>11</sup></li> <li>– Croatian HoldCo<sup>12</sup> to acquire the shares in Agrokor d.d.'s non-Croatian subsidiaries (“<b>Foreign Subsidiaries</b>”); minority and majority shareholders and creditors of each such Foreign Subsidiary to stay in place unaffected<sup>13 14</sup></li> </ul>
<b>d.</b>	<b>Determination of Solvent and Insolvent Croatian Subsidiaries</b>	– Solvency vs insolvency of each EA Group entity to be determined based on equity settlement recovery and entity viability test
<b>e.</b>	<b>Non-Performing Current Croatian Subsidiaries<sup>15</sup></b>	<ul style="list-style-type: none"> <li>– Shares in subsidiaries with de-minimis assets only, i.e. non-viable entities (the “<b>Non-Performing Subsidiaries</b>”), to remain in old structure for liquidation</li> <li>– Insolvent Croatian Subsidiaries and Non-Performing Subsidiaries following asset transfers or, as the case may be, with non-performing assets ultimately to be</li> </ul>

<sup>10</sup> See Fn. 6.

<sup>11</sup> Stakeholders of Solvent Croatian Subsidiaries will not become New Investors in this capacity as they are unimpaired.

<sup>12</sup> Subject to further legal and tax analysis.

<sup>13</sup> Stakeholders of Foreign Subsidiaries will not become New Investors in this capacity as they are not subject to the EA Act.

<sup>14</sup> Transfer of Foreign Subsidiaries requires respective local law arrangements in addition to the Settlement. Details will be provided in the steps plan. Will be linked to the Settlement.

<sup>15</sup> See Fn. 6.

		liquidated and / or deregistered
<b>f.</b>	<b>Transfer of Real Estate and of Subsidiaries Holding Real Estate / Other Transfer Taxes</b>	– Efficient structure to be devised to minimise transaction costs
<b>g.</b>	<b>Approval of Mergers from Antitrust Authorities</b>	Required European and local approvals for potential mergers / transfers to be sought in advance

## **B. Treatment of Pre-Petition Creditors**

### **3. Unsecured Claims**

<b>a.</b>	<b>Instruments</b>	– Each eligible pre-petition creditor to receive as a New Investor a strip of DRs (“ <b>New Equity</b> ”) and debt in the form of a convertible bond (“ <b>Convertible Bonds</b> ”), stapled together and issued by the STAK and Dutch TopCo, respectively (see D.8 and D.9)
<b>b.</b>	<b>Allocation</b>	– Entity priority model on an individual entity basis (“ <b>EPM</b> ”) to determine allocation in relation to a creditor’s unsecured claims – Each New Investor will be allocated the same <i>pro rata</i> proportions of New Equity to Convertible Bonds as each other New Investor – EPM subject to ongoing negotiation of the rules of the EPM and verification of the EPM
<b>c.</b>	<b>Cash Option</b>	– Agrokor d.d. is exploring the possibility to offer small creditors the option to receive a cash payment at a discount (with the level of discount to be agreed) instead of becoming New Investors – Cash payment option not to incur costs for the estate unless approved by the ICC / permanent creditors’ council (“ <b>PCC</b> ”) with unanimous consent

### **4. Secured Claims**

<b>a.</b>	<b>Reinstatement</b>	– Secured claims to the extent covered by the value of the collateral to be reinstated in the respective New Croatian Subsidiary; <sup>16 17</sup> no secured lender to receive any additional collateral under the Settlement
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<sup>16</sup> Treatment of secured claims if collateral is owned by an entity other than the debtor of the claim TBD.

		– Shortfall to be treated in line with other unsecured claims
<b>b.</b>	<b>Amended terms</b>	– Maturity and interest rate to be amended for uniform multi-year extension on current or market terms (whichever is lower in the case of the interest rate) <sup>18</sup> – [TBD determination of amended terms]

## C. Debt

### 5. Exit Facility<sup>19</sup>

The terms of the Exit Facility are subject to market testing and will be agreed following the conclusion of that process. Agrokor d.d. will provide detailed weekly updates to the ICC or PCC (as applicable) on the status of the market testing process.

The status of the market testing process (and the current terms of the Exit Facility) will need to be provided regularly to the ICC or PCC (as applicable) and at least three weeks prior to the date scheduled for their approval of the Settlement Plan. The final terms will be included in the Settlement Plan for approval by the ICC or PCC (as applicable) for voting on the Settlement Plan in accordance with the EA Act.

Details of Exit Facility will be inserted as soon as market testing yields tangible results.

### 6. OpCo RCFs

<b>a.</b>	<b>Individual Working Capital Facilities</b>	– Each OpCo may incur individual working capital facilities by way of either: <ul style="list-style-type: none"> <li>○ a working capital facility to be provided by Croatian HoldCo to that OpCo on an unsecured basis up to a certain basket or on a secured basis above the basket and where the relevant OpCo is outside the security net (“<b>Intercompany RCF</b>”); or</li> <li>○ a super senior (at the level of the relevant OpCo) revolving credit facility provided by a third party with recourse limited to such OpCo borrower (and its assets) and its subsidiaries (and their assets) (“<b>Third Party OpCo RCF</b>” and together with the Intercompany RCF, the “<b>OpCo RCFs</b>”)</li> </ul>
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<sup>17</sup> Treatment of collateral subject to diligence including (but not limited to) the terms of the secured debt, the date security was granted and review of the valuations of collateral. In case of over- or under-valuation, treatment of collateral TBD. In specific cases an SPV structure may be considered.

<sup>18</sup> The tenor of secured claims is TBD.

<sup>19</sup> Timing for refinancing of SPFA and implementation of Exit Facility to be developed in a separate steps plan.

		<ul style="list-style-type: none"> <li>– Other working capital instruments as required for the respective business (e.g. letters of credit facility)</li> <li>– Cash draws under each OpCo RCF to be subject to annual clean-down in cash of [10] successive days subject to customary carve outs to be agreed suitable for particular business cycles regardless of financial year</li> <li>– Cap for the aggregate commitment amounts under all OpCo RCFs to be determined</li> <li>– Currency of working capital facilities to be determined</li> </ul>
<b>b.</b>	<b>Third Party OpCo RCF</b>	<ul style="list-style-type: none"> <li>– If an OpCo incurs a committed Third Party OpCo RCF, available cash at that OpCo as at the date of such commitment (on a basis to be determined and up to an amount equal to the total commitments under such Third Party OpCo RCF) shall be required to be applied promptly in prepayment <i>pro tanto</i> of amounts outstanding under the Exit Facility</li> </ul>
<b>c.</b>	<b>Limited Interdependencies</b>	<ul style="list-style-type: none"> <li>– Intercompany loans between OpCos and Holding Companies required to ensure tax efficient debt service and maintenance cost coverage at Holding Companies</li> <li>– No loans between OpCos</li> </ul>

#### **D. New Capital Structure**

##### **7. New Capital Instruments**

<b>a.</b>	<b>Purpose</b>	<ul style="list-style-type: none"> <li>– Pre-petition debt of New Investors to be exchanged for a combination<sup>20</sup> of new capital instruments to be issued by the STAK and Dutch TopCo, respectively</li> </ul>
<b>b.</b>	<b>Instruments</b>	<ul style="list-style-type: none"> <li>– DRs issued by STAK in respect of the shares in Dutch TopCo held by the STAK (the STAK will hold 100% of the issued share capital of Dutch TopCo)</li> <li>– Convertible Bonds issued in full by Dutch TopCo (as the Convertible Bonds Issuer (as defined below))</li> <li>– New Investors to receive a strip of both the New Equity and the Convertible Bonds</li> </ul>
<b>c.</b>	<b>Allocation</b>	<ul style="list-style-type: none"> <li>– EPM to determine the individual allotted amount of the New Equity and the Convertible Bonds</li> </ul>

<sup>20</sup> TBD whether combination of Convertible Bonds and DRs or equity only structure.

<b>d.</b>	<b>Ranking</b>	– The Convertible Bonds to rank senior to the New Equity
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## 8. New Equity<sup>21</sup>

<b>a.</b>	<b>Amount</b>	<ul style="list-style-type: none"> <li>– EUR [●] to be contributed initially by or on behalf of STAK<sup>22</sup> upon incorporation of the Dutch TopCo</li> <li>– Capital increase (in kind) to be contributed to Dutch TopCo by New Investors on behalf of the STAK in the total amount of EUR [●]</li> <li>– Structured through the issuance of [●] shares in Dutch Topco (subscribed for in full by the STAK) and an equal amount of DRs issued by the STAK (subscribed for by the New Investors according to their entitlements under the Settlement Plan)</li> <li>– Each share and each DR to be issued in a nominal amount of EUR [●]</li> </ul>
<b>b.</b>	<b>DRs</b>	<ul style="list-style-type: none"> <li>– Dividends (both interim and final) on the shares issued by Dutch TopCo to be declared and made payable [at the discretion]<sup>23</sup> of the management board of Dutch TopCo, and corresponding distribution to be paid on the DRs</li> <li>– Each holder of a DR (each a “<b>DR Holder</b>”) to have one vote per DR on a show of hands and on a poll of the DR Holders; terms of administration to be adopted by STAK to provide for framework for voting mechanism</li> <li>– Subject to certain agreed exceptions (e.g. in relation to capital reductions purporting to allow distributions of capital to the New Investors free from WHT), voting instructions collected by STAK (for the purposes of the STAK voting the shares in Dutch Topco) will be executed in a resolution of the general meeting or adopted in lieu of a meeting of Dutch TopCo, where the STAK will apply the outcome of the instructions received by the STAK from the DR Holders by exercising the STAK’s voting rights in the shares of Dutch Topco unanimously (but in</li> </ul>

<sup>21</sup> Subject to further legal and tax considerations.

<sup>22</sup> Source of funding for STAK TBD.

<sup>23</sup> Limitations on board discretion TBD.

		<p>accordance with the outcome of the instructions received by the STAK from the DR Holders)</p> <ul style="list-style-type: none"> <li>– No statutory meeting rights will be attached to the DRs (no "<i>vergaderrecht</i>"), taking into account that no physical general meetings of Dutch TopCo are anticipated</li> </ul>
<b>c.</b>	<b>Board Composition</b>	<ul style="list-style-type: none"> <li>– From a Dutch corporate perspective, the management board of each Dutch Holding Company will need to consist of at least one board member (may be either a natural person or a legal entity)</li> <li>– In order to be deemed domiciled in the Netherlands for tax purposes, at least half of the total number of board members with decision-making power – actually possessing the necessary professional knowledge to carry out their duties properly – under the articles of association reside or are effectively based in the Netherlands</li> <li>– DR Holders to control composition of boards of each Holding Company through a shareholder reserved matter mechanism at each Holding Company level</li> </ul>
<b>d.</b>	<b>Anti-Dilution Protection</b>	<ul style="list-style-type: none"> <li>– Each DR Holder will have pre-emption rights in the event of further issues of equity of Dutch TopCo for cash subject to appropriate exceptions (e.g. on an emergency issue of shares (in relation to which there will be catch-up rights))</li> </ul>
<b>e.</b>	<b>Drag- and Tag-along Rights and Mandatory Offer</b>	<ul style="list-style-type: none"> <li>– Full drag-along rights to be capable of being effected on a transfer of &gt;[70]% of the DRs</li> <li>– Tag-along rights (or equivalent mandatory offer) on a transfer of &gt;[45]% of the DRs</li> <li>– Dragged or tagging DR Holders (as applicable) will be required to give representations and warranties on the same basis as the DR Holders who are not being dragged or tagging (as applicable)</li> </ul>
<b>f.</b>	<b>Warranties and Representations</b>	<ul style="list-style-type: none"> <li>– Each DR Holder will give appropriate warranties and representations in respect of its capacity and authority to enter into the relevant documentation governing its rights as a DR Holder</li> </ul>
<b>g.</b>	<b>Documentation</b>	<ul style="list-style-type: none"> <li>– Terms of administration and articles of association of the STAK to address (among other matters to be agreed): <ul style="list-style-type: none"> <li>o DR Reserved Matters;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ voting procedures (including notice periods, method and timing of provision of information in connection with DR Holder vote, manner of instructing the STAK) and rights;</li> <li>○ minority DR Holder protections;</li> <li>○ information rights of DR Holders;</li> <li>○ a required form of transfer instrument for the purposes of transferring DRs; and</li> <li>○ the STAK’s reporting obligations</li> </ul> <p>– Articles of association of the Holding Companies (other than the STAK) and, as necessary, the OpCos to address (among other matters to be agreed):</p> <ul style="list-style-type: none"> <li>○ reserved matters for the Board (as applicable, in each the articles of association of each OpCo);</li> <li>○ reserved matters for the direct shareholder/DR Holders (as applicable) of each Holding Company;</li> <li>○ voting procedures (including notice periods, method and timing of provision of information in connection with shareholder resolutions, manner of instructing the relevant company) and rights;</li> <li>○ information rights for the Board (as applicable, in the articles of association of each OpCo);</li> <li>○ information rights for the direct shareholder/DR Holders (as applicable) of each Holding Company; and</li> <li>○ the relevant company’s reporting obligations</li> </ul>
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## 9. Convertible Bonds

Instrument and Parties		
<b>a.</b>	<b>Total Amount</b>	– Up to EUR [●]
<b>b.</b>	<b>Convertible Bonds Issuer</b>	– [Dutch TopCo] (“Convertible Bonds Issuer”)
<b>c.</b>	<b>Convertible Bonds Trustee</b>	– To be selected by the Convertible Bonds Issuer, in consultation with the ICC/PCC (as applicable)
<b>d.</b>	<b>Conversion</b>	– Convertible Bonds will be converted into DRs without the requirement of DR Holders’ consent

		<ul style="list-style-type: none"> <li>○ automatically upon occurrence of the Final Maturity Date if not repaid in full, unless non-conversion would not result in an insolvency of the Convertible Bonds Issuer under the laws of the Netherlands; or</li> <li>○ automatically if an Event of Default has occurred</li> </ul> <ul style="list-style-type: none"> <li>– Convertible Bonds will be converted into DRs in advance of an exit by an IPO or by a sale of the New Group upon decision of the directors of the Convertible Bonds Issuer and approval of the holders of the Convertible Bonds (“<b>CB Holders</b>”) by Ordinary Resolution (as described in Cl. D.9.r)</li> <li>– Conversion rate to be fixed at Settlement Effective Date</li> <li>– [Full or part (<i>pro rata</i>) conversion permitted, provided that in the event any part (<i>pro rata</i>) conversion is made all CB Holders will have an equal proportion of their outstanding Convertible Bonds converted] [TBD]</li> <li>– Conversion to be effected pursuant to tripartite agreement; each CB Holder surrenders its Convertible Bonds to the Convertible Bonds Issuer; the Convertible Bonds Issuer issues new shares to STAK; STAK issues new DRs to the CB Holders and respective payment obligations are set-off</li> </ul>
<b>Recourse and Ranking</b>		
<b>e.</b>	<b>Ranking</b>	– The CB Holders shall have no recourse against any of the subsidiaries of the Convertible Bonds Issuer
<b>f.</b>	<b>Guarantees</b>	– None
<b>g.</b>	<b>Security</b>	– None
<b>Pricing and Payments</b>		
<b>h.</b>	<b>Interest Rate</b>	– Fixed rate of return of [●]% p.a. to accrue from day to day and to be added annually as PIK to the outstanding principal amount of the Convertible Bonds on the anniversary of the date of issuance of the Convertible Bonds
<b>i.</b>	<b>Interest Periods</b>	– 12 months

<b>j.</b>	<b>Final Maturity Date</b>	– [TBD] <sup>24</sup>
<b>Other Terms</b>		
<b>k.</b>	<b>Mandatory Redemption</b>	<ul style="list-style-type: none"> <li>– [Mechanism whereby Excess Cash in the New Group is used to redeem or pay interest on the Convertible Bonds or to be declared as dividends up the Holding Company structure to the DR Holders TBD]</li> <li>– The Convertible Bonds Issuer shall be entitled to redeem the Convertible Bonds (together with all interest accrued thereon) at any time on notice to the CB Holders in writing without premium or penalty</li> <li>– Any payment to leave flexibility for the Holding Companies to cover running costs</li> </ul>
<b>l.</b>	<b>Representations and Warranties</b>	– As appropriate for a bond of this nature and relating only to the Convertible Bonds Issuer
<b>m.</b>	<b>General Undertakings</b>	– Incurrence covenants relating only to the Convertible Bonds Issuer
<b>n.</b>	<b>Information Undertakings</b>	<ul style="list-style-type: none"> <li>– Information undertakings to be agreed. In particular, the Convertible Bonds Issuer shall only supply: <ul style="list-style-type: none"> <li>○ as soon as they become available, but in any event within 120 days of the end of each of its financial years, its audited consolidated financial statements for that financial year; and</li> <li>○ as soon as they become available but in any event within 60 days of the end of each of its financial quarters, its consolidated financial statements for that financial quarter</li> </ul> </li> <li>– Information undertakings to otherwise be reflective of the information undertakings included in customary European market high yield notes indenture</li> </ul>
<b>o.</b>	<b>Financial Covenants</b>	– None
<b>p.</b>	<b>Events of Default</b>	<ul style="list-style-type: none"> <li>– Filing for the opening of insolvency proceedings in respect of the Convertible Bonds Issuer<sup>25</sup></li> <li>– One month following notice by the directors of the Convertible Bonds Issuer to the CB Holders that they</li> </ul>

<sup>24</sup> Maturity to be set based on a period of years which is set well beyond the maturity of the other debt instruments in the structure but ensures that the Convertible Bonds constitute indebtedness from the perspectives of accounting and tax.

<sup>25</sup> Subject to tax review.

		have reasonable grounds to expect that sufficient funding for ongoing administration costs and other expenses will not become available
q.	<b>Conditions Precedent</b> <sup>26</sup>	<ul style="list-style-type: none"> <li>– Conditions precedent appropriate for the Settlement Plan, in form and substance satisfactory to the Convertible Bonds Trustee (acting on the instructions of the majority holders of the Convertible Bonds), including each of the following: <ul style="list-style-type: none"> <li>○ corporate authorisations;</li> <li>○ duly executed Convertible Bonds Trust Deed, fee letters and other ancillary documentation;</li> <li>○ receipt of necessary consents and authorisations;</li> <li>○ legal opinions (including as to validity, authority, capacity and enforceability capable of reliance by the Convertible Bonds Trustee and the CB Holders)</li> </ul> </li> </ul>
r.	<b>Amendments/ Waivers [TBD]</b>	<ul style="list-style-type: none"> <li>– “<b>Extraordinary Resolution</b>” means a resolution of CB Holders passed at a duly convened meeting by a majority of at least 75% of the votes cast or by way of written resolution. A meeting will be duly convened to consider an Extraordinary Resolution with a quorum of two or more CB Holders representing: <ul style="list-style-type: none"> <li>○ a [simple majority] of the Convertible Bonds;</li> <li>or</li> <li>○ in the event that the first meeting was adjourned through want of quorum, no minimum proportion of the Convertible Bonds</li> </ul> </li> <li>– “<b>Special Quorum Resolution</b>” means a resolution of CB Holders passed at a duly convened meeting by a majority of at least 75% of the votes cast or by way of written resolution. A meeting will be duly convened to consider a Special Quorum Resolution with a quorum of two or more CB Holders representing: <ul style="list-style-type: none"> <li>○ [75]% of the Convertible Bonds; or</li> <li>○ in the event that the first meeting was adjourned through want of quorum, [25]% of the Convertible Bonds</li> </ul> </li> <li>– Matters that require an Extraordinary Resolution are</li> </ul>

<sup>26</sup> All CPs dependent on final process and sequencing.

		<p>to be agreed in the Convertible Bonds Trust Deed (as defined below) and will include (without limitation) (for the avoidance of doubt, not including the conversion of DRs allowed without the DR Holders' consent as specified under Cl. D.9.d):</p> <ul style="list-style-type: none"> <li>○ the modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the CB Holders; and</li> <li>○ to consent to any modification of the Convertible Bonds Trust Deed, the terms and conditions of the Convertible Bonds, or any related documents,</li> </ul> <p>other than such matters that require approval by an Ordinary Resolution or a Special Quorum Resolution.</p> <p>– Matters that require a Special Quorum Resolution are to be agreed in the Convertible Bonds Trust Deed and will include (without limitation):</p> <ul style="list-style-type: none"> <li>○ to sanction the exchange, substitution or conversion of the Convertible Bonds into shares, bonds or other obligations or securities of the Convertible Bonds Issuer (or any other entity including the STAK) (other than in circumstances where the conversion into DRs can be approved by an Ordinary Resolution as described below or if conversion is allowed without DR Holders' consent as specified under Cl. D.9.d);</li> <li>○ to modify the maturity date of the Convertible Bonds or the dates on which interest is capitalised or becomes due and payable on the Convertible Bonds;</li> <li>○ to reduce or cancel the principal amount of, or the rate at which interest accrues on, the Convertible Bonds;</li> <li>○ to change the currency of payment under the Convertible Bonds; and</li> <li>○ to modify the Convertible Bonds Trust Deed concerning the quorum required at any meeting of CB Holders or the majority required to pass an Extraordinary Resolution,</li> </ul>
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		<p style="text-align: center;">a Special Quorum Resolution, an Ordinary Resolution or a written resolution</p> <ul style="list-style-type: none"> <li>– An Ordinary Resolution will be required to sanction the conversion of the Convertible Bonds into DRs in advance of an exit by an IPO or by a sale of the New Group (as described in Cl. D.9.d. above; for the avoidance of doubt, not including the conversion of DRs allowed without the DR Holders’ consent as specified under Cl. D.9.d). An “<b>Ordinary Resolution</b>” means a resolution passed or approved by [a simple majority] of all CB Holders</li> <li>– A resolution in writing signed by or on behalf of CB Holders of not less than [75%] of the aggregate principal amount of the Convertible Bonds then outstanding shall take effect as if it were a duly passed Extraordinary Resolution or Special Quorum Resolution (as applicable)</li> <li>– A resolution in writing signed by or on behalf of CB Holders of not less than [a simple majority] of the aggregate principal amount of the Convertible Bonds then outstanding shall take effect as if it were a duly passed Ordinary Resolution</li> <li>– In the event that amendments are made to the rights and/or obligations of the DRs that necessitate (at the discretion of the CB Holders) an amendment to the terms and conditions of the Convertible Bonds, the Convertible Bonds Issuer will agree to any such amendments</li> <li>– Any matter to which consent has been given by the DR Holders shall not be a breach of covenant under the Convertible Bonds as long as stapling is in place</li> </ul>
<b>s.</b>	<b>Documentation</b>	<ul style="list-style-type: none"> <li>– The Convertible Bonds will be documented by legal counsel to the Convertible Bonds Issuer under a bond trust deed (the “<b>Convertible Bonds Trust Deed</b>”) based on the Key Elements</li> </ul>
<b>t.</b>	<b>Governing Law</b>	<ul style="list-style-type: none"> <li>– English law. Any conversion mechanics to be governed by Dutch law</li> </ul>
<b>u.</b>	<b>Jurisdiction</b>	<ul style="list-style-type: none"> <li>– English courts<sup>27</sup></li> </ul>

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<sup>27</sup> TBD if arbitration.

**10. Governance**

<b>a.</b>	<b>DR Holders' Rights</b>	<ul style="list-style-type: none"> <li>– The DR Holders will have the rights listed in Annex 1, including certain reserved matters (“<b>DR Reserved Matters</b>”, see Annex 1 para. II.)</li> <li>– Such rights to be included in the terms of administration and/or articles of association (as applicable) of each Holding Company and OpCo to ensure DR Holders have these rights down the equity structure</li> <li>– DR Holders that jointly hold at least 5% of the DRs in the STAK have the right to request a proposal for a DR Holder instruction to the STAK in respect of a Dutch TopCo shareholder vote</li> </ul>
<b>b.</b>	<b>Board Composition and Voting</b>	<ul style="list-style-type: none"> <li>– Following completion of the Settlement, the appointment of the board of Croatian HoldCo (“<b>Board</b>”)<sup>28</sup> is to be approved by each shareholder Holding Company above Croatian HoldCo, to enable the DR Holders to control the composition of the Board pursuant to the voting instructions given by them to the STAK</li> <li>– Appointment and removal of the board of OpCos is to be approved by the simple majority of the Board</li> <li>– For reasons of operational efficiency, the composition of the Board need not be replicated for each subsidiary which shall have a management board only, to the extent permissible by Croatian law<sup>29</sup></li> <li>– Each OpCo board shall be compelled to refer to the Board (in its capacity as the representative of the shareholder) for approval of certain matters which are material to the business of the New Group as a whole as well as matters which would result in the occurrence of a material deviation by such subsidiary from its annual operating budget (or equivalent) as listed in Annex 2</li> <li>– Board to be required to obtain approval of the DR Reserved Matters from each shareholder Holding</li> </ul>

<sup>28</sup> Creditors and their advisors to inform the Extraordinary Administrations of the selected board members well in advance of the settlement date.

<sup>29</sup> Following completion of the Settlement (transfer of businesses), mandatory appointment of supervisory board may be required for certain subsidiaries, with a minimum of 3 members.

		Company above Croatian HoldCo to enable the DR Holders to control the DR Reserved Matters pursuant to the voting instructions given by them to the STAK
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## 11. Transfer Restrictions

<b>a. Stapling</b>	<ul style="list-style-type: none"> <li>– “Stapling” New Equity to Convertible Bonds preventing the sale of Convertible Bonds and New Equity independently until maturity or full conversion of Convertible Bonds</li> <li>– Stapling method: terms and conditions governing the DRs and Convertible Bonds will provide that DRs can be validly transferred only jointly with the Convertible Bonds held by the DR Holder and vice versa. Transfer requirements of DRs and Convertible Bonds to be substantially identical</li> </ul>
<b>b. Transferability</b>	<ul style="list-style-type: none"> <li>– New Equity and Convertible Bonds can be freely transferred by New Investors, subject to: <ul style="list-style-type: none"> <li>○ private trades only, i.e. no market maintained by STAK/the New Group;</li> <li>○ stapling is observed at all times;</li> <li>○ transfer effected through template written transfer instruments provided by STAK and the Convertible Bonds Issuer; and</li> <li>○ transfer valid following notification to STAK and the Convertible Bonds Issuer and subsequent registration by STAK and the Convertible Bonds Issuer<sup>30</sup>, each in its capacity as registrar</li> </ul> </li> </ul>

## E. Border Debt Payment

## 12. Eligible Claims Pool and Payment Arrangements

<b>a. Eligible Claims</b>	<ul style="list-style-type: none"> <li>– “<b>Border Claims</b>” are claims of commercial origin (not including financial bills of exchange) held by suppliers against Agrokor Group not later than 30 April 2018, that qualify as so-called border claims under Art. 40 para. 3 EA Act, split into Eligible</li> </ul>
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<sup>30</sup> TBD if registrar function is run, or supported, by external agent.

		<p>Claims A, Eligible Claims B and Eligible Claims C, the total quantum as determined by the Company;<sup>31</sup> maximum payment that will be made under the Contingent Payment Rights to the Eligible Claims A, B and C is EUR 80m in total</p> <ul style="list-style-type: none"> <li>– <b>“Incumbent Suppliers”</b> are the suppliers of Agrokor Group that have recognised claims</li> <li>– All Border Claims will be treated as per this Cl. E</li> <li>– Border Claims which are, on 5 April 2018, owed by any member of Agrokor Group directly to the Incumbent Supplier, which entered, not later than on the same date, into the agreement on continuation of business cooperation under the essentially same terms with the respective member of the Agrokor Group, qualify as the <b>“Eligible Claims A”</b></li> <li>– Border Claims which are on 5 April 2018, owed by any member of Agrokor Group indirectly to the Incumbent Supplier, which entered, not later than on the same date, into the agreement on continuation of business cooperation under the essentially same terms with the respective member of the Agrokor Group, and which Border Claims are by 30 April 2018 acquired by that supplier qualify as the <b>“Eligible Claims B”</b></li> <li>– The Border Claims that do not qualify as Eligible Claims A or Eligible Claims B, qualify as the <b>“Eligible Claims C”</b></li> <li>– Holders of Eligible Claims A, Eligible Claims B or Eligible Claims C are together the <b>“Eligible Incumbent Suppliers”</b> and their claims the <b>“Eligible Claims”</b></li> </ul>
b.	<b>Supplier Payment Agent</b>	<ul style="list-style-type: none"> <li>– A newly-incorporated SPV (jurisdiction of incorporation to be agreed) to act as payment agent and to hold Contingent Plan Consideration (as defined below) on behalf of the Eligible Incumbent Suppliers</li> </ul>

<sup>31</sup> Company to prepare a detailed list of Border Claims and Eligible A, B, and C Claims. This list will be presented to the ICC / PCC. No approval will be required if the total amount of Border Claims is from EUR 125m to EUR 164m. If the total amount of Border Claims is outside of this range approval shall be sought from a majority of disinterested parties in the ICC / PCC. Where Border Claims are now in the hands of Financial Institutions then they shall only be eligible if they have been bought back by the original supplier.

		<ul style="list-style-type: none"> <li>– Establishment and running costs of the Supplier Payment Agent to be borne by the Eligible Incumbent Suppliers</li> </ul>
<b>c.</b>	<b>Distribution of Payments</b>	<ul style="list-style-type: none"> <li>– Distributions by the Supplier Payment Agent to the Eligible Incumbent Suppliers shall be effected in accordance with the following internal waterfall principle: <ul style="list-style-type: none"> <li>(i) any amount available for distribution shall firstly be paid to the Eligible Incumbent Suppliers holding the Eligible Claims A, whose percentage of recovery of Border Claims until that moment is the lowest, until such Eligible Incumbent Suppliers are equalized with the rest of the Eligible Incumbent Suppliers holding the Eligible Claims A, until the recovery of Eligible Claims A of all Eligible Incumbent Suppliers is 100% (the “<b>Levelling Principle</b>”)</li> <li>(ii) any amount available for distribution upon the full satisfaction of Eligible Claims A shall be distributed to the Eligible Incumbent Suppliers holding the Eligible Claims B applying the same Levelling Principle, and</li> <li>(iii) any amount available for distribution upon the full satisfaction of Eligible Claims A and Eligible Claims B, shall be distributed to the Eligible Incumbent Suppliers whose Border Claims have not been settled by that date, applying the same Levelling Principle</li> </ul> </li> </ul>

### 13. Contingent Payment Right

<b>a.</b>	<b>Issuer</b>	<ul style="list-style-type: none"> <li>– Dutch TopCo</li> </ul>
<b>b.</b>	<b>Holder</b>	<ul style="list-style-type: none"> <li>– Supplier Payment Agent</li> </ul>
<b>c.</b>	<b>Yearly Payment Amount</b>	<ul style="list-style-type: none"> <li>– With respect to a Reference Period and its related Payment Date, each as defined below, the amount equal to the amount by which the Euro-equivalent of the amount of the Determined Konzum EBITDA determined with respect to that Reference Period exceeds the Threshold Konzum EBITDA</li> <li>– If the Yearly Payment Amount determined with</li> </ul>

		<p>respect to a Reference Period is zero or less, no Yearly Payment Amount is payable with respect to that Reference Period</p> <ul style="list-style-type: none"> <li>– The cumulative amount payable in respect of Yearly Payment Amounts over the four year period of the Supplier Payment Arrangement shall not exceed the Total Payment Amount. If the Yearly Payment Amount with respect to any Reference Period is zero or less, that does not preclude payment of Yearly Payment Amounts in respect of subsequent Reference Periods during the term of the Supplier Payment Arrangement, subject to the cumulative limit over the four year period of the Total Payment Amount</li> <li>– Payment to be effected by Dutch TopCo</li> <li>– Appropriate intercompany loans and accounting entries to be performed for the payments to be made on arms-length terms<sup>32</sup></li> </ul>
<b>d.</b>	<b>Determined Konzum EBITDA</b>	<ul style="list-style-type: none"> <li>– With respect to a Reference Period and its related Payment Date, the Konzum EBITDA determined with respect to that Reference Period, on the basis of the annual audited financial statements for the new entity replacing Konzum d.d. (“<b>New Konzum</b>”) prepared in respect of that Reference Period</li> </ul>
<b>e.</b>	<b>Threshold Konzum EBITDA</b>	<ul style="list-style-type: none"> <li>– EUR 38.8m</li> </ul>
<b>f.</b>	<b>Total Payment Amount</b>	<ul style="list-style-type: none"> <li>– The cumulative amount of all Yearly Payment Amounts, which must not exceed EUR 80 million (determined by aggregating the Euro equivalent of each actual Yearly Payment Amount, with the currency equivalent to be determined in accordance with the agreed f/x mechanism)</li> </ul>
<b>g.</b>	<b>Reference Period</b>	<ul style="list-style-type: none"> <li>– Each of calendar years 2018<sup>33</sup>, 2019, 2020 and 2021 of New Konzum</li> </ul>
<b>h.</b>	<b>Konzum EBITDA</b>	<ul style="list-style-type: none"> <li>– EBITDA defined as: <ul style="list-style-type: none"> <li>o Net revenues minus, without double-</li> </ul> </li> </ul>

<sup>32</sup> To be ensured that the Contingent Payment Right will not put Dutch TopCo into default; if not sufficient cash available at the level of Dutch TopCo, the payment of the due amount will be prolonged for a certain term and if unpaid, will in all events be paid (at a PIK compensation rate of [TBD]) before any payments on the Convertible Bonds and equity.

<sup>33</sup> TBD 2018 as first reference and how EBITDA of New Konzum will be calculated for 2018

		<p>counting:</p> <ul style="list-style-type: none"> <li>▪ Total COGS</li> <li>▪ SG&amp;A (comprising of distribution cost, marketing cost, cost of employees, other costs)</li> <li>▪ operating rental expenses</li> <li>▪ other operating expenses</li> </ul> <p>plus other operating income, but before finance lease costs</p> <ul style="list-style-type: none"> <li>– Each component, the methodology and calculation of EBITDA to be determined in accordance with, and reported pursuant to, IFRS (as per viability plan)</li> <li>– Each component to exclude any one off items (normalized EBITDA in the ordinary course of business)</li> <li>– For the avoidance of doubt, Konzum EBITDA will exclude any management fees</li> <li>– For the avoidance of doubt, Konzum EBITDA will exclude any impacts of subsequent mergers and/or acquisitions or similar transactions</li> </ul>
<b>i.</b>	<b>Payment Dates</b>	<ul style="list-style-type: none"> <li>– With respect to a Reference Period, the date falling [30] business days in Croatia after the date of publication of the audited financial statements of New Konzum in respect of that Reference Period</li> </ul>
<b>j.</b>	<b>Termination Date</b>	<ul style="list-style-type: none"> <li>– The Payment Date falling in 2022 (with respect to the Reference Period ended on 31 December 2021), whether or not any Yearly Payment Amount is payable on that Payment Date but provided that, if any Yearly Payment Amount is payable on that Yearly Payment Date, it is paid in accordance with its terms</li> </ul>

#### 14. Reallocation of Plan Consideration

<b>a.</b>	<b>Treatment of Eligible Claims</b>	<ul style="list-style-type: none"> <li>– The consideration allocated to Eligible Claims as pre-filing claims under the Settlement Plan (as described in the Key Elements) (the “<b>Contingent Plan Consideration</b>”) to be reallocated as follows: <ul style="list-style-type: none"> <li>○ by way of a cash payment as prescribed under the Supplier Payment Arrangement;</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>o alternatively, the notional amount allocated to Eligible Incumbent Suppliers as Settlement Plan consideration, as the fall-back minimum</li> </ul>
<b>b.</b>	<b>Terms of Retention of the Allotted Plan Consideration</b>	<ul style="list-style-type: none"> <li>– The New Equity and Convertible Bonds allocated to Eligible Claims as pre-filing claims under the Settlement Plan (as described in the Key Elements) will be held by the Supplier Payment Agent until the Termination Date (the “<b>Retained Plan Consideration</b>”)</li> </ul>
<b>c.</b>	<b>Release of the Retained Plan Consideration</b>	<ul style="list-style-type: none"> <li>– The Retained Plan Consideration shall be released on the Payment Date falling in 2022 as follows: <ul style="list-style-type: none"> <li>o if and to the extent the Total Payment Amount is below the amount of the Retained Plan Consideration as determined under the Settlement Plan (such amount that the Total Payment Amount is below the Retained Plan Consideration being the “<b>Shortfall</b>”), to the Eligible Incumbent Suppliers in an amount equal to the Shortfall; and</li> <li>o in all other circumstances (including any balance of the Retained Plan Consideration after making the distribution of Retained Plan Consideration to the Eligible Incumbent Suppliers in an amount equal to the Shortfall as described above), to the DR Holders and CB Holders [at the time of distribution] or for cancellation/redemption by the respective issuer of the DRs and Convertible Bonds.</li> </ul> </li> </ul>

**15. Availability of Shelf Space in New Konzum and Other Retail Subsidiaries of Croatian HoldCo (together with New Konzum, the “Retail OpCos”)**

<b>a.</b>	<b>Supply and Shelf Space Arrangements</b>	<ul style="list-style-type: none"> <li>– To the extent permitted by applicable laws and respecting existing arrangements, Retail OpCos shall retain all Incumbent Suppliers as suppliers of the respective Retail OpCos for the 5 years following conclusion of the Settlement Plan and the presence of the goods of the Incumbent Suppliers on Retail OpCos shelves will minimally reflect each Incumbent Supplier's market position on all</li> </ul>
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		applicable regional markets <sup>34</sup>
<b>b.</b>	<b>Arm's Length Principle</b>	– Retail OpCos will treat all suppliers at arm's length regardless of external or internal suppliers
<b>c.</b>	<b>Croatian HoldCo Undertaking</b>	– Croatian HoldCo undertakes to use best efforts that Retail OpCos enter into the shelf space agreements subject to the arm's length principle

## 16. Support Undertaking

<b>a.</b>	<b>Settlement Plan Support</b>	<ul style="list-style-type: none"> <li>– The ICC or PCC representative of the large suppliers and the ICC / PCC small supplier representative undertakes to support the Settlement Plan and associated resolutions. Statements by members of the management board of the suppliers association will be provided stating that they intend to support the transaction set out in the Key Elements as an acceptable solution for the restructuring of Agrokor Group and of its liabilities. They intend to support the further negotiation and drafting of the Settlement Plan according to the process set forth in the EA Act including the ancillary documents in line with the Key Elements</li> <li>– No further commercial asks by the supplier representatives</li> <li>– Further support to be documented in a global lock up agreement</li> </ul>
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## 17. Implementation

<b>a.</b>	<b>Implementation</b>	<ul style="list-style-type: none"> <li>– The arrangement described in this Cl. E is to be documented in a transparent manner in the Settlement Agreement</li> <li>– The implementation is subject to being fully compliant with the EA Act</li> <li>– Four year term commences on 1 January 2018<sup>35</sup></li> </ul>
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## F. Temporary Holding Vehicle<sup>36</sup>

<b>a.</b>	<b>Concept</b>	– If a creditor is not entitled to receive consideration
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<sup>34</sup> KPI and commercial agreement to be negotiated annually.

<sup>35</sup> See Fn. 33; TBD how EBITDA is calculated for 2018.

<sup>36</sup> Further details to be determined by Croatian counsel.

		<p>under the Settlement at the time of implementation (for example because that creditor's claim is disputed and the dispute not yet resolved) the relevant consideration will be delivered to a (third party) temporary holding agent to be held on a fiduciary basis for that creditor in accordance with terms to be agreed until the dispute has been settled ("<b>Temporary Holding Vehicle</b>")<sup>37</sup></p> <ul style="list-style-type: none"> <li>– If ultimately determined that a disputed claim is not entitled to receive consideration under the Settlement, the instruments will be redeemed / cancelled by the STAK (in respect of the DRs) and Dutch TopCo (in respect of the Convertible Bonds)</li> <li>– Maximum amount of claims to be held in Temporary Holding Vehicle: [●]; subject to consent of the Undersigned creditors<sup>38</sup> and due diligence</li> <li>– DRs held by the Temporary Holding Vehicle to be voted by Croatian HoldCo as proxy; alternatively holdings to be considered as non-voting treasury instruments<sup>39</sup></li> </ul>
<b>b.</b>	<b>Temporary Holding Agent</b>	– [●]

### G. Implementation of Settlement<sup>40</sup>

<b>a.</b>	<b>Plan Support / Lock-up Undertakings</b>	– Early binding plan support undertaking and lock-up with negative transfer undertaking
<b>b.</b>	<b>Election process</b>	<ul style="list-style-type: none"> <li>– Election and subscription forms, KYC etc. TBD</li> <li>– To be aligned with regulatory requirements</li> </ul>
<b>c.</b>	<b>Regulatory requirements</b>	<ul style="list-style-type: none"> <li>– Offering of Convertible Bonds and New Equity to comply with regulatory offering requirements, incl. under Dutch, EU and US securities rules TBD</li> <li>– Other regulatory approvals if applicable (e.g. merger clearance; local, European and other authorities to ensure business continuation post-implementation)</li> </ul>

<sup>37</sup> Consequences of successful claims: If creditor was successful in the determination of the claim and subject to the extent of success (partial or full determination), the creditor will receive the consideration provided under the Settlement. Temporary holding vehicle wording subject to review and in particular whether this structure satisfies the statutory definition of a "reservation" for the purposes of Croatian law.

<sup>38</sup> Methodology for this consent to be determined.

<sup>39</sup> Treatment of Convertible Bonds in the Temporary Holding Vehicle TBD.

<sup>40</sup> Form to be similar to Croatian and German bankruptcy plan.

		– Compliance with investment restrictions if applicable <sup>41</sup>
<b>d.</b>	<b>Amendments to the Settlement Plan</b>	– The Settlement Plan will contain customary provisions for the extraordinary administrator to make amendments with the consent of an appropriate body reflecting the economic interests of creditors in case changes to the structuring need to be made

## **H. Employees and Management**

<b>a.</b>	<b>Employee Transfers</b>	– All employees will be transferred to new structure <sup>42 43</sup>
<b>b.</b>	<b>Management Incentive and Retention Plan</b>	– [●]
<b>c.</b>	<b>Board / Management Hiring</b>	– [●]

## **I. Miscellaneous**

<b>a.</b>	<b>Conditions Precedent</b>	– Conditions precedent for effectiveness of settlement plan to include: <ul style="list-style-type: none"> <li>○ binding letter rulings or local equivalent from tax authorities</li> <li>○ [creditors satisfied with tax treatment]<sup>44</sup></li> <li>○ [minimum quota of creditors' participation in settlement]</li> <li>○ competition law approvals</li> <li>○ [<i>other CPs TBD</i>]</li> </ul>
<b>b.</b>	<b>Language</b>	– Binding language <ul style="list-style-type: none"> <li>○ Settlement Plan: Croatian</li> <li>○ Key Elements and other documents: English</li> </ul> – Convenience translations to be provided and published together with binding document if applicable

<sup>41</sup> TBC if there are any approvals required for the (indirect or direct) acquisition of shareholdings by foreign investors.

<sup>42</sup> Mechanics for transfer in non EU countries TBC.

<sup>43</sup> Automatically for solvent entities whose equity is transferred (as the employer does not change), as well as the insolvent entities (by virtue of labor law rules in case of transfer of businesses).

<sup>44</sup> TBD how creditor sign-off on the tax treatment will be achieved in practice.

**J. Definitions**<sup>45</sup>

<b>Term</b>	<b>Definition</b>
<b>Agrokor Group</b>	See BACKGROUND OF KEY ELEMENTS
<b>Board</b>	See D.10.b
<b>Border Claims</b>	See E.12.a
<b>CB Holders</b>	See D.9.d
<b>Contingent Payment Rights</b>	See E.13
<b>Contingent Plan Consideration</b>	See E.14.a
<b>Convertible Bonds</b>	See B.3.a
<b>Convertible Bonds Issuer</b>	See D.9.b
<b>Convertible Bonds Trust Deed</b>	See D.9.s
<b>Convertible Bonds Trustee</b>	See D.9.c
<b>Croatian HoldCo</b>	See A.1.d
<b>Current Croatian Subsidiaries</b>	See BACKGROUND OF KEY ELEMENTS
<b>Determined Konzum EBITDA</b>	See E.13.d
<b>DR Holder</b>	See D.8.b
<b>DR Reserved Matters</b>	See D.10.a
<b>DRs</b>	See A.1.b
<b>Dutch HoldCo</b>	See A.1.c
<b>Dutch TopCo</b>	See A.1.b
<b>EA Act</b>	See BACKGROUND OF KEY ELEMENTS
<b>EA Group</b>	See BACKGROUND OF KEY ELEMENTS
<b>Eligible Claims</b>	See E.12.a
<b>Eligible Claims A</b>	See E.12.a

<sup>45</sup> Subject to defined terms/cross-reference check.

<b>Eligible Claims B</b>	See E.12.a
<b>Eligible Claims C</b>	See E.12.a
<b>Eligible Incumbent Suppliers</b>	See E.12.a
<b>EPM</b>	See B.3.b
<b>Event of Default</b>	See D.9.p
<b>Exit Facility</b>	See C.5
<b>Extraordinary Resolution</b>	See D.9.r
<b>Final Maturity Date</b>	See D.9.j
<b>Financial Year</b>	See Annex 1, II.
<b>Foreign Subsidiaries</b>	See A.2.c
<b>Holding Companies</b>	See A.1.a
<b>ICC</b>	See SUPPORT STATEMENT
<b>Incumbent Suppliers</b>	See E.12.a
<b>Insolvent Croatian Subsidiaries</b>	See A.2.a
<b>Intercompany RCF</b>	See C.6.a
<b>Levelling Principle</b>	See E.12.c
<b>New Croatian Subsidiaries</b>	See A.2.a
<b>New Equity</b>	See B.3.a
<b>New Group</b>	See A.1.b
<b>New Investors</b>	See A.1.a
<b>New Konzum</b>	See E.13.d
<b>Non-Performing Subsidiaries</b>	See A.1.d
<b>OpCo RCFs</b>	See C.6.a
<b>OpCos</b>	See A.1.c
<b>Ordinary Resolution</b>	See D.9.r

<b>PCC</b>	See B.3.c
<b>Reference Period</b>	See E.13.g
<b>Retail OpCos</b>	See E.15
<b>Retail OpCos</b>	See E.15
<b>Retained Plan Consideration</b>	See E.14.b
<b>Settlement</b>	See BACKGROUND OF KEY ELEMENTS
<b>Settlement Effective Date</b>	See A.1.a
<b>Settlement Plan</b>	See BACKGROUND OF KEY ELEMENTS
<b>Shortfall</b>	See E.14.c
<b>Solvent Croatian Subsidiaries</b>	See A.2.c
<b>Special Quorum Resolution</b>	See D.9.r
<b>STAK</b>	See A.1.a
<b>Supplier Payment Agent</b>	See E.12.b
<b>Supplier Payment Arrangement</b>	Means the supplier payment arrangement described in Cl. E
<b>Temporary Holding Agent</b>	See F.b
<b>Temporary Holding Vehicle</b>	See F.a
<b>Termination Date</b>	See E.13.j
<b>Third Party OpCo RCF</b>	See C.6.a
<b>Threshold Konzum EBITDA</b>	See E.13.e
<b>Total Payment Amount</b>	See E.13.f
<b>Undersigned</b>	See support statement
<b>Yearly Payment Amount</b>	See E.13.c

## ANNEX 1 - DR HOLDERS RIGHTS<sup>46</sup>

### I. Information Rights

[Typical listed company style disclosure and information rights to be provided to DR Holders. Further detail TBD.]

### II. Consent Rights

1. DR Holders will be given rights, equivalent to certain [TBD] rights of shareholders in a Dutch B.V. under Dutch law, including without limitation by a simple majority resolution:
  - (a) to appoint, dismiss and/or suspend Holding Company board members (subject, in the case of a Dutch company, to applicable substance requirements in the Netherlands for Dutch companies); and
  - (b) to adopt the annual accounts of the New Group,
2. DR Holder consent (acting by a simple majority of DR Holders)<sup>47</sup> required for:
  - (a) any acquisition of shares or businesses for an aggregate consideration in each financial year of the New Group (each a “**Financial Year**”) in excess of (on a New Group-wide basis):
    - EUR30,000,000 in each Financial Year for the first two complete Financial Years following the Settlement Effective Date; and
    - EUR50,000,000 in each Financial Year thereafter;
  - (b) the disposal of assets for an aggregate consideration in each Financial Year in excess of EUR30,000,000 (on a New Group-wide basis), other than:
    - the disposal of any non-core assets as defined in the Settlement Plan; and
    - the disposal of an individual asset where the relevant consideration is less than EUR100,000);
    - in the ordinary course of the trading business of the respective member of the New Group;
  - (c) the incurrence of indebtedness including the signing of any debt facility (and the grant of any related guarantee or security) in excess of an aggregate amount of EUR30,000,000 in each Financial Year (on a New Group-wide basis), other than:

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<sup>46</sup> Consider super majority consent of shareholders for any changes re Croatian HoldCo seat, name or registered legal form

<sup>47</sup> Consent rights to include a provision that the DRs held by DR Holders who wish to remain public and not receive information that would restrict them and therefore do not cast a vote shall be excluded from the total DRs for purposes of calculation the majorities required.

- the entry into any Opco RCF that would not exceed the agreed cap for all aggregate commitment amounts under all Opco RCFs;
  - any intercompany loans to or from Croatian HoldCo or between Holding Companies;
  - the signing of any debt facility, or grant of related guarantee or security, as provided for in the other sections of the Key Elements;
  - in respect of any indebtedness incurred in the ordinary course of business that will not be outstanding for more than 90 days; or
  - any drawing under such a signed facility;
- (d) the grant of any loan, guarantee or security other than:
- to another member of the New Group;
  - in the ordinary course of business not exceeding EUR30,000,000 per year;
- (e) the incurrence of intercompany loans, other than:
- any intercompany loan made to or from Croatian Holdco or made between Holding Companies; and
  - ordinary course supplier relationships;
- (f) a material<sup>48</sup> change to the nature or scope of business purpose of any subsidiary that represents 3% or more of the New Group's EBITDA;
- (g) changes to capital in the OpCos;
- (h) the equity element of any management incentive plan (other than issuances in accordance with a previously approved plan);
- (i) solvent reorganisations of the New Group in advance of an IPO or sale of the New Group;
- (j) appointment of directors to Holding Companies;
- (k) IPO of any Holding Company or any OpCo;<sup>49</sup>
- (l) any joint venture where the New Group makes a contribution of cash and/or assets in excess of EUR30,000,000;

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<sup>48</sup> Materiality concept TBD.

<sup>49</sup> [Dutch Topco shares listed in an IPO will be listed on the Zagreb Stock Exchange (in addition to any other stock exchange, as applicable).]

- (m) any merger or amalgamation of a New Group company (not otherwise referred to above); and
  - (n) [*other simple majority consent rights TBD*].
3. DR Holder consent (acting by a qualified majority (66 $\frac{2}{3}$ %) of DR Holders) required for:
- (a) incurrence of indebtedness or the granting of a guarantee or security by any Holding Company (other than Croatian HoldCo);
  - (b) any amendment to the articles of association or administrative conditions (as applicable) of each Holding Company or the dissolution of any Holding Company;
  - (c) conversion of any Holding Company into a different legal form; and
  - (d) [*other qualified majority consent rights TBD*].
4. If on two subsequent resolutions on the same matter less than 50% of the DR Holders by value vote, the third resolution shall pass on a 75% majority of those voting (irrespective of a quorum); subject to 8 days notice period for each resolution.

## ANNEX 2 - OPCO MATTERS REQUIRING HOLDCO CONSENT<sup>50</sup>

To the extent legally possible, the following actions by any OpCo shall require consent of the Board of Croatian HoldCo:

### I. Corporate Affairs

1. Any amendment to any constitutional documents.
2. The incorporation of any new legal entity.
3. The change of accounting reference date.
4. The change of any accounting, actuarial policies or practices.
5. The appointment of auditors.
6. The appointment of any advisers outside the ordinary course of business.
7. The acquisition of any share capital or loan capital of any legal entity with a value in excess of EUR [●].
8. The acquisition or licence of any asset over EUR [●] individually, or in aggregate.
9. The entry into of any joint venture or merger with any other legal entity with a equity injection of EUR [●].
10. The entry into of any legal partnership with any other legal entity with capital injection in excess of EUR [●].
11. The listing of any OpCo on any recognised investment exchange.
12. The appointment of any administrator or insolvency practitioner or the commencement of any dissolution, winding up or liquidation proceedings in relation to any OpCo.
13. The sale, transfer, lease or licence of any asset (including, PR, IPR, business and shares) with a value in excess of EUR [●] of any OpCo to any person or entity.
14. The acquisition or disposal of [freehold] of any OpCo or any [leasehold]<sup>51</sup> interests with a rental in excess of EUR [●] per annum.
15. The initiation of any litigation, arbitration or mediation proceedings (other than debt collection in the ordinary course of trading) in respect of any such proceedings with a value in excess of EUR [●], or the settlement or waiver of any right in connection therewith.

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<sup>50</sup> Thresholds will be defined in long form documentation.

<sup>51</sup> Terminology of “freehold” and “leasehold” to be reviewed in relevant jurisdictions to ensure consistent with local law constructs.

## II. Capital Structure

16. Any variation in the authorised or issued share capital of any OpCo, or any issuance of equity or any securities by any OpCo.<sup>52</sup>
17. The creation of options or any other rights to subscribe for or convert into securities of any OpCo.
18. The sale or transfer of any securities in any OpCo (excluding any permitted transfers).
19. Repurchase, redemption or reduction of securities in any OpCo.
20. The declaration or payment of any dividend or other payment out of distributable reserves in relation to any securities in any OpCo.
21. The entry into of any agreement or arrangement regarding any financing, refinancing or hedging with a value in excess of EUR [●]<sup>53</sup>
22. Pledging, creating encumbrance or otherwise granting security over any asset with a value in excess of EUR [●] of any OpCo.
23. Giving by any OpCo of any guarantee (other than in relation to the supply of goods or services in the normal course of trading), with a value in excess of EUR [●] including the issuance of letters of credit.
24. The granting of any loans or credit by any OpCo to third parties with a value in excess of EUR [●] (other than credit given in the normal course of business).
25. The granting of any loans or credit by any OpCo to any other OpCo with a value in excess of EUR [●] individually, or in aggregate (other than credit given in the normal course of business or loans to employees as part of customary benefit packages).

## III. Business activities

26. The adoption or amendment of any budget or business plan.
27. The entry into any renewal, extension or new site contract with a landlord with an annual cost in excess of EUR [●] except as provided for in any approved budget or business plan.
28. The entry into or extension of concession agreements with a value in excess of EUR [●] except as provided for in any approved budget or business plan.
29. The entry into any contract outside of the ordinary course of business or entry into any contract with an annual cost in excess of EUR [●] except as provided for in any approved budget or business plan.

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<sup>52</sup> Subject to carve outs to be implemented in final documentation.

<sup>53</sup> Special carve-out for RCF TBD

30. The entry into of any non-arm's length donation contract by any OpCo (including the making of donations or social contribution).
31. The incurring of any other capital expenditure higher than EUR [●] individually, or in aggregate except as provided for in any approved budget or business plan.
32. Changes to bank account signatory lists in respect of bank accounts with a balance in excess of or regularly in excess of EUR [●].
33. Material changes in insurance coverage with a value in excess of EUR [●].
34. Material claims settlement (insurance, litigation, customer/supplier disputes, etc.) with a value in excess of EUR [●].

#### **IV. Employee Issues**

35. The hiring, promotion, material change in role or termination, making of any bonus, commission or similar payment to or any change to the employment terms of any OpCo with a base salary in excess of EUR [●].
36. The establishment or variation of any profit sharing scheme, bonus scheme, benefits program, commission or management incentive plan by any OpCo.
37. Hiring of contractors with a daily rate in excess of EUR [●] individually, or anticipate incurring monthly contractor costs in excess of EUR [●] in aggregate.
38. The entry into or extension of collective bargaining arrangements.

[Potpisna stranica Ključnih elemenata / Signature Page to Key Elements]

**Agrokor d.d.**

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Društvo, osoba / Company, Person

9 April 2018

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Mjesto, Datum / Place, Date

A handwritten signature in blue ink, appearing to read 'Fabris Peruško', written over a horizontal dashed line.

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Potpis / Signature

Fabris Peruško, Extraordinary  
Administrator

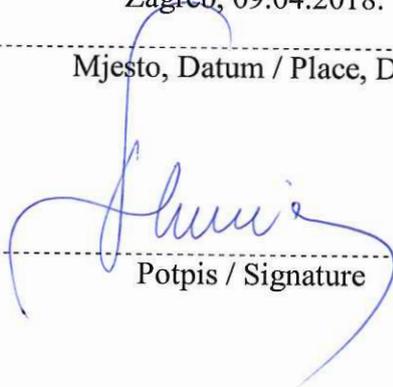
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Ime, Funkcija / Name, Title

**KRAŠ prehrambena industrija d.d.**

-----  
Društvo, osoba / Company, Person

Zagreb, 09.04.2018.

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Mjesto, Datum / Place, Date



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Potpis / Signature

Marica Vidaković, prokurist / procurist

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Ime, Funkcija / Name, Title

[Potpisna stranica Ključnih elemenata / Signature Page to Key Elements]

Toni Raič

-----  
Društvo, osoba / Company, Person

Zagreb, 09.04.2018.

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Mjesto, Datum / Place, Date



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Potpis / Signature

Mato Brlošić,  
po punomoći/as per power of attorney  
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Ime, Funkcija / Name, Title

[Potpisna stranica Ključnih elemenata / Signature Page to Key Elements]

**Knighthood Capital Management  
LLC**, solely on behalf of certain funds  
and accounts it manages or advises, in its  
capacity as a member of the Interim  
Creditor Council

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Društvo, osoba / Company, Person

*New York, New York* 9 April 2018  
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Mjesto, Datum / Place, Date

*[Handwritten Signature]*  
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Potpis / Signature

*Laura L. Tomazo - Authorized Signatory*  
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Ime, Funkcija / Name, Title

[Potpisna stranica Ključnih elemenata / Signature Page to Key Elements]

**Sberbank of Russia** in its capacity  
as a member of the Interim Creditor  
Council

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Društvo, osoba / Company, Person

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*Biograd na Moru, Croatia* 9 April 2018  
-----  
Mjesto, Datum / Place, Date



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Potpis / Signature

*Sergei Volk*  
*Senior Banker*  
-----  
Ime, Funkcija / Name, Title

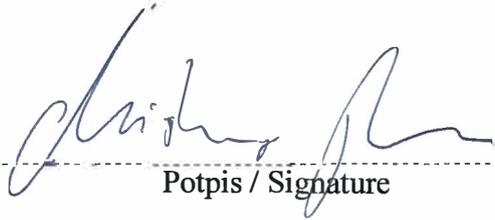
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**Zagrebačka Banka d.d.** in its capacity  
as a member of the Interim Creditor  
Council

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Društvo, osoba / Company, Person

Zagreb, 9 April 2018

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Mjesto, Datum / Place, Date

  
-----  
Potpis / Signature

Pavo Mišković, direktor Pravne podrške  
Specijalnim korporativnim rješenjima, po  
punomoći / Corporate Special Solutions,  
Legal, Head, under PoA

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Ime, Funkcija / Name, Title

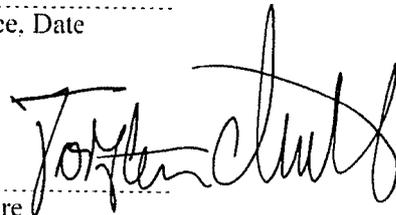
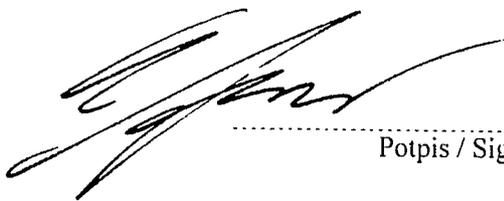
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**VTB Bank (Europe) SE**

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Društvo, osoba / Company, Person

Frankfurt, Germany 9 April 2018

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Mjesto, Datum / Place, Date



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Potpis / Signature

Eike Neumann  
Authorized Signatory

Torsten Müller  
Head of Client Coverage

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Ime, Funkcija / Name, Title