

## VOLUNTARY TAKEOVER BID

in accordance with Act No. 104/2008 Coll., on takeover bids, as amended (the “**Act on TO Bids**”)

for

**PEGAS NONWOVENS SA**, a Luxembourg société anonyme (public limited liability company) with its registered office at 68–70, boulevard de la Pétrusse, L-2320 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 112.044, NID 8880159772

(the “**Company**”)

by

**R2G Rohan Czech s.r.o.**, ID No.: 04607341, with its registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, Czech Republic, registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: C 250660

(the “**Offeror**”)

The Offeror hereby makes this voluntary takeover bid (the “**Bid**”) addressed to all owners of shares in the Company as set forth hereunder.

### 1. IDENTIFICATION OF OFFEROR AND THE PERSONS ACTING IN CONCERT, INTEREST IN THE COMPANY

1.1. The Offeror is **R2G Rohan Czech s.r.o.**, ID No.: 04607341, with its registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, Czech Republic, registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: C 250660.

1.2. The persons acting in concert (in Czech: “*osoby spolupracující*”) with the Offeror are:

- a) **R2G Rohan S.à r.l.**, with its registered office at 14 rue Edward Steichen, 2540 Luxembourg (“**R2GR**”), which holds an interest in the Offeror amounting to 100% and therefore directly controls the Offeror.
- b) **R2G FOUNDATION**, with its registered office at Kirchstrasse 1, LI-9490 Vaduz, Liechtenstein (“**R2GF**”), which holds an interest in R2GR amounting to 50%. R2GF is a family foundation of Mr. Oldřich Šlemr.
- c) **Eduard Kučera**, residing at Bulharská 1213/21, 101 00 Prague 10 Vršovice, Czech Republic (“**Mr. Kučera**”), who holds an interest in R2GR amounting to 26%.
- d) **Pavel Baudiš**, residing at Plamínkové 1581/33, 140 00 Prague 4 Nusle, Czech Republic (“**Mr. Baudiš**”), who holds an interest in R2GR amounting to 24%.
- e) **R2G Wealth s.r.o.**, ID No.: 05499640, with its registered office at Hradčanské náměstí 67/8, Hradčany, 118 00 Prague 1, Czech Republic, registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: C 264722 (“**R2GW**”), whose only (100%) shareholder is R2GF.

The Offeror is indirectly controlled by R2GF and Mr. Kučera. For the purposes of this Bid, R2GF, Mr. Baudiš and Mr. Kučera are persons acting in concert (in Czech “*osoby jednající ve shodě*”) with the Offeror.

Neither R2GR, R2GF, Mr. Kučera, Mr. Baudiš nor R2GW own any Shares in the Company.

- 1.3. The Offeror currently owns a total of 949,376 shares of the Company with a nominal value of EUR 1.24 each, which represent an approximately 10.83% share in the registered capital, and voting rights, of the Company.

## 2. SECURITIES COVERED BY THE BID

- 2.1. The Bid applies to all ordinary shares issued by the Company on the date of publication of this Bid, type: registered, form: book-entry, in the nominal value of EUR 1.24 each, ISIN: LU0275164910, the issuing price was fully paid-up (the “Shares”).
- 2.2. No lien, encumbrance, right of first refusal or any other factual or legal burden or restriction of any nature may encumber the Shares being transferred to the Offeror by persons accepting the Bid. The Shares must be transferred together with all of the rights which are or should be related and/or attached to them in accordance with the relevant legal regulations and/or the articles of association of the Company (including all rights to unpaid dividends).
- 2.3. The vast majority of shareholders of the Company use, for the purpose of holding book-entered Shares, the services of a bank, professional custodians or other qualified financial intermediary, the Shares being held either with the Centrální depozitář cenných papírů, a.s., ID No.: 25081489, with its registered office at Rybná 682/14, Staré Město, CP 110 00 Prague 1, Czech Republic (“CDCP”), or with other depository.
- 2.4. This Bid is not limited to any number of Shares and is not subject to any minimal volume of Shares to be acquired.

## 3. BID PRICE

- 3.1. The Offeror offers that, under conditions stipulated herein, it will purchase Shares for the price of CZK 1,010 (in words: one thousand ten Czech crowns) per Share (the “Bid Price”).
- 3.2. The average price pursuant to the provisions of the Act on TO Bids is CZK 877.10 per Share. The average price per Share was calculated as the weighted average of the prices for which trades with the Shares were conducted on Burza cenných papírů Praha, a.s. (Prague Stock Exchange) within the period of six (6) months prior to the publication of the intention to make this Bid (i.e. in the period from 14 January 2017 to 14 July 2017).

The Offeror believes that the Bid Price is highly attractive to shareholders of the Company. It represents a:

- a) 8.0% premium over the Company’s closing Share price on 14 July 2017 of 935.1 CZK;
- b) 22.5% premium over the Company’s undisturbed 30 day volume-weighted average<sup>1</sup> share price of CZK 824.6;
- c) 23.2% premium over the median share price target of CZK 819.8 of research analysts covering the Company<sup>2</sup>; and

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<sup>1</sup> Undisturbed price is calculated as the weighted average price for the period 30 days before 5 April 2017, the date of the first acquisition of Shares by R2GW, a person acting in concert with the Offeror.

<sup>2</sup> Erste Group, J&T Banka, Komerční Banka and Fio Banka

- d) a record price for the Company's Shares prior to the publication of the intention to make this Bid, giving all shareholders an option to sell their positions at a 4.1% premium over the all-time high reached prior to such publication of intention<sup>3</sup>.

The Bid Price implies an attractive multiple of 10.6x 2016 EV/EBITDA, well above that of the prevailing trading levels of Pegas' peer group.<sup>4</sup>

- 3.3. The Offeror reserves the right to increase the Bid Price during the Acceptance Period (as defined below). Any such increase (if made) would be reflected in any Agreements (as defined below), which were previously executed on the basis of the Bid. If such increase is made, it will contain information on how to re-settle the Agreements that were already entered into. The Agent (as defined below) will inform the Interested Shareholders (as defined below) concerned. If such an increase will be connected with extension of the Acceptance Period, shareholders of the Company will accordingly be also informed about the new Settlement Date (as defined below).

#### **4. ACCEPTANCE PERIOD, RECEIVING AND SETTLEMENT AGENT**

- 4.1. The Bid is binding and may be accepted from 25 August 2017 to 25 September 2017 (the "**Acceptance Period**"). This period may be extended by the Offeror in accordance with the Act on TO Bids. If an extension of the Acceptance Period is offered, it will contain information about the new Settlement Date and how to re-settle the already entered into Agreements; the Agent will inform the Interested Shareholders concerned.
- 4.2. The Offeror has instructed **Česká spořitelna, a.s.**, ID No.: 45244782, with its registered office at Prague 4, Olbrachtova 1929/62, Postal Code 14000, Czech Republic (the "**Agent**"), to act on behalf of the Offeror in the acceptance process of the Bid and to act as a participant in the CDCP in respect of the settlement of the transfers of the Shares and payment of the corresponding consideration.
- 4.3. The Agent shall not be bound by any obligations arising out of or relating to the Agreements (as defined below). For the avoidance of doubt, it is expressly provided that the Agent does not assume or guarantee any obligation or liability of the Offeror under or in connection with the Bid.
- 4.4. The Agent is entitled (but not obligated) to give advice on the mechanics of acceptance.

#### **5. ACCEPTANCE OF THE BID, EXECUTION OF THE AGREEMENT**

- 5.1. Owners of Shares that are willing to accept the Bid relating to their Shares (the "**Interested Shareholders**"), shall declare their acceptance of the Bid in the following way:
- a) For the Shares held through (or directly by) participants of CDCP in CDCP, the Interested Shareholders shall declare their acceptance by the due execution of a written notice form containing all of the essential elements listed in Section 5.3 below (the form is available to the Interested Shareholders by electronic download at the Agent's website: <http://www.csas.cz> in section News or the Offeror's website: <https://www.r2g-rohan.cz/> ) (the "**Notice of Acceptance**"), and by delivery of the Notice of Acceptance to the Agent in the way and under the terms stipulated in Section 5.6 below;

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<sup>3</sup> CZK 970 on 30 May 2017

<sup>4</sup> Average EV /EBITDA multiple of peer group is 7.9x. Peer group consists of Suominen OYJ, Ahlstrom – Munksjo OYJ, Avgol Industries, and Hoftex Group AG

- b) For any other Shares not listed in Clause 5.1.a) above (because owners of the Shares are holding Shares in different depository than CDCP), before acceptance of the Bid the Interested Shareholders together with their banks or other financial intermediaries must ensure their Shares being held directly or indirectly with a CDCP participant<sup>5</sup> in CDCP. After that, the Interested Shareholders shall proceed, i.e. may accept the Bid in relation to their Shares by procedure in accordance with Clause 5.1.a) of the Bid.

5.2. To complete the Notice of Acceptance, the Interested Shareholders are recommended to use the editable form on either of the Agent's website: <http://www.csas.cz> or the Offeror's website: <https://www.r2g-rohan.cz/>, which may then be printed out after its completion.

5.3. Any Notice of Acceptance must contain at least the following information:

- a) unequivocal demonstration of the will of the Interested Shareholder documenting that the Interested Shareholder accepts the Bid without any conditions and reservations;
- b) identification data of the Interested Shareholder, namely the following:
  - (i) in the case of individuals: name and surname, birth certificate number or, for persons who are not Czech citizens, passport number and date of birth, substitute identification number (NID) (if assigned by the CDCP), place of residence, telephone and/or fax number and/or e-mail address;
  - (ii) in the case of legal entities: business name, identification number (ID No.), substitute identification number (NID) for entities who are not Czech (if assigned by the CDCP), registered office, names of persons authorized to act on behalf of the Interested Shareholders who signed the Notice of Acceptance, telephone and/or fax number and/or e-mail address;
- c) name and code of the Participant (as it is defined below in Section 6.2.) and Asset Account Number of the Interested Shareholder on which the relevant Shares are registered; and
- d) number and identification (ISIN) of the Shares held by the Interested Shareholder over which the acceptance of the Bid relates.

Attached to the Notice of Acceptance must be the following:

- e) in the event that the Bid is accepted and the Notice of Acceptance is made by a proxy, an original or authenticated copy of the power of attorney (form of which is available to the Interested Shareholders by electronic download at the Agent's website: <http://www.csas.cz> in section News and the Offeror's website: <https://www.r2g-rohan.cz/>, such form being only a non-binding recommendation that may not be suitable for every Interested Shareholder) with a signature of the principal; and
- f) in the event that the Interested Shareholder or the proxy pursuant to the provisions of e) above is a foreign (other than Czech) legal entity, an original or authenticated copy of the current extract from the Commercial Register of the Interested Shareholder and/or the proxy pursuant to the provisions of e) above (as appropriate) or instruments of a similar nature (which are relevant pursuant to the provisions of applicable law) that confirm that the person who signed the Notice of Acceptance or, as the case may be, the power of attorney pursuant to the

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<sup>5</sup> List of CDCP participants: <https://www.cdcp.cz/index.php/en/participants/participants-list>

provisions of e) above is authorized to act on behalf of and bind the Interested Shareholder and/or the proxy pursuant to the provisions of e) above.

- 5.4. The date of obtaining the extract from the Commercial Register or similar instruments referred to in 5.3 above must precede the date of the signing of the Notice of Acceptance.
- 5.5. The Notice of Acceptance and all other required documents must be delivered to the Agent in their original form or as authenticated copies. The official authentication of signatures of the Interested Shareholders or persons acting on their behalf on the Notice of Acceptance is not required. All of the documents that the Interested Shareholder is obliged to deliver to the Agent, must be either in Czech, Slovak or in English or an authenticated translation into the Czech, Slovak or English language must be provided therefor. For the avoidance of doubt, no model documents will be provided in Slovak language.
- 5.6. To accept the Bid, the Notice of Acceptance including all the required attachments must be delivered to following address of the Agent: Česká spořitelna, a.s., útvar 8430 Back Office investičních produktů, Budějovická 1518/13a,b, Praha 4, 14000, by post or courier in an envelope provided with the text PEGAS NONWOVENS so that the Notice of Acceptance would be delivered to the Agent by 17:00 of Prague local time on the last day of the Acceptance Period at the latest.
- 5.7. Upon delivery of a duly completed Notice of Acceptance to the Agent, together with all of the required documents within the Acceptance Period, an agreement on the transfer of the related Shares (the “**Agreement**”) shall be concluded between the Offeror and the Interested Shareholder. For the avoidance of doubt, it is expressly stated that the requirements for the conclusion of an Agreement set down hereunder are deemed to be satisfied and the Agreement is deemed to be duly concluded (as of the date set forth in the first sentence of this Clause) when the Interested Shareholder is informed about the conclusion of the Agreement in accordance with Section 10.1 hereof. A Notice of Acceptance that contains an amendment to or deviation from the terms and conditions of the transfer of Shares, as such terms and conditions are stipulated herein, does not constitute acceptance of the Bid and will be subject to procedure under Article 5.8 below.
- 5.8. If an incomplete and/or incorrect Notice of Acceptance and/or Notice of Acceptance from which any one or more of the required documents are missing and/or a Notice of Acceptance, in which the acceptance of the Bid is subject to any condition (as relevant) is delivered to the Agent, the Agent will request the Interested Shareholder to rectify it (subject to the fact there is reasonable period for rectification before the Acceptance Period expires), such request to be made by phone or e-mail to the phone number or e-mail address (if any) given in the Notice of Acceptance and the Agent will give the Interested Shareholder a period expiring simultaneously with the Acceptance Period during which the rectified Notice of Acceptance or the missing annexes will be delivered. If the Interested Shareholder does not rectify the defect in the Notice of Acceptance or the annexes within the determined period (i.e. until the end of Acceptance Period), the Agent will notify the Interested Shareholder in accordance with Article 10.2 below that the acceptance is invalid. If the claimed defects or flaws are duly rectified, an Agreement will be executed by and between the Offeror and the Interested Shareholder upon delivery to the Agent of the rectified Notice of Acceptance and/or the missing annexes. For the avoidance of doubt, it is expressly stated that the requirements with regard to the execution of an Agreement under this Section 5.8 are deemed fulfilled and the Agreement is deemed duly executed if the Interested Shareholder is notified of the execution of the Agreement in accordance with Article 10.1 below.

- 5.9. Every Interested Shareholder shall bear all of its own expenses incurred in connection with the acceptance of the Bid and the transfer of Shares and shall not be entitled to request or obtain their reimbursement from the Offeror.
- 5.10. For the avoidance of any doubt, it is expressly stipulated that this bid document shall form an integral part of each Agreement.

## **6. TRANSFER OF SHARES AND SETTLEMENT**

- 6.1. The transfers of the Shares will be carried out through CDCP according and pursuant to the valid version of the Settlement System Rules of the CDCP and pursuant to the other rules and regulations of the CDCP (together the “**Rules**”). In order to accept the Bid, it is necessary that an Interested Shareholder holds Shares directly or indirectly through one of the participants of CDCP in CDCP.
- 6.2. The transfers of the Shares under the Agreements shall be settled in CDCP upon the matching and settlement of an order for such transfer (the “**Order**”), entered into the CDCP by the relevant securities trader or other participant in the CDCP of the relevant Interested Shareholder (the “**Participant**”), with the corresponding purchase order of the Shares to be transferred to CDCP by the Agent. Interested Shareholders who are direct participants in CDCP may submit the Order themselves. In such case, the provisions set down herein for Participants shall accordingly apply to such Interested Shareholders.
- 6.3. The Interested Shareholders shall deliver the instructions to their Participant for submitting the Order to CDCP in accordance with the rules set down below. The matching of the Order with an order of the Agent (acting on the instructions of the Offeror) to buy the Shares shall commence in the settlement system of CDCP after the due conclusion of the related Agreement and the transaction shall be settled on 5 October 2017 (the “**Settlement Date**”), i.e. on the seventh (7<sup>th</sup>) business day after the Acceptance Period has elapsed.
- The Interested Shareholder shall ensure that the Order (i) contains all of the data necessary for the due and timely settlement of orders in CDCP; (ii) is executed in compliance with this Bid and the Rules; (iii) is executed correspondingly with the Notice of Acceptance; and (iv) is submitted to the settlement system of CDCP such that it could match the respective order of the Agent. The Interested Shareholder shall further ensure that the Participant files the Order so that the settlement can take place on the Settlement Date.
- 6.4. The Agent is entitled to submit the order for the transfer of Shares to CDCP immediately after the conclusion of the relevant Agreement pursuant to Section 5.7 or 5.8. The Agent shall, in the order referred to in the previous sentence, include all of the necessary data for the due and timely settlement of the orders in CDCP.
- 6.5. If the Interested Shareholder breaches any of the obligations stipulated in Section 6.3. above, the Offeror shall have the right (but is not obliged) to instruct the Agent not to submit the respective order to buy the Shares from the Interested Shareholder or, alternatively, the Agent shall be entitled to refuse to submit such order. The Interested Shareholder shall be liable for damages incurred by the Offeror as a result of the breach of any obligation stipulated in Section 6.3, or any incompleteness or incorrectness of an Order or an Order not fully corresponding with the Notice of Acceptance. Both the Interested Shareholder and the Agent commit to develop required cooperation in order that the transaction is settled on the Settlement Date. If the Agreement is executed through a procedure as set out herein, but the transaction is not settled on the Settlement Date at the latest because of an action or a failure to act on the part of the Interested Shareholder (e.g., if the Order is not filed in a due manner or time), the Interested Shareholder and the Agent commit to devote reasonable efforts to take the necessary steps to resolve such a situation and attain a substitute settlement within three (3) business days after Settlement Day at the latest (the “**Substitute**

**Settlement Date**”). Should such substitute settlement not occur on the last day of Substitute Settlement Date at the latest, such situation constitutes a condition subsequent with regard to the executed Agreement whose effectiveness shall thus terminate upon expiration of the last day of Substitute Settlement Date. After the effectiveness of the Agreement terminates, the Offeror has no further obligations or debts toward the Interested Shareholder.

- 6.6. The Interested Shareholder is recommended to verify that the Shares, to which its Notice of Acceptance applies, are readily available to be transferred to the Offeror on the appropriate account by one (1) business day directly preceding the Settlement Date. The Offeror shall take corresponding steps to ensure that the funds necessary for the payment for transfer of Shares in the volume of all of the concluded Agreements are readily available one (1) business day directly preceding the Settlement Date. The corresponding monetary remuneration for the transfer of Shares shall be paid against the delivery of Shares in accordance with the Rules.
- 6.7. The settlement details for the Offeror in the CDCP are as follows: Česká spořitelna, a.s., CDCP participant's code: 877

## **7. REPRESENTATIONS AND WARRANTIES OF THE INTERESTED SHAREHOLDER**

- 7.1. By signing the Notice of Acceptance, the Interested Shareholder represents and warrants to the Offeror and the Agent, as of the day of the signing of the Notice of Acceptance, as well as on the day on which the Shares are or shall be transferred to the Offeror as provided herein, that:
- a) any and all of the information in the Notice of Acceptance and in the documents required to be delivered to the Agent with such Notice of Acceptance are complete, correct and not misleading in any respect;
  - b) the Interested Shareholder legally exists in accordance with applicable law, has full power and has been duly authorized to accept the Bid, execute the Notice of Acceptance and transfer the Shares in relation to which it accepts the Bid;
  - c) the obligations arising for the Interested Shareholder from the Agreement constitute the legal, valid and effective obligations of the Interested Shareholder, and are binding on it and enforceable against it;
  - d) the Interested Shareholder is an exclusive owner of all the Shares in relation to which it accepts the Bid;
  - e) the Shares in relation to which it accepts the Bid are fully paid and free from any liens, easements, rights of pre-emption or any other factual or legal encumbrances or third party rights of any nature whatsoever and are transferred together with all of the rights that are or shall be attached to them according to applicable law and/or the articles of association of the Company; and
  - f) the Order fully corresponds with the Notice of Acceptance (effective on the day on which the Shares are or shall be transferred to the Offeror as provided herein).

The Interested Shareholder shall procure that the above representations and warranties will be true, complete and not misleading on each date on which they are made by the Interested Shareholder.

- 7.2. The Interested Shareholder, who has so represented, warranted and agreed as provided in Section 7.1 above, shall indemnify and keep the Offeror and the Agent indemnified from and against all losses whatsoever and howsoever arising out of or in connection with any breach of any of such representations, warranties and/or obligations.

**8. CANCELLATION OF ACCEPTANCE OF THE BID, WITHDRAWAL FROM AGREEMENTS BY INTERESTED SHAREHOLDER**

8.1. Any person who accepted the Bid is entitled to cancel its acceptance, by delivering a cancellation to the Agent no later than simultaneously with the delivery of the Notice of Acceptance in accordance with Section 5.6 above.

Any such cancellation (recall) must contain at least the following information:

- a) unequivocal demonstration of the will of the Interested Shareholder documenting that the Interested Shareholder cancels the acceptance of the Bid without any conditions, reservations and in accordance with this provision;
- b) identification data of the Interested Shareholder as similarly specified in Section 5.3.b) above; and
- c) number and identification (ISIN) of the Shares held by the Interested Shareholder over which the cancellation of acceptance of the Bid relates.

Sections 5.3.e) to 5.3.f), 5.4 and 5.5 shall apply mutatis mutandis.

8.2. Any person who concludes the Agreement by acceptance of this Bid is entitled to withdraw from such Agreement until the end of the Acceptance Period, provided that it will deliver to the Agent, before the end of the Acceptance Period and in accordance with Section 5.6 hereof, a notice of withdrawal (the “**Notice of Withdrawal**”) as per the form available on the Agent’s website: <http://www.csas.cz> and the Offeror’s website <https://www.r2g-rohan.cz/>, to which all the documents in accordance with Section 8.3 shall be attached and which is signed by duly authorized persons with the signatures officially authenticated and, in the case that this is not a Czech official verification of the authenticity of the signature, such authentication must be apostilled, or, as the case may be, super-legalized, unless a relevant international agreement to which the Czech Republic is party provides otherwise, such that it is considered an official authentication of signature in the Czech Republic. Any withdrawal made in conflict with this provision shall not be taken into account and shall not affect the validity and effectiveness of the relevant Agreement.

8.3. The Notice of Withdrawal shall be delivered together with the following annexes attached:

- a) in the event that the Notice of Withdrawal is made by a proxy, an original or authenticated copy of the power of attorney with an authenticated signature of the principal shall be attached (i.e. the form of the power of attorney referred to under Section 5.3.e) may not be suitable for this purposes);
- b) in the event that the Interested Shareholder or the proxy pursuant to the provisions of a) above is a foreign (other than Czech) legal entity, an original or authenticated copy of the current extract from the Commercial Register of the Interested Shareholder and/or the proxy pursuant to the provisions of a) above (as appropriate) or instruments of a similar nature (which are relevant pursuant to the provisions of applicable law) that confirm that the person who signed the Notice of Withdrawal or, as the case may be, the power of attorney pursuant to the provisions of a) above is authorized to act on behalf of and bind the Interested Shareholder and/or the proxy pursuant to the provisions of a) above.

The date of obtaining the extract from the Commercial Register or similar instruments referred to in this Section above must precede the date of the signing of the Notice of Withdrawal. The extract from the Commercial Register and other documents must, in the case of foreign (other than Czech) legal entities, bear an apostille or super-legalization clause (unless a relevant international agreement to which the Czech Republic is party



provides otherwise) such that they are of the nature of public documents in the Czech Republic.

- 8.4. The Notice of Withdrawal and all other required documents must be delivered to the Agent in their original form or as authenticated copies. All of the documents that the Interested Shareholder is obliged to deliver to the Agent, must be either in Czech, Slovak or in English or an authenticated translation into the Czech, Slovak or English language must be provided therefor. For the avoidance of doubt, no model documents will be provided in Slovak language.
- 8.5. In the case of a valid withdrawal from the Agreement, the cancellation of settlement of the transfer of the relevant Shares shall be subject to the Rules. In the event that the settlement of the relevant Shares has already been completed prior to the valid withdrawal from the Agreement or if the cancellation of such settlement is not possible, the Offeror (and/or the Agent on the Offeror's behalf) and the other party to such Agreement that was withdrawn from, shall cooperate to effect the reverse settlement without undue delay; in such case, both the Offeror and the other party to such Agreement shall bear their own expenses arising as a result of any such actions.

## **9. WITHDRAWAL FROM AGREEMENTS BY THE OFFEROR**

- 9.1. The Offeror is entitled to withdraw from any Agreement in the following events:
- a) if the Agreement comes into effect notwithstanding the incompleteness, incorrectness, conditionality of the Notice of Acceptance and/or absence of any document(s) that are required to be attached to the Notice of Acceptance in accordance herewith and such defects were not remedied even pursuant to the provisions of Section 5.8 (if applicable);
  - b) the Interested Shareholder breaches any of the obligations stipulated in Section 6.3 hereinabove and/or due to a reason on the side of the Interested Shareholder, on the Settlement Date, the transfer of the Shares by the relevant Interested Shareholder shall not take place; or
  - c) any of the Interested Shareholder's representations and warranties stipulated in Section 7.1 hereinabove turns out to be untrue, incomplete or misleading.
- 9.2. Withdrawal from the Agreements by the Offeror shall be made by delivering a written notice thereof to the Interested Shareholder at the address or fax number (if any) contained in the relevant Notice of Acceptance.

## **10. NOTIFICATION OF CONCLUSION OF AGREEMENTS, PUBLICATION OF RESULTS OF THE BID**

- 10.1. Information on the conclusion of the Agreement (if it has not been withdrawn from within the Acceptance Period) will be notified by the Agent to the respective Interested Shareholder or to their representative to the address, fax number or e-mail address (if any) stated in their Notices of Acceptance no later than the fifth (5<sup>th</sup>) business day after the end of the Acceptance Period.
- 10.2. Information about any decision of the Agent on an invalid or ineffective acceptance of the Bid hereunder will be notified by the Agent to the respective Interested Shareholder or to their representative to the address, fax number or e-mail address (if any) stated in their Notices of Acceptance no later than the fifth (5<sup>th</sup>) business day after the end of the Acceptance Period.

- 10.3. Results of the Bid will be announced by the Offeror in accordance with Section 31 of the Act on TO Bids without undue delay after the end of the Acceptance Period in the Czech daily periodical *Hospodarske noviny*, on the Agent's website: <http://www.csas.cz> in section News and on the Offeror's website <https://www.r2g-rohan.cz/> .

## 11. SOURCES AND METHOD OF FUNDING OF THE BID

- 11.1. The acquisition of the Shares through the Bid will be financed by loans granted to R2GR by its shareholders (R2GF, Mr. Kučera and Mr. Baudiš), that will be onlended to the Offeror. The funds to be provided pursuant to such loans are in a sufficient amount for the purposes of the acquisition of the Shares through the Bid.

## 12. BREAKTHROUGH RULE

- 12.1. The General Meeting of shareholders of the Company has not approved a decision permitting the use of the breakthrough rule, thus the compensation for damages incurred as a result of the use of the breakthrough rule does not apply to the Bid.

## 13. SQUEEZE-OUT RIGHTS

- 13.1. If upon completion of the Bid, the Offeror holds Shares in the Company representing not less than 95% of the share capital of the Company and 95% of the voting rights, the Offeror will be entitled to require all the holders of the remaining Shares not tendered in the Bid to sell to the Offeror these securities ("**Squeeze-Out**").
- 13.2. The implementation of the Squeeze-Out is subject to the laws of the Grand Duchy of Luxembourg and, in particular, the provisions of Art. 15 of the Luxembourg law of 19 May 2006 on takeover bids, as amended ("**Luxembourg Takeover Law**").
- 13.3. If the Offeror intends to exercise its Squeeze-Out rights, it will do so within three (3) months from the end of the Acceptance Period. In the event of a Squeeze-Out, the Offeror is required to acquire the remaining Company's Shares at a fair price as defined by Art.15(5) of the Luxembourg Takeover Law. The Bid Price shall be presumed to be fair if, through the acceptance of the Bid, the Offeror acquired Shares representing at least 90% of the capital carrying voting rights comprised in the Bid. The price shall be settled in cash.
- 13.4. In addition, pursuant to the Luxembourg law on Mandatory Squeeze-Out and Sell-Out dated 21 July 2012 ("**Luxembourg Squeeze-Out and Sell-Out Law**"), the Offeror may also require the sale of Shares held by other Company's shareholders if it holds, alone or with other persons acting jointly with the offeror, at least 95 % of the share capital of the Company and 95% of the voting rights ("**Mandatory Squeeze-Out**"). A Mandatory Squeeze-Out may be initiated at the earliest six (6) months after the expiration of all rights resulting from a takeover bid conducted in accordance with the provisions of Directive 2004/25/EC on takeover bids to the extent that the Shares are still admitted to trading on a regulated market within the meaning of Directive 2004/39/EC or the Mandatory Squeeze-Out takes place no later than five (5) years following the delisting of the Shares from such market or following an obligation to publish a prospectus for a public offering of the Shares within the meaning of Directive 2003/71/EC. The Mandatory Squeeze-Out must be exercised at a fair price and must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the "*Commission de Surveillance du Secteur Financier*" ("**CSSF**").

#### **14. SELL-OUT**

- 14.1. If upon completion of the Bid, the Offeror has acquired 90% or more of the share capital and voting rights in the Company, a holder of remaining Shares will be entitled to require the Offeror to buy his/her Shares from him/her (“**Sell-Out**”).
- 14.2. The implementation of the Sell-Out is subject to the laws of the Grand Duchy of Luxembourg and the provisions of Art. 16 of the Luxembourg Takeover Law.
- 14.3. If the holder of the remaining Shares intends to exercise his/her Sell-Out rights, he/she shall do so within three (3) months from the end of the Acceptance Period. The Sell-Out will need to be made at a fair price. The Bid Price shall be presumed to be fair if, through the acceptance of the Bid, the Offeror has acquired the Shares representing at least 90% of the capital carrying voting rights comprised in the Bid. The price shall be settled in cash.
- 14.4. Pursuant to Luxembourg Squeeze-Out and Sell-Out Law, if the Offeror holds, alone or with other persons acting jointly with the offeror, at least 95 % of the share capital of the Company and 95% of the voting rights, the remaining shareholders of the Company have the right to require the Offeror to purchase the remaining Shares (“**Mandatory Sell-Out**”) in accordance with the provisions and conditions set out in the Luxembourg Squeeze-Out and Sell-Out Law. A Mandatory Sell-Out may be initiated at the earliest six (6) months after the expiration of all rights resulting from a takeover bid conducted in accordance with the provisions of Directive 2004/25/EC on takeover bids to the extent that the Shares are still admitted to trading on a regulated market within the meaning of Directive 2004/39/EC or the Mandatory Sell-Out takes place no later than five (5) years following the delisting of the Shares from such market or following an obligation to publish a prospectus for a public offering of the Shares within the meaning of Directive 2003/71/EC. The Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals and should be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF. The Mandatory Sell-Out must be initiated not more than three months following publication of the acquisition made by the Offeror whereby it has acquired at least 95 % of the share capital of the Company and 95% of the voting rights in the Company.

#### **15. RELATION TO THE SHARES LISTED ON THE WARSAW STOCK EXCHANGE**

- 15.1. For the avoidance of doubt, it is stated that because, within the meaning of Section 2.1, this Bid also applies to all Shares, it also applies to Shares listed on the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie*). The Polish Financial Commission (*Urząd Komisji Nadzoru Finansowego*) has been informed of this Bid and in accordance with Section 13(4) of Act on TO Bids this Bid will be made public in Poland in a daily newspaper and through the registered information agency (*agencja informacyjna*) together with the translation into Polish.
- 15.2. The equivalent of the Bid Price in Polish Zloty (*Złoty*) is PLN 165.47, calculated based on the official PLN/CZK exchange rate of the Czech National Bank, as published on the date one business day prior to the date of this Bid by Czech National Bank. All payments to be made by the Offeror pursuant to this Bid will be made in Czech Crowns in accordance with the settlement procedure described herein.

**16. OFFEROR'S INTENTIONS REGARDING COMPANY'S ACTIVITY IN THE FUTURE, PURPOSE OF THE BID**

- 16.1. The Offeror (and its investors) believe in the Company's long term potential and its ability to continue its successful track record of growth, provided that the business has the financial resources to expand globally. The Offeror is supportive of the current executive management team and is eager to accelerate the Company's growth by reinvesting cash generated by the Company and advancing significant additional equity funding to the Company post a successful Bid. Given the Offeror's long term investment outlook, the Offeror is willing to absorb short and medium term losses and limit or stop cash flow distribution to shareholders to achieve the greater goal of creating a stronger, competitive and more global business in the long term.
- 16.2. The Offeror does not intend to make any major dismissals, relocation of the Company, its subsidiaries or establishments, or structural changes to the way the business is currently operated.
- 16.3. The Offeror will consider carrying-out a squeeze-out procedure, depending on the outcome of the Bid.

**17. OPINION OF THE BODIES OF THE COMPANY**

- 17.1. The reasoned opinion of the Board of Directors of the Company dated 16 August 2017, which determines the Bid price to be "*fair*", is being published in accordance with the law together with this offer document and forms part of it. It is also available on the Offeror's website: <https://www.r2g-rohan.cz/>

**18. GOVERNING LAW, SUPERVISORY AUTHORITY, OTHER PROVISIONS**

- 18.1. Matters relating to company law are subject to the laws of the Grand Duchy of Luxembourg.
- 18.2. The Agreements concluded on the basis of this Bid shall be governed by the laws of the Czech Republic.
- 18.3. The courts of the Czech Republic shall have exclusive jurisdiction in any disputes arising from or in connection with the Bid.
- 18.4. For the purpose hereof, "**business day**" means any day, with the exception of Saturdays, Sundays and public holidays, when the banks in Prague (Czech Republic) are open to the public.
- 18.5. The supervisory authority having competence over the Bid is the Czech National Bank. For more information on the Czech National Bank please see its website ([www.cnb.cz](http://www.cnb.cz)).
- 18.6. This bid document is executed in Czech and English versions. In the event of any discrepancy between the language versions, the Czech version shall prevail.
- 18.7. The personal data of the Interested Shareholders stated in the Notice of Acceptance or in any other documents shall be processed by the Agent, the Offeror or, as the case may be, the Company only to the extent and for the purposes set out in this Bid and in accordance with applicable laws.
- 18.8. The Czech National Bank did not find reasons to prohibit the publishing of this bid document. The publishing of the bid document meets the requirements of the law of the Czech Republic.