

## ASSEMBLEIA DE OBRIGACIONISTAS

### PROPOSTA DE DELIBERAÇÃO – PONTO ÚNICO DA ORDEM DE TRABALHOS

#### CONSIDERANDO QUE:

- No primeiro semestre do ano 2020, passámos a viver, de forma permanente, numa situação de pandemia global da SARS-CoV-2 (*Severe Acute Respiratory Syndrome* – Síndrome Respiratória Aguda Grave) e da doença infecciosa designada de Covid-19, provocada pelo vírus Covid-19, declarada em 11 de Março de 2020 pela Organização Mundial da Saúde, a qual se manterá até ao final deste ano prolongando-se muito provavelmente durante parte do próximo ano;
- Esta declaração de pandemia levou à adoção de várias medidas pelos governos de todos os países, designadamente a de decretar o confinamento obrigatório o que implicou necessariamente o encerramento sem precedentes de fronteiras, a proibição de viajar, por vezes mesmo dentro do próprio país, a quase suspensão total de voos e o encerramento compulsivo de vários negócios considerados não essenciais à economia, como sejam hotéis, restaurantes, parques, cinemas, entre outros;
- A Covid-19 levou ainda ao cancelamento ou adiamento da realização de inúmeros eventos, conferências, convenções, ligas desportivas, entre outros, que implicaram igualmente uma redução das viagens e do turismo por razões de negócio e lazer;
- A Covid-19 reduziu de forma muito significativa a atividade económica em geral e afetou de forma mais acentuada os setores hoteleiro e turístico que estiveram vários meses sem ter qualquer atividade;
- A título exemplificativo, a atividade hoteleira teve uma redução, no primeiro semestre de 2020, de 58,5% (3.9M hóspedes no primeiro semestre de 2020 comparativamente a 9.4M de hóspedes no período homólogo)<sup>1</sup> em Portugal e de 62,35% (42.3M hóspedes nos primeiros cinco meses de 2020 comparativamente a 112.3M hóspedes no período homólogo)<sup>2</sup> em Espanha, dois dos principais mercados em que opera o Grupo Pestana – S.G.P.S., S.A. (a “**Sociedade**”);

<sup>1</sup> Fonte INE Portugal e Turismo de Portugal, disponível em <https://travelbi.turismodeportugal.pt/pt-pt/Paginas/PowerBI/hospedes.aspx>.

<sup>2</sup> Fonte INE Espanha, disponível em <https://www.ine.es/jaxiT3/Tabla.htm?t=36570>.

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- A Sociedade tem vindo a acompanhar a evolução da Covid-19 e adotou um conjunto de medidas, disponíveis no seu portal em <https://www.pestanagroup.com/>, com vista a mitigar os efeitos da pandemia nas suas operações e assegurar a proteção e segurança dos seus clientes em todos os momentos;
- Em qualquer caso, a Sociedade teve um impacto significativo nas suas receitas operacionais e, conseqüentemente, nos seus rácios financeiros, que se continuará a fazer sentir dada a redução expressiva do turismo nacional e internacional;
- Em 23 de Setembro de 2019, a Sociedade emitiu 600 obrigações denominadas “€60,000,000 2.5% Unsecured Senior Bonds due 2025” com o código ISIN PTGRPAOM0012 e que se encontram admitidas à negociação no mercado Euro MTF da Bolsa de Valores do Luxemburgo (as “**Obrigações**”);
- A condição 3.1 (*Limitation on additional indebtedness*) dos Termos e Condições das Obrigações estabelece que a Sociedade terá de cumprir, anualmente, os seguintes rácios financeiros:
  - (i) um rácio Total Net Financial Debt / EBITDA igual ou inferior a 4.5x;
  - (ii) um rácio EBITDA / Net Interest Expense igual ou superior a 2.0x; e
  - (iii) um rácio *Book Value of Tangible Fixed Assets / Total Net Unsecured Debt* superior a 130%;
- O cumprimento destes rácios financeiros é certificado pela Sociedade mediante a preparação anualmente de um *Compliance Certificate* que é entregue pela Sociedade ao Banco Bilbao Vizcaya Argentaria S.A. Sucursal em Portugal, na qualidade de Agente Pagador das Obrigações, até ao dia 30 de Junho do ano seguinte àquele a que diz respeito; e
- Em face:
  - (i) do impacto da pandemia do Covid-19 na atividade da Sociedade e conseqüentemente nos seus rácios financeiros relativos ao EBITDA durante o ano de 2020;
  - (ii) da elevada probabilidade desse impacto se manter, ainda que mitigado, durante o ano de 2021; e
  - (iii) da incerteza da evolução da pandemia e dos efeitos negativos de uma potencial segunda vaga no sector do turismo;

é necessário obter uma dispensa do cumprimento pela Sociedade dos rácios financeiros relativos ao EBITDA estabelecidos na condição 3.1 (*Limitation on*

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*additional indebtedness*) dos Termos e Condições das Obrigações, a respeito dos anos de 2020 e 2021 e, conseqüentemente, alterar a condição 3.1. (*Limitation on additional indebtedness*) dos Termos e Condições das Obrigações,

o Conselho de Administração da Sociedade propõe aos Senhores Obrigacionistas que, nos termos e ao abrigo do disposto no artigo 355.º do Código das Sociedades Comerciais, deliberem:

Dispensar a Sociedade do cumprimento dos rácios financeiros relacionados com o EBITDA estabelecidos na condição 3.1 (*Limitation on additional indebtedness*) dos Termos e Condições das Obrigações relativamente aos anos de 2020 e de 2021 e, conseqüentemente, alterar a condição 3.1. (*Limitation on additional indebtedness*) dos Termos e Condições das Obrigações, nos termos seguintes (com realce a negrito e sublinhado das alterações):

### **"3. Covenants**

*For so long as any Bond or Coupon remains outstanding, the Issuer undertakes that:*

#### **3.1 Limitation on additional indebtedness**

*(i) the ratio of Total Net Financial Debt to EBITDA is lower than or equal to 4.5x; and*

*(ii) the ratio of EBITDA to Net Interest Expense exceeds or is equal to 2.0x; and*

*(iii) the ratio of Book Value of Tangible Fixed Assets to Total Net Unsecured Debt is higher than 130%.*

*The above-mentioned ratios shall be calculated on an annual basis, **save for the periods comprising the financial years of 2020 and 2021 in which the ratios set out in paragraphs (i) and (ii) above will not apply**, and based on the most recent audited annual consolidated financial statements of the Issuer approved by the general shareholders' meeting within the applicable legal timings.*

*The Issuer will deliver to the Paying Agent following the publication of each set of financial statements up until the 30 June of the following year a certificate (a "Compliance Certificate") setting out (in reasonable detail) computations as to the compliance by the Issuer with the covenants set out in paragraphs (i), (ii) and (iii) of Condition 3.1 above, **save for the***

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**periods comprising the financial years of 2020 and 2021 in which the Compliance Certificate shall only compute compliance with the covenant set out in paragraph (iii) above.** Each Compliance Certificate shall be signed by a duly authorised representative of the Issuer and shall be reported on by the Independent Auditor on the proper extraction of the numbers used in the financial covenant.

*The Issuer shall ensure, and be responsible for, the Paying Agent receiving the above confirmation from the Independent Auditor before the date set out above.”*

Em anexo à presente Proposta encontra-se uma versão integral dos Termos e Condições das Obrigações, em que se refletem as alterações decorrentes da presente Proposta.

Funchal, 5 de Agosto de 2020

O Conselho de Administração,

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## **ANEXO**

### **TERMOS E CONDIÇÕES DAS OBRIGAÇÕES**

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## TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds.

The €60,000,000 unsecured Bonds, grouped in a single class and series that pay a fixed annual interest rate of 2.5% as it is regulated in Condition 4 (*Interest*) below and due 23 September 2025 (the "**Bonds**") will be issued by Grupo Pestana – S.G.P.S., S.A. (the "**Issuer**" or "**Pestana**" and together with its subsidiaries the "**Group**") on 23 September 2019 (the "**Issue Date**") at 99.134% (the "**Issue Price**"). The nominal value of each Bond will be €100,000.

The issue was authorised by the resolutions of the board of directors of the Issuer passed on 21 August 2019 and on 17 September 2019. The Bonds have the benefit of a paying agency agreement dated 19 September 2019 (as amended or supplemented from time to time, the "**Paying Agency Agreement**") between the Issuer and Banco Bilbao Vizcaya Argentaria S.A. – Sucursal em Portugal, as paying agent (the "**Paying Agent**"), which expression includes any paying agent appointed from time to time in connection with the Bonds.

Any reference to **Holders** or **Bondholders** shall mean the person in whose name the Bonds are registered in the individual securities account held with an Affiliate Member of Interbolsa (as defined below) in accordance with Portuguese law and the relevant Interbolsa procedures and, for the purposes of Condition 7 (*Taxation*), the effective beneficiary of the income attributable thereto.

### 1. Form, Denomination, Price and Status

The Bonds will be issued on the Issue Date by the Issuer and will be fully subscribed by the Bondholders on or about one day after the Issue Date.

- (a) **Form and denomination:** The Bonds are issued in denominations of €100,000 each and tradable in integral multiples of €100,000 thereafter. The Bonds will be represented in dematerialized book-entry (*forma escritural*) and nominative (*nominativas*) form.
- (b) **Status of the Bonds:** The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* among themselves and at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer, save for such obligations that may be preferred by the provisions of applicable law.
- (c) **Price of the Bonds:** 99.314%.

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- (d) **ISIN Code:** The Interbolsa acting has the Portuguese codification agency has assigned the following ISIN to identify the Bonds: PTGRPAOM0012.
- (e) **Ratings:** The Bonds will be assigned, on the Issue Date, a credit rating of BBB by Axesor.

## 2. Register, title and transfers

- (a) **Registration:** The Bonds are registered with the Central de Valores Mobiliários (“**CVM**”), a Portuguese Securities Centralised System managed and operated by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (“**Interbolsa**”). Each person shown in the individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in the Bonds shall be considered the holder of the principal amount of Bonds recorded therein. The Bonds will be registered in the relevant issue account of the Issuer with Interbolsa and will be held in control accounts opened by each Affiliate Member of Interbolsa on behalf of the Bondholders. The control account of a given Affiliate Member of Interbolsa will reflect at all times the aggregate principal amount of Bonds held in the individual securities' accounts of the Bondholders with that Affiliate Member of Interbolsa.
- (b) **Title:** Title and other rights to or in respect of the Bonds registered in an individual securities account held with an Affiliate Member of Interbolsa will be evidenced by one or more certificates of title (each a “**Certificate**”) issued and delivered to the relevant Bondholder by such Affiliate Member of Interbolsa upon the request by the relevant Bondholder and in accordance with that Affiliate Member of Interbolsa's procedures and pursuant to article 78 of the Portuguese Securities Code. Title to the Bonds passes upon registration in the relevant individual securities accounts held with an Affiliate Member of Interbolsa. Any Bondholder will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Bondholder. No physical document of title will be issued in respect of the Bonds.
- (c) **Transfers:** The Bonds are to be issued without any restrictions on their transferability. Consequently, the Bonds may be transferred and title to the Bonds may pass (subject to Portuguese law and to compliance with all applicable rules, restrictions and requirements of Interbolsa or, as the case

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may be, the relevant Affiliate Member of Interbolsa) upon registration in the relevant registry of each Affiliate Member of Interbolsa.

### **3. Covenants**

For so long as any Bond or Coupon remains outstanding, the Issuer undertakes that:

#### **3.1 Limitation on additional indebtedness**

- (i) the ratio of Total Net Financial Debt to EBITDA is lower than or equal to 4.5x; and
- (ii) the ratio of EBITDA to Net Interest Expense exceeds or is equal to 2.0x; and
- (iii) the ratio of Book Value of Tangible Fixed Assets to Total Net Unsecured Debt is higher than 130%.

The above-mentioned ratios shall be calculated on an annual basis, save for the periods comprising the financial years of 2020 and 2021 in which the ratios set out in paragraphs (i) and (ii) above will not apply, and based on the most recent audited annual consolidated financial statements of the Issuer approved by the general shareholders' meeting within the applicable legal timings.

The Issuer will deliver to the Paying Agent following the publication of each set of financial statements up until the 30 June of the following year, a certificate (a "Compliance Certificate") setting out (in reasonable detail) computations as to the compliance by the Issuer with the covenants set out in paragraphs (i), (ii) and (iii) of Condition 3.1 above, save for the periods comprising the financial years of 2020 and 2021 in which the Compliance Certificate shall only compute compliance with the covenant set out in paragraph (iii) above. Each Compliance Certificate shall be signed by a duly authorised representative of the Issuer and shall be reported on by the Independent Auditor on the proper extraction of the numbers used in the financial covenant.

The Issuer shall ensure, and be responsible for, the Paying Agent receiving the above confirmation from the Independent Auditor before the date set out above.

#### **3.2 Negative Pledge**

So long as any Bond or Coupon remains outstanding the Issuer will not and will cause each of its Subsidiaries not to create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any of its present or future business, undertaking, assets or revenues to

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secure any Relevant Indebtedness, except in the following situations (“**Permitted Security Interest**”):

- (i) the Issuer or any of its Subsidiaries, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - a. all amounts payable by the Issuer under the Bonds are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - b. such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of Bondholders; or
- (ii) Security Interests already created by the Issuer or any Subsidiary before the date of this Terms and Conditions of the Bonds or replacement of Security Interests already created by the Issuer or any Subsidiary; or
- (iii) the Security Interests are created to secure Relevant Indebtedness with maturity up to one year; or
- (iv) the Security Interests affects the assets of an entity which, when the Security Interest was created, was unrelated to the Issuer, and which was subsequently acquired by the Issuer; or
- (v) the Security Interests arises by operation of law and in the ordinary course of business of the Issuer or the Subsidiary; or
- (vi) the creation of the Security Interests does not prevent the Issuer to comply with the ratio of Book Value of Tangible Fixed Assets to Total Net Unsecured Debt referred in Condition 3.1 (iii) above.

For the purpose of this Condition, “**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are (or are intended to be) quoted, listed or dealt in or traded in any securities market either regulated or non-regulated.

The Issuer shall ensure (*obrigação de resultado*) that, and be responsible for, its Subsidiaries complying with this Condition.

### **3.3 Information undertakings**

The Issuer will post on its website and will make available to the Paying Agent and to the Luxembourg Stock Exchange, within 180 days following year end, its’ audited annual consolidated financial statements, which shall include, amongst others, P&L,

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cash flow and balance sheet and report of the Independent Auditor with appropriate notes.

## **4. Interest**

### **4.1 Interest payment dates. Interest period**

The Bonds bear interest from and including the Issue Date at the rate established in Condition 4.2 (*Interest rate*) below payable annually in arrears on 23 September of each year (each, an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 23 September 2020 and ending (and including) on the Maturity Date subject as provided in Condition 6 (*Payments*). The first Interest Payment Date will be 23 September 2020 and the last Interest Payment Date will be the Maturity Date.

Such interest will be payable in respect of each interest period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Issue Date) to (but excluding) the next (or first) Interest Payment Date ("**Interest Period**"). If the last day thereof is not a Business Day, the end of the relevant Interest Period shall be deemed (but excluding) the first immediately following Business Day.

Each Bond will cease to bear interest where such Bond is being redeemed or repaid pursuant to Condition 5 (*Redemption and Purchase*) or Condition 8 (*Events of Default*), from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Bonds is improperly withheld or refused, in which event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Holder, and (ii) the day the Paying Agent has receipt of all sums due in respect of all the Bonds.

In accordance with the abovementioned, the interest of the Bonds will accrue daily on Actual/Actual basis and will be payable in arrears as of the corresponding Interest Payment Date.

### **4.2 Interest rate**

The interest rate applicable to the Bonds shall be a fixed annual interest rate equal to 2.5% (the "**Fixed Interest Rate**").

## **5. Redemption and Purchase**

(a) **Final Redemption:** Unless previously redeemed or purchased and cancelled  
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as herein provided, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5 (*Redemption and Purchase*).

- (b) **No other redemption:** The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in paragraph (a) (*Final redemption*) of this Condition 5 (*Redemption and Purchase*), except in accordance with Condition 5 (c) (*Purchase*) below.
- (c) **Redemption for tax reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Paying Agent and to the Bondholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*), if:
- (i) on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 16 (*Definitions*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Bonds (on or about 23 September 2019); and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,
- Provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.
  - Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Paying Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
  - Bonds redeemed pursuant to this Condition 5(c) (*Redemption and Purchase - Redemption for tax reasons*) will be redeemed at their principal amount

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outstanding with interest accrued to (but excluding) the date fixed for redemption.

(d) **Purchase:** Subject to compliance with applicable laws and regulations, the Issuer or any of its Subsidiaries, may at any time purchase Bonds in the following conditions:

- (i) through a tender offer directed to all Bondholders at any price, or
- (ii) in the open market at any price.

• Such Bonds may be held, re-sold or reissued or, at the option of the relevant purchaser, cancelled and while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders.

(e) **Cancellation:** All Bonds so redeemed shall be cancelled and may not be reissued or resold. Bonds purchased by the Issuer shall be cancelled and may not be reissued or resold as well. However, as provided in previous section c), Bonds purchased by a Subsidiary may, at the option of the relevant Subsidiary, be held, resold, reissued or cancelled.

(f) **Redemption at the option of the Bondholder:** Promptly upon becoming aware that a Change of Control has occurred, the Issuer will serve a Change of Control Notice to the Bondholders and the Paying Agent. Following the service of the Change of Control Notice, each Bondholder may require the Issuer to redeem, in whole but not in part, its' Bonds by submitting a redemption notice to the Paying Agent during normal business hours of the Paying Agent within the Change of Control Period. After the Change of Control Period elapses, the Issuer will redeem the Bonds of the Bondholders who have served an Early Redemption Notice within 7 (seven) days.

Bonds redeemed pursuant to this Condition 5(f) (*Redemption and Purchase - Redemption at the option of the Bondholder*) will be redeemed at their principal amount outstanding with interest accrued to (but excluding) the date of redemption.

For the purposes of this condition:

“**Change of Control**” means the Relevant Shareholder ceasing to own, directly or indirectly, 50.1% of the share capital and voting rights of the Issuer.

“**Change of Control Notice**” means the notice of a Change of Control event given by the Issuer to the Bondholders and the Paying Agent, in accordance with Condition 13 (Notices), specifying the circumstances giving rise to the

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Change of Control event, the procedure for exercising the redemption option and the date upon which the Change of Control Period will end.

“**Change of Control Period**” means the period of 30 (thirty) days commencing on the date of the Change of Control Notice.

“**Early Redemption Notice**” means the Bondholder request to the Issuer for the early redemption of its’ Bonds due to a Change of Control event.

- (g) **Notice of Redemption:** All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

## 6. Payments

- Payment of principal and interest in respect of the Bonds will be made in accordance with the Paying Agency Agreement, namely: (i) transfer, on the payment date and according to the applicable procedures and regulations of Interbolsa, from the payment current account which the Paying Agent uses for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa, and thereafter (ii) transferred by such Affiliate Members of Interbolsa from the respective above-mentioned payment current accounts held according to the applicable procedures and regulations of Interbolsa to the accounts of the Bondholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be.
- All payments to be made by the Issuer in connection with the Bonds will be net and therefore be made free of any deductions, set offs or counterclaims.
- Payments in respect of principal and interest on the Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).
- If the date for payment of any amount in respect of the Bonds is not a Payment Business Day, the Holder thereof shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

## 7. Taxation

### 7.1 Payment of interest without Withholding

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All payments in respect of the Bonds by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied in the Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law. In that event, without prejudice to the provision set out in Condition 5(c) (*Redemption and Purchase – Redemption for tax reasons*) above, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Bondholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Bonds in the absence of the withholding or deduction, except that no additional amounts shall be payable in relation to any payment in respect of any Bonds:

- (i) to, or to a third party on behalf of, a Bondholder who is liable to the Taxes in respect of the Bond by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Bond; or
- (ii) to, or to a third party on behalf of, a Bondholder that may qualify for the application of Decree-Law 193/2005, of 7 November, as amended from time to time, and in respect of whom all procedures and information required from a Bondholder in order to comply with said Decree-Law 193/2005, of 7 November, and any implementing legislation, are not timely performed or received, as the case may be, or which do not timely comply with the formalities in order to benefit from tax treaty benefits, when applicable; or
- (iii) to, or to a third party on behalf of, a Bondholder resident for tax purposes in the Relevant Jurisdiction, or resident or domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) no. 150/2004 of 13 February, as amended from time to time ("*Lista dos países, territórios e regiões com regimes de tributação privilegiada, claramente mais favoráveis*"), with the exception of (a) central banks and governmental agencies, as well as international institutions recognized by Portugal, of those low tax jurisdictions, and (b) low tax jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in force with Portugal, provided that all procedures and information required from a Bondholder under Decree-Law no. 193/2005, of 7 November 2005 regarding (a) and (b) are complied with or received, as the case may be; or
- (iv) to, or to a third party on behalf of a Bondholder who is (i) a Portuguese resident legal entity subject to Portuguese corporation tax (with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions), or (ii) a legal entity not resident in Portugal acting with respect to the holding of the Bonds through a permanent

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establishment in Portugal to which the income or gains obtained from the Bonds are attributable (with the exception of entities which benefit from Portuguese withholding tax waiver); or

- (v) presented for payment by or on behalf of a Bondholder into an account held on behalf or undisclosed beneficial owners where such beneficial owners are not disclosed for purposes of payment and such disclosure is required by law; or
- (vi) presented for payment by or on behalf of a Bondholder who would not be liable for or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Bonds for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (any such withholding or deduction, a **FATCA Withholding**). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA withholding.

For the purposes of the above, "**Bondholder**" means the persons in whose name the Bonds are registered in the individual securities account held with an Affiliate Member of Interbolsa, in accordance with Portuguese law and the relevant Interbolsa procedures, or the person who is the effective beneficiary of the income attributable thereto.

## **7.2 Additional Amounts**

Any reference in these Terms and Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## **8. Events of Default**

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

- (a) **Non-payment:** default is made in the payment on the due date of principal or interest in respect of any of the Bonds and such failure continues for a

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period of 5 (five) Business Days in the case of principal and 10 (ten) Business Days in the case of interest.

- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds, and such default remains unremedied for 30 (thirty) days or longer if allowed by the representative of the Bondholders, after written notice thereof, addressed to the Issuer by the relevant Bondholders, has been delivered to the Issuer.
- (c) **Cross-default:**
- (i) any such present or future Indebtedness of the Issuer or of its Subsidiaries is not paid when due or, as the case may be, within any applicable grace period; or
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than (A) at the option of the Issuer or of its Subsidiaries or (B) at the option of the creditor of such Indebtedness in circumstances where no event of default (howsoever described) has occurred; or
  - (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,
  - provided that the aggregate amount of the Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph c) have occurred, individually or in the aggregate equals or exceeds €10,000,000 (or its equivalent in any other currency or currencies).
- (d) **Proceedings:** one or more final judicial or administrative decisions in respect of the Issuer or a Subsidiary where there is no possibility for defense or appeal or the filing of one or more judicial or administrative proceedings in respect of the Issuer or a Subsidiary, unless the Issuer or the Subsidiary fully pays the value in question within 60 (sixty) days starting from the filing of the court proceedings or notice of the tax or Social Security debt assessment, or the existence of a tax or Social Security debts enforcement proceeding in respect of the Issuer or a Subsidiary, unless (i) the Issuer or such Subsidiary, as the case may be, provides a suitable guarantee to suspend such enforcement proceeding or (ii) such proceeding is being contested by appropriate means by the Issuer or such Subsidiary, as the case may be, and the Issuer or such Subsidiary, as the case may be, has been advised by

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recognized independent legal advisers of good repute that it is reasonable to do so, in any of the cases above, if the decision or proceedings determines the Issuer or such Subsidiary's responsibility in an amount exceeding €10,000,000 (or its equivalent in another currency), considered individually or in aggregate.

- (e) **Enforcement Proceedings:** a seizure of any kind (such as: *penhora, arresto, arrolamento* or *apreensão*) or a retention right (*direito de retenção*) or other legal process with similar nature or that has similar effects in the Issuer or any of its Subsidiaries is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries for an amount in excess of €10,000,000 (or its equivalent in any other currency or currencies) and is not discharged or stayed within 90 (ninety) days.
- (f) **Insolvency:** the Issuer is insolvent or unable to pay its debts, or is declared insolvent or a voluntary request has been submitted to a relevant court for the declaration of insolvency, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer.
- (g) **Pari passu and Issuer undertakings:** the Issuer breaches any of the covenants set forth in Condition 3 (*Covenants*).
- (h) **Validity:** the validity of the Bonds is contested by the Issuer or the Issuer denies any of its obligations under the Bonds (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise), or is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Bonds or any such obligations are or become unenforceable or invalid, in each case as a result of any law or regulation applicable in the Portuguese Republic or any ruling of any court in the Portuguese Republic whose decision is final and unappealable.
- (i) **Winding up:** an order is made or an effective resolution passed for the winding-up (*liquidação*) or dissolution (*dissolução*) of the Issuer, or the Issuer ceases to carry on all or substantially all of its business or operations.
- (j) **Failure to take action:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, license, order, recording or registration) at any time

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required to be taken, fulfilled or done, after due notification and any applicable grace period, in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the Bonds admissible in evidence in the courts of Portugal is not taken, fulfilled or done.

- (k) **Cessation of business:** the Issuer ceases or the Issuer and its Subsidiaries taken as a whole cease, in each case, to carry on the whole or substantially the whole of the business conducted by it or them.
- (l) **Analogous events:** any event occurs which under the laws of any Relevant Jurisdiction has a similar effect to any of the events referred to in any of the foregoing paragraphs.
- (m) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Bonds, then any Bond may, by notice in writing given to the Issuer by any Bondholder in respect of such Bond, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount, together with accrued interest, without further formality,

then any Bondholder may by written notice to the Issuer and to the Paying Agent at the specified office of the Agent, declare any Bond held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its principal amount outstanding, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, provided that any such action is not contrary to the terms of any Extraordinary Resolution or other resolution of the Bondholders.

The Issuer shall notify the Bondholders of any Event of Default (and the steps, if any, being taken to remedy it if capable of remedy) upon becoming aware of its occurrence.

## 9. Prescription

The Bonds will become void unless claims in respect of principal and/or interest are made within a period of 20 (twenty) years (in the case of principal) and 5 (five) years (in the case of interest) after the Relevant Date therefor.

## 10. Paying Agent

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

The initial Paying Agent and its initial specified office is Banco Bilbao Vizcaya Argentaria S.A. – Sucursal em Portugal, with head office in Avenida da Liberdade, no. 222, Lisbon, Portugal.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor agent and additional or successor agents provided, however, that the Issuer shall at all times maintain (a) an agent, and (b) so long as the Bonds are listed on any multilateral trading facility, secondary market, there will at all times be an Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant multilateral trading facility or secondary market.

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

## **11.Meeting of Bondholders and Common Representative**

### **11.1 Meetings**

- (a) **Meeting of Bondholders:** Meetings of the Bondholders to consider any matter affecting their interests, including the modification or abrogation of any of these Conditions by Extraordinary Resolution and the appointment or dismissal of a common representative, are governed by the Portuguese Commercial Companies Code.
- (b) **Request for meetings:** Meetings may be convened by a common representative (if any) or by the chairman of the general meeting of shareholders of the Issuer before the appointment of, or in case of refusal to convene the meeting by, a common representative, and when the common representative and the chairman of the general meeting of shareholders refuse to convene a meeting, Bondholders holding not less than 5 (five) per cent. in principal amount of the Bonds for the time being outstanding may petition the court to order the convening of a meeting.
- (c) **Quorum:** The quorum required for a convened meeting to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing the Bonds then outstanding, regardless of the principal amount thereof; and an Extraordinary Resolution will require the

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attendance of a person or persons holding or representing at least 50 (fifty) per cent. of the principal amount of the Bonds then outstanding or, at any adjourned meeting, the attendance of a person or persons holding or representing the Bonds then outstanding, independently of the principal amount thereof.

- (d) **Majorities:** The majority required to pass a resolution other than an Extraordinary Resolution is the majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain provisions of these Conditions, is of at least 50 (fifty) per cent. of the principal amount of the Bonds then outstanding or, at any adjourned meeting, 2/3 (two thirds) of the votes cast at the relevant meeting.
- Resolutions passed at any meeting of the Bondholders will be binding on all Bondholders, whether or not they are present at the meeting or have voted against the approved resolutions.
  - Resolutions involving the increase of charges to Bondholders require unanimity to be approved.
- (e) **Modification and waiver:** The Bonds and these Terms and Conditions may be amended without the consent of the Bondholders to correct manifest errors. In addition, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply, with the Paying Agency Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the Bondholders. Any modification, abrogation, waiver or authorisation made in accordance with this Condition 11 (*Meeting of Bondholders and Common Representative*) shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.
- (f) **Notices to Bondholders:** Any notices to be made to the Bondholders shall be made in accordance with Condition 13 (*Notices*) or by sending a notice to all Bondholders.

## **11.2 Appointment, Dismissal and substitution of the Common Representative**

- (a) **Appointment:** A Common Representative of the Bondholders may be appointed, in accordance with articles 357 up to 359 of the Portuguese Companies Code, after the Issue Date, which appointment must be immediately notified to the Issuer, identifying the Common Representative

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and the relevant contact details, notably the address, telephone, fax and e-mail deemed relevant for the purposes of Condition 13 (*Notices*).

- (b) **Dismissal and substitution:** The Bondholders may dismiss and substitute the Common Representative by way of a resolution passed for such purpose as provided for by the Portuguese Companies Code.

For the purposes of this Condition "**Common Representative of the Bondholders**" means, if any, one or more of the eligible persons referred to in article 357(2) of the Portuguese Companies Code from time to time appointed by the Bondholders for the administration on behalf of the Bondholders' joint interests under or in respect of the Bonds pursuant and subject to this Condition and article 359 of the Portuguese Companies Code.

## 12. Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to be consolidated, and form a single series, with the Bonds.

## 13. Notices

- (a) **Notices to Bondholders:** Notices to the Bondholders shall be valid, so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, if published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or in such other manner as the Luxembourg Stock Exchange or its rules and regulations may prescribe or accept. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bonds are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall comply with any applicable Portuguese law in respect of notices relating to the Bonds.

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(b) **Notices to the Issuer and Paying Agent:** All communications to be made to the Issuer and/or Paying Agent in connection with these Conditions and the Bonds shall be made in writing and may be served by letter or by electronic mail to the following addresses (or any substitute address, e-mail, department or officer as a party may notify to the other by not less than 5 (five) Business Days' notice):

- **Issuer**

Grupo Pestana – S.G.P.S., S.A.

Contact: Pedro Fino

Tel.: +351 210 417 132

Email: pedro.fino@pestana.com

- **Paying Agent**

Banco Bilbao Vizcaya Argentaria S.A. – Sucursal em Portugal

Contact: Miguel Sousa

Tel.: +351 21 311 7390

Email: miguel.sousa@bbva.com

Any communication or document made or delivered by a party to the other in connection with these Conditions and the Bonds will only be effective:

(a) if by way of letter, when it has been left at the relevant address or 5 (five) Business Days counted as from the date registered in registered mail ("*correio registado*"). In the case of Bondholders, other than the Sole Lead Manager, the address shall be deemed as the address recorded in the respective register of Bondholders of the Affiliate Members of Interbolsa through which the Bonds are held,

(b) if by way of electronic mail, when actually received in readable form,

provided, however, that (i) any communication or document or electronic mail to be made or delivered to the Issuer or the Sole Lead Manager will only be effective if it is marked for the attention of the department or officer identified above (or any substitute department or officer as the Issuer or the Sole Lead Manager shall specify for this purpose); and (ii) that if a fax or e-mail is received by the other

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party but not in legible or readable form, such party will do its best to alert the party sending the communication of such fact.

#### **14. Listing**

Application has been made for admission of the Bonds to the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market.

If for any reason whatsoever not attributable to the Issuer the Bonds cease to be traded on the Euro MTF Market, or if for tax reasons the trading of the Bonds can no longer be maintained on the Euro MTF Market, the Issuer shall be entitled to apply for the Bonds to be admitted and traded in another non-regulated market or multilateral trading facility of its choosing, not being necessary for such purposes the Bondholders prior consent. In the event of such a change, the Bondholders will be notified in accordance with Condition 13 (*Notices*) or by sending a notice to all Bondholders.

#### **15. Governing Law and Jurisdiction**

- (a) **Governing law:** The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by Portuguese law.
- (b) **Jurisdiction:** The Portuguese courts have exclusive jurisdiction to settle any dispute (the "**Dispute**") arising out of or in connection with the Bonds (including a dispute regarding any non-contractual obligation arising out of or in connection with the Bonds).

#### **16. Definitions**

In these terms and conditions (the "**Terms and Conditions**"):

**"Affiliate Member of Interbolsa"** means any authorised financial intermediary entitled to hold control accounts with the CVM on behalf of Bondholders and includes any banks or financial intermediaries appointed by Euroclear Bank SA/N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") for the purpose of holding individual securities accounts on behalf of Euroclear and Clearstream, Luxembourg

**"Axesor"** means Axesor Risk Management SL, a credit rating agency established in the European Union and registered under the CRA

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Regulation. A list of rating agencies registered under the CRA Regulation can be found at: <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>

<p><b>“Bondholder” “Holder”</b></p>	<p>or</p>	<p>means the persons or legal entities in whose name the Bonds are registered in the relevant individual securities accounts held with the Affiliate Member of Interbolsa in accordance with Portuguese law and the relevant regulations and procedures of Interbolsa.</p>
<p><b>“Book Value of Tangible Fixed Assets”</b></p>	<p>means</p>	<p>all tangible fixed assets as shown in the annual consolidated financial statements of the Issuer, excluding the value of those fixed assets encumbered with mortgages that represent a 50% or higher amount of the book value of the asset.</p> <p>For the avoidance of doubt, any impact in tangible fixed assets of recording leases under IFRS16 will be excluded from the computation of Book Value of Tangible Fixed Assets, for the purpose of the calculation of the ratio of Book Value of Tangible Fixed Assets to Total Net Unsecured Debt under section 3.1 (iii).</p>
<p><b>“Business Day”</b></p>	<p>means</p>	<p>a day which is both (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon; and (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the <b>TARGET2 System</b>) is open.</p>
<p><b>“Clearstream, Luxembourg”</b></p>	<p>means</p>	<p>Clearstream Banking société anonyme, Luxembourg.</p>
<p><b>“Condition”</b></p>	<p>means</p>	<p>any of the conditions included in these Terms and Conditions.</p>
<p><b>“Coupon”</b></p>	<p>means</p>	<p>the annual nominal interest rate paid on the Bonds, expressed as a percentage of the face value.</p>
<p><b>“CVM”</b></p>	<p>means</p>	<p>the Portuguese central securities clearing system (<i>Central de Valores Mobiliários</i>) composed of interconnected</p>

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securities accounts, through which such securities (and inherent rights) are created, held and transferred.

**“EBITDA”**

means in relation to the consolidated financial statements of the Issuer, the profit from operations (*resultado operacional*), as that term is defined in the Issuer’s financial statements adding the depreciation and amortization, but excluding any gain and loss on investments in subsidiaries, joint ventures, associates and equity instruments at fair value through profit and loss, as shown in the Issuer’s consolidated annual financial statements.

For the avoidance of doubt, any impact in EBITDA of recording leases under IFRS16 will be excluded from the computation of EBITDA, for the purpose of the calculation of the ratios Total Net Financial Debt to EBITDA and EBITDA to Net Interest Expense, under section 3.1 (i) and (ii) respectively.

If during a relevant testing period a company or entity were acquired and became a member of the Group for the purposes of IFRS-GAAP, for the purposes of calculating the EBITDA on the corresponding date of calculation referred to such relevant testing period it will be considered that the individual EBITDA of the acquired company for that relevant testing period is the EBITDA of such company generated since the beginning of such relevant testing period. The provision under this paragraph is only for the purposes of avoiding the accounting effect of IFRS-GAAP in the covenants as regards considering all the debt of the acquired company but only its EBITDA as from the date of its acquisition by the Group.

**“EBITDAR”**

means in relation to the consolidated financial statements of the Issuer, the profit from operations (*resultado operacional*), as that term is defined in the Issuer’s financial statements adding the depreciation, amortization and rents, but excluding any gain and loss on investments in subsidiaries, joint ventures, associates and equity instruments at fair value through profit and loss, as shown in the Issuer’s consolidated annual financial statements.

If during a relevant testing period a company or entity were acquired and became a member of the Group for the purposes of IFRS-GAAP, for the purposes of calculating the EBITDAR on

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the corresponding date of calculation referred to such relevant testing period it will be considered that the individual EBITDAR of the acquired company for that relevant testing period is the EBITDAR of such company generated since the beginning of such relevant testing period. The provision under this paragraph is only for the purposes of avoiding the accounting effect of IFRS-GAAP in the covenants as regards considering all the debt of the acquired company but only its EBITDAR as from the date of its acquisition by the Group.

<b>"EUR", "Euro" or "€"</b>	means the lawful currency of the member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended.
<b>"Euro MTF Market"</b>	means the Luxembourg Stock Exchange non-regulated market.
<b>"Euroclear"</b>	means Euroclear Bank S.A./N.V.
<b>"Event of Default"</b>	Means the events indicated pursuant to Condition 8 ( <i>Events of Default</i> ).
<b>"Extraordinary Resolution"</b>	means a resolution concerning a Reserved Matter.
<b>"Financial Indebtedness"</b>	means any indebtedness of the Group for or in respect of: <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any financial lease or hire purchase contract which would, in accordance with IFRS-GAAP, be treated as a finance or capital lease;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a nonrecourse basis);</li> </ul>

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(f) any amounts due and payable under any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

(g) without double counting any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(h) without double counting the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

For the avoidance of doubt, any impact in the Group's liabilities of recording leases under IFRS16 will be excluded from the computation of Financial Indebtedness, for the purpose of the calculation of the ratios of Total Net Financial Debt to EBITDA and Book Value of Tangible Fixed Assets to Total Net Unsecured Debt under section 3.1 (i) and (iii) respectively.

**"GOP"**

means the gross operating profit ("Gross Operating Profit – GOP") as defined by the Uniform System of Accounts for Lodgings Industry, *i.e.*, *Operating revenues minus Operating Costs*.

**"Indebtedness"**

means in respect of the Issuer or any of its Subsidiaries any indebtedness for money borrowed or raised or backed if an to the extent that such indebtedness would appear as a liability on the consolidated balance sheet of the Issuer which accrues any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments but excluding:

(i) any undrawn commitments;

(ii) indebtedness owed by a Subsidiary to the Issuer or to another Subsidiary;

any operating lease.

**"Independent Auditor"**

means the Issuer's independent auditor, currently KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.

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<b>“Interbolsa”</b>	means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as operator of the <i>Central de Valores Mobiliários</i> .
<b>“Interest Payment Date”</b>	has the meaning given to such term in Condition 4.1 ( <i>Interest Payment Dates. Interest Period</i> ).
<b>“Issue Date”</b>	means 23 September 2019.
<b>“Maturity Date”</b>	means 23 September 2025.
<b>“Net Interest Expense”</b>	means, in relation to the audited consolidated financial statements, as applicable, financial costs ( <i>gastos financeiros</i> ) minus financial income ( <i>rendimentos financeiros</i> ) as defined in the Issuer’s financial statements, but excluding any impact in financial costs of recording leases under IFRS16
<b>“Payment Business Day”</b>	means any day on which (subject to Condition 9 ( <i>Prescription</i> )) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange) in Lisbon and a day on which the TARGET2 System is open.
<b>“Portugal”</b>	means the Republic of Portugal.
<b>“Portuguese Companies Code”</b>	means the Companies Code ( <i>Código das Sociedades Comerciais</i> ) enacted by Decree law no. 262/86, of 2 September 1986, as amended.
<b>“Relevant Date”</b>	means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent, on or prior to such due date, it means the date on which the full amount of such moneys having been so received, notice to that effect is duly given to the Holders.
<b>“Relevant Jurisdiction”</b>	means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax in which the Issuer becomes tax resident.

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- “Relevant Shareholder”** means Mr. Dionísio Fernandes Pestana and any and all of his legal successors, including, for the avoidance of doubt, his spouse, descendants and any and all testamentary successors.
- “Reserved Matter”** means any proposal:
- (a) to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest due on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity;
  - (b) to change the currency in which amounts due in respect of the Bonds are payable;
  - (c) for modification or abrogation of any material provisions of these Conditions or the Bonds;
  - (d) for the acceleration of the obligations under the Bonds; and
- to amend this definition.
- “Security”** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
- “Subsidiary”** means any entity that from time to time of which the Issuer (i) owns, directly or indirectly, more than 50 (fifty) per cent. of the share capital or similar rights of ownership, or (ii) owns or is able to exercise, directly or indirectly, more than 50 (fifty) per cent. of the voting rights, or (iii) has the right to appoint the majority of the members of the board of directors and in each case such entity is within the consolidation perimeter of the Issuer.
- “TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.
- “Terms and Conditions”** means in relation to the Bonds, the terms and conditions applicable to the Bonds.

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**“Total Net Financial Debt”** means any outstanding amounts in respect of the Financial Indebtedness of the Group deducting an amount of cash (at bank or at hand) or cash equivalents held by the Group.

For the avoidance of doubt, any impact in the Group’s liabilities of recording leases under IFRS16 will be excluded from the computation of Financial Indebtedness, for the purpose of the calculation of the ratio of Total Net Financial Debt to EBITDA under section 3.1 (i).

**“Total Net Unsecured Debt”** means the Financial Indebtedness of the Group that is not secured by a Security over any assets of the Group, deducting an amount of cash (at bank or at hand) or cash equivalents held by the Group.

For the avoidance of doubt, any impact in the Group’s liabilities of recording leases under IFRS16 will be excluded from the computation of Financial Indebtedness, for the purpose of the calculation of the ratio of Book Value of Tangible Fixed Assets to Total Net Unsecured Debt under section 3.1 (iii).

**“Voting Rights”** means the right generally to vote at a general meeting of shareholders (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting rights by reason of the happening of any contingency).

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