Polish Financial Supervision Authority  
Current Report No. 7/2015  

Prepared on: 17 February 2015

Subject: Issue of bonds by way of a public offering

Legal basis: Article 56 section 1 item 2 of the Offering Act — current and periodic disclosures

Report contents:

The Management Board of BEST S.A., with its registered office in Gdynia (Issuer, Company), announces that on 17 February 2015 it adopted resolution no. 16/2015 on the issue of series K4 bonds (Bonds) by BEST S.A. and on establishing the final issue terms for the Bonds. The Bonds are issued in connection with resolution no. 13/2014 of 6 February 2014 of the Company’s Management Board on establishing a public bonds issue programme (Programme), which the Issuer announced in current report no. 9/2014 of 7 February 2014, and resolution no. 28/2014 of 17 March 2014 on approving the bonds issue terms and the model form of the final bonds issue terms, and are also based on an issue prospectus and an addendum to the issue prospectus which were approved by the Polish Financial Supervision Authority on 21 March 2014 and 22 April 2014 respectively and which together represent a base issue prospectus (Prospectus). The Prospectus is available on the Issuer’s website: www.best.com.pl.

The Bonds will be issued by way of a public offering. The Company will issue up to 200,000 (two hundred thousand) Bonds with a nominal value of PLN 100 (one hundred złoty) each and a total nominal value of up to PLN 20,000,000 (twenty million złoty). The Bonds will not have the form of a document; they will be dematerialised bearer bonds and will not be secured. The Bonds will be offered at an issue price which will be determined by the Issuer’s Management Board based on book building by way of a separate resolution, and the issue price will be identical for all Bonds. The Bonds will carry a variable interest rate being the sum of WIBOR 3M and a margin of 3.5 % per annum. Interest will be paid on a quarterly basis. The Bonds will be redeemed within 60 (sixty) months of the Issue Date at their nominal value. The Bonds entitle the holder only to monetary considerations. The Bonds will not be convertible into Issuer’s shares, they will not carry any preemptive rights to subscribe for Issuer’s shareholders, and they will not be revenue bonds. The Issuer has not specified a purpose for the issue within the meaning of the Bonds Act of 29 June 1995. The net proceeds from the issue of the Bonds shall be earmarked for: (i) financing and refinancing expenditures in connection with the acquisition of debt portfolios by the Issuer’s capital group (Group); or (ii) financing and refinancing expenditures incurred in connection with the acquisition of interests, investment certificates or shares in other entities from the debt recovery industry, or in connection with acquiring an enterprise or an organised part of an enterprise from such entities; or (iii) refinancing the Group’s existing debt. The Issuer expects that the effects of the undertakings to be financed from the issue of the Bonds will be comparable to the effects of similar undertakings in which the Company has already been involved.

As of 31 December 2014, the value of liabilities incurred by the Issuer amounted to PLN 178,691 thousand, of which financial liabilities amounted to PLN 157,544 thousand. Considering the nature of its business (investments in debt portfolios), by the time that the Bonds are completely redeemed, the Issuer plans to incur further expenditures which can be partially or fully financed through the issue of bonds, including bonds under the Programme, or through bank loans. During that period, the Issuer will continue to repay its liabilities under earlier bond issues. Furthermore, the Issuer will regularly pay interest on all series of bonds issued thus far.

Attached to this report are the final issue terms of the Bonds, which will be a basis for book building. Once the book building has been completed, the Issuer will determine the final issue terms of the Bonds, which are the final issue terms of Bonds within the meaning of Article 24 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies.
**BEST S.A.**

(full name of the Issuer)

**BEST**

(abbreviated name of the Issuer)

Other finance (fin)

(sector as per WSE classification)

81-323

(postal code)

Gdynia

(city/town)

Morska

(street)

59

(number)

(0-58) 76 99 299

(telephone)

(0-58) 76 99 226

(fax)

best@best.com.pl

(e-mail)

www.best.com.pl

(www)

585-00-11-412

(Tax ID – NIP)

190400344

(Statistical Number – REGON)

**SIGNATURES OF THE PERSONS REPRESENTING THE COMPANY:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Position/Function</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-02-2015</td>
<td>Urszula Rybszleger</td>
<td>Attorney</td>
<td></td>
</tr>
</tbody>
</table>
FINAL TERMS

17 February 2015

BEST S.A.

Bearer bonds with a total nominal value of PLN 20,000,000, issued as part of a bonds issue programme with a total value of PLN 300,000,000

PART A – INFORMATION ON LIABILITIES

All terms capitalised in these Final Terms have the meanings ascribed to them in the Terms of Issue included in the base prospectus of 21 March 2014 and in the addendum of 22 April 2014, which together represent a base prospectus within the meaning of the Prospectus Directive (Base Prospectus). This document contains the final issue terms of the Bonds referred to herein within the meaning of Article 5.4. of the Prospectus Directive and it must be read together with the Base Prospectus. Full information about the Issuer and the Bonds can only be obtained from these Final Terms and from the Base Prospectus jointly. A summary of the Bonds (representing a synopsis of the Base Prospectus according to the contents of these Final Terms) is attached to these Final Terms. The Base Prospectus and these Final Terms are published on the Issuer’s website: www.best.com.pl.

1. Issuer: BEST S.A., having its registered office in Gdynia

2. Series number: K4

3. Date when the Bonds will be assimilated and will represent a single series: Not applicable

4. Number of Bonds: 200,000

5. Nominal value per Bond: PLN 100

6. Total nominal value of the series: PLN 20,000,000

7. Issue price: The issue price shall be determined in the course of book building and shall be the same for all Bonds

8. Expected Issue Date: 10 March 2015

9. Redemption Date: 10 March 2020

10. Basis for determining the interest rate: WIBOR for 3-month deposits, plus a 3.50% margin per annum

(for detailed provisions, see sections 12, 13 and 14 below)
11. Basis of redemption:

Subject to the Issuer’s option of an early redemption, the Bonds shall be redeemed on the Redemption Date at their nominal value.

PROVISIONS RELATING TO PAYMENT OF INTEREST

12. Provisions relating to fixed interest rate Bonds:

Not applicable

13. Provisions relating to variable interest rate Bonds:

Applicable

(a) Interest Payment Dates:

10 June 2015
10 September 2015
10 December 2015
10 March 2016
10 June 2016
10 September 2016
10 December 2016
10 March 2017
10 June 2017
10 September 2017
10 December 2017
10 March 2018
10 June 2018
10 September 2018
10 December 2018
10 March 2019
10 June 2019
10 September 2019
10 December 2019

(c) Base interest rate: WIBOR for 3-month deposits

14. Provisions relating to zero-coupon Bonds: Not applicable

15. Early redemption of Bonds by Issuer Applicable

(a) Interest Payment Dates on which the Bonds may be redeemed earlier: 10 September 2017
10 December 2017
10 March 2018
10 June 2018
10 September 2018
10 December 2018
10 March 2019
10 June 2019
10 September 2019
10 December 2019

(b) Premium for early redemption of Bonds: Applicable

<table>
<thead>
<tr>
<th>Interest Payment Date on which Bonds are redeemed earlier</th>
<th>Premium for each Bond due on a given date of early redemption of the Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 September 2017</td>
<td>PLN 1.25</td>
</tr>
<tr>
<td>10 December 2017</td>
<td>PLN 1.25</td>
</tr>
<tr>
<td>10 March 2018</td>
<td>PLN 1.00</td>
</tr>
<tr>
<td>10 June 2018</td>
<td>PLN 1.00</td>
</tr>
<tr>
<td>10 September 2018</td>
<td>PLN 0.70</td>
</tr>
</tbody>
</table>
16. **Additional instances of default**

Applicable

Bondholders have the right to demand an early redemption of the Bonds if any of the following events occur:

(a) The Issuer, contrary to an obligation resulting from its status as a public company, in its Base Prospectus of the Programme, these Final Terms, current reports or periodic reports, fails to provide information or provides inaccurate or misleading information which could materially affect a Bondholder’s decision to purchase the Bonds.

(b) The Issuer, based on the legally binding judgment of a court or a final administrative decision, is obliged to make a payment on account of penalties, sanctions, damages or similar which exceed 10% of the Group’s equity;

(c) With respect to any asset of the Issuer, based on a legally binding enforcement title against the Issuer, a confiscation or a court seizure is performed, or, based on that title, claims are enforced which exceed 10% of the Group’s equity, and such a confiscation, seizure or enforcement is not revoked or annulled within 90 days of its initiation, unless the Issuer, according to Article 822 of the Code of Civil Procedure, provides a valid proof in writing to confirm that it has met its obligation;

(d) The Bonds issued under the Programme are withdrawn from trading on a regulated market;

(e) The Issuer has made a disposal other than a Permitted Disposal;

(f) The Issuer has paid a dividend;
(g) The Issuer has redeemed equity shares;

(h) The Issuer’s general meeting has adopted a resolution on dissolving the Issuer, or on relocating the Issuer’s registered office abroad; or

(i) The Issuer has granted any borrowing (or any other form of financing) in a total amount exceeding 5% of the Group’s equity, subject to the provisions of the following sentence, to any party other than a member of the Group, an investment fund managed by BEST TFI S.A., or a securitisation fund whose debt portfolios are managed by the Issuer.

The amount limitation referred to in the previous sentence does not apply to:

(i) the Issuer’s purchase of treasury bonds or treasury bills issued by the State Treasury;

(ii) the Issuer’s acquisition of interests or shares in third parties whose activity is related to the Group’s core economic activity, as well as granting financing in any form to such parties; and

(iii) the Issuer’s acquisition of interests or shares in third parties which have come into the possession of the claims of securitisation funds or real properties representing original collaterals for the repayment of such claims and real properties owned by the Group, as well as granting financing in any form to such parties.

where:

**Permitted Disposal** means a disposal which meets at least one of the following criteria:

(a) it is made in the course of the Issuer’s economic activity, in exchange for assets or considerations of an equivalent or similar market value, or in exchange for cash or a cash equivalent;

(b) its value in a given calendar year does not exceed 5% of the Group’s equity, determined on data from the most recently published periodic report;

(c) it is made with respect to old, outdated or redundant
assets; or

(d) it is concluded between the Issuer and a subsidiary.


Disposal means a transfer of property rights as part of a single transaction or multiple related transactions.

The effects of the above events and the procedure according to which Bondholders may demand an early redemption of the Bonds shall be governed by paragraphs 11.2(a)(i), 11.2(b)(i) and 11.2(c) of the Terms of Issue.

Signature:  
Signature:  
Name:  
Name:
PART B – OTHER INFORMATION

17. LISTING OF AND TRADE IN BONDS: The Issuer shall file an application for the admission of the Bonds to listing and trading on a regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange). The Issuer expects the Bonds to be first listed on 20 March 2015

18. RATINGS: The Issuer did not apply for the Bonds to be assigned any ratings

NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

mBank S.A. is involved in the offer as an Offeror.

Except for the Offeror, who shall receive a placing commission from the Issuer, the Issuer is not aware of any other parties involved in the offer who may have any material interests associated with the offer. The Offeror, its subsidiaries and related parties may be involved in financial transactions with the Issuer and may, in the course of their business, provide other services to the Issuer, its subsidiaries and related parties.

USE OF PROCEEDS FROM THE OFFER

The net proceeds from the issue of the Bonds shall be earmarked for:

(i) financing and refinancing expenditures in connection with the acquisition of debt portfolios by the Group; or

(ii) financing and refinancing expenditures incurred in connection with the acquisition of interests, investment certificates or shares in other entities from the debt recovery industry, or in connection with acquiring an enterprise or an organised part of an enterprise from such entities; or

(iii) refinancing the Group’s existing debt.

ESTIMATED NET PROCEEDS AND EXPENSES OF THE OFFER

19. Estimated net proceeds: PLN 19,699,449

20. Estimated expenses of the offer: PLN 300,551

HISTORICAL INTEREST RATES (only for variable interest rate Bonds)

Information on historical WIBOR is available from Reuters.
TECHNICAL INFORMATION AND DISTRIBUTION


22. ISIN: [ ]

23. Offeror: mBank S.A., acting through its organisational unit, Biuro Maklerskie mBanku S.A.

24. Market maker: mBank S.A.

25. Placing commission: up to 1.20% of the total nominal value of the Bonds

INFORMATION ABOUT THE OFFER

26. Number of Bonds offered: 200,000

27. Nominal value per Bond: PLN 100

28. Total nominal value of Bonds offered: PLN 20,000,000

29. Issue threshold: Not applicable

30. Bonds price: The issue price shall be determined in the course of book building, and shall be the same for all Bonds

31. Offer period: 6 March 2015, 9:00 to 15:00

32. Types of investors for whom the offer is intended: Institutional investors

33. Dates relating to the offer:

   Beginning of subscription (Subscription Date): 6 March 2015, 9:00

   End of subscription: 6 March 2015, 15:00

   Allotment Date: 6 March 2015

   Expected Issue Date: 10 March 2015

   Expected date of announcement of the results of the offer to the 6 March 2015
34. Description of the subscription procedure:

Subscriptions for the Bonds are to be made by post or a courier service. Subscriptions may be sent by fax if agreed between an institutional investor and the Offeror. It is not possible to subscribe in person at customer service points.

Subscriptions are to be made using three copies of the subscription form. To confirm their subscription, a subscriber shall receive one copy of a completed subscription form, validated by an employee of the investment firm accepting the subscription. The subscriber shall bear all consequences of an incorrect or incomplete subscription for the Bonds.

A model Bonds subscription form shall be made available to investors by the Offeror within the Bonds subscription periods.

An investor invited to subscribe shall have the right to subscribe for the number of Bonds specified in the invitation, which shall not exceed the number of Bonds offered for purchase by a given investor, as specified in that investor's declaration on the purchase of Bonds, and upon subscribing the investor shall be obliged to make a payment for the Bonds.

If an invited investor subscribes or pays for a smaller number of Bonds than the one specified in the invitation, the investor may not be allotted any Bonds, and the Issuer, in consultation with the Offeror, may decide to allot Bonds to that investor in a number resulting from the payment made.

If an invited investor subscribes for more Bonds than specified in the invitation, the subscription shall be deemed to have been made for the number of Bonds indicated in the invitation.

Investors who have not participated in the book building process or who have participated in that process but have not received an invitation to subscribe for the Bonds may subscribe for a minimum of one Bond and for up to the total number of Bonds offered in the series.

Each investor who intends to purchase the Bonds is required to have an investment account and, upon subscription, they must order that the Bonds be deposited in the investor's investment account.

Payments for the Bonds shall be made by way of an exchange of settlement instructions between an entity maintaining the investor's securities account and a participant of the National Depository for Securities (KDPW) who has been authorised by the Issuer to give such instructions (on a delivery versus payment basis). As a result, the investor is obliged to specify a securities account for the purpose of settlement of payments and Bonds, and if no securities account is specified, the subscription shall be deemed null and void.

When making a subscription, an investor must present all documents confirming their legal status and the rules of representation.
Persons who make a subscription on behalf of a legal person or an organisational unit without a legal personality, upon the moment of subscription at the latest, shall present valid documents confirming the subscriber’s power to represent an investor, unless such documents have already been provided in connection with another transaction and the investor confirms that they are valid.

An investor may make a subscription through an attorney. Any detailed subscription rules which are not regulated in these Final Terms, including the rules for subscribing through an attorney, must comply with the regulations of the Offeror accepting subscriptions for the Bonds.

When a firm managing third party securities subscribes for the Bonds, that firm submits a subscription form and encloses a list of investors on whose behalf the subscription is made. The list must include each investor’s data required on the subscription form and it must be signed by persons authorised to represent the manager of third party securities.

35. List of customer service points where subscriptions will be accepted:

mBank SA, Biuro Maklerskie, ul. Senatorska 18, 00-950 Warsaw

36. Details on minimum and maximum value of subscription:

An investor may subscribe for a minimum of 1 Bond and for up to 200,000 Bonds.

An investor may make multiple subscriptions for the Bonds offered.

In each case, the total number of the Bonds subscribed for by a single investor may not exceed the number of Bonds offered.

37. Description of the possibility of a reduction of subscriptions and the procedure for reimbursing money paid:

Rules of allotment

First, the Bonds shall be allotted to investors who have participated in the book building and, based on their invitations, have correctly subscribed and paid for the Bonds. The Bonds shall be allotted to the invited investors according to their subscriptions.

Next, the Bonds may be allotted, at the Issuer’s discretion, to other investors who have correctly subscribed and paid for the Bonds.

Procedure for the reimbursement of money paid

Payments for the Bonds shall be made by way of an exchange of settlement instructions, as described in detail in paragraph 11 of the Detailed Rules of KDPW. Therefore, an overpayment by an investor purchasing the Bonds is not possible.

38. Details on mode and date of payment:

Payments for the Bonds of this series shall be made by way of an exchange of settlement instructions between an entity maintaining an investor’s securities account and a party representing the Issuer (on a delivery versus payment basis), and in order to pay for the subscribed Bonds, the investor must...
39. Date and mode of announcement of the results of the offer to the public:

The results of the offer shall be announced to the public in a current report within one business day of the end of the Bonds subscription process.

Information on a potential non-consummation of the Bonds offer shall be announced to the public in the same way as the Prospectus and in the form of a current report of the Issuer, where required under applicable laws.

40. Procedure for notifying subscribers about the allotted Bonds:

An investor has the right to receive information from the Offeror on the number of allotted Bonds.

41. Procedure for delivering the Bonds and settling the issue price for the Bonds:

The Bonds shall be registered in the Depository based on KDPW’s settlement and clearing of transactions concluded as part of the Offer, as a result of which the Bonds shall be recorded on the accounts of the participants and their cash accounts shall be debited, i.e. as provided in § 11 of the Detailed Rules of KDPW. The registration shall be completed once an investment firm maintaining an investor’s securities account has delivered a settlement instruction to KDPW (and once the Bonds have been paid for) which corresponds to a settlement instruction issued by a KDPW participant who has been authorised by the Issuer to give such instructions.

The Bonds shall be deposited in the investors’ securities account according to the orders placed.

42. Amount of costs and taxes charged to subscribers:

An investor subscribing for the Bonds shall not be charged any additional subscription costs.

There may also be additional indirect costs of subscribing for the Bonds, including the costs of establishing and maintaining an investment account. Furthermore, it must be taken into consideration that investors’ payments for the Bonds do not carry an interest rate, and if a payment is reimbursed to an investor, no interest or compensation is due.
## ANNEX

### SUMMARY

This document is a summary of the individual issue within the meaning of Article 24 section 3 of Commission regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, and it concerns series K4 bonds issued by BEST S.A., having its registered office in Gdynia (Issuer), as part of a Bonds issue programme of up to PLN 300,000,000 included in the base prospectus of 21 March 2014 and in the addendum of 22 April 2014.

### Part C – Securities

<table>
<thead>
<tr>
<th>C.1</th>
<th>Description of the type and the class of the securities being offered or admitted to trading, including any security identification number.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Bonds issued under the Programme shall be bearer bonds. The Bonds issued under the Programme may carry a variable interest rate, a fixed interest rate, or no interest rate at all.</td>
</tr>
<tr>
<td></td>
<td>The total nominal value of the Bonds is PLN 20,000,000 and they carry a variable interest rate being the sum of WIBOR for 3-month deposits and a margin of 3.50% per annum. The Bonds Redemption Date is 10 March 2020.</td>
</tr>
<tr>
<td></td>
<td>International Security Identification Number (ISIN): •</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.2</th>
<th>Currency of the securities issue.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Bonds issued under the Programme shall be denominated in Polish złoty (PLN).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.5</th>
<th>Description of any restrictions on the free transferability of the securities.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not applicable. There are no restrictions on the free transferability of the Bonds.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.8</th>
<th>Description of the rights attached to the securities, including ranking and limitations to those rights.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Rights attached to the Bonds</strong></td>
</tr>
<tr>
<td></td>
<td>The Bonds shall entitle their holders to receive from the Issuer a monetary consideration in the form of the nominal value of the Bonds, and if the Bonds carry an interest rate, in the form of interest on the nominal value of the Bonds, calculated according to a variable or fixed interest rate.</td>
</tr>
<tr>
<td></td>
<td>Bondholders’ rights to receive considerations from the Bonds are not limited.</td>
</tr>
<tr>
<td></td>
<td><strong>Ranking</strong></td>
</tr>
<tr>
<td></td>
<td>The Bonds shall represent the Issuer’s direct, unconditional and unsecured liabilities, and shall have an equal status without any preference with respect to each other, and with respect to any other existing and future unsecured and non-subordinated liabilities of the Issuer, except for liabilities which are given priority under applicable law.</td>
</tr>
<tr>
<td></td>
<td><strong>Taxes</strong></td>
</tr>
<tr>
<td></td>
<td>All payments under the Bonds shall be made without any set-offs or deductions on account of any existing or future taxes, or on account of any statutory receivables which have been calculated or imposed by or on behalf of competent tax authorities, unless set-offs or deductions of such taxes or statutory receivables are required under applicable mandatory laws. If any payment under the Bonds involves an obligation to collect and pay any tax or other statutory receivables, the Issuer</td>
</tr>
</tbody>
</table>
shall not pay any compensation to offset such taxes or statutory receivables.

**Instances of default**

The Terms of Issue of the Bonds, as approved by way of resolution no. 28/2014 of the Issuer’s Management Board of 17 March 2014, provide the following instances of default:

- The Group permanently discontinues all or a significant part of its economic activities involving the acquisition of debt, debt recovery and the management of securitisation funds;
- The debt ratio exceeds 2.50;
- The Issuer becomes insolvent, the Issuer files for bankruptcy, the Issuer files for recovery proceedings; the Issuer confirms in writing that it is insolvent; the Issuer conducts negotiations with all or a certain category of its creditors with a view to changing the rules of repayment of its debt due to being unable to punctually meet its monetary obligations;
- The Issuer fails to repay its financial debt in a total amount exceeding 10% of the Group’s equity; and
- the Issuer’s financial debt in a total amount exceeding 10% of the Group’s equity exclusively under bank loans or borrowings or derivative transactions with banks matures before the set due date.

The Final Terms of the issue provide for the following additional instances of default:

(a) The Issuer, contrary to an obligation resulting from its status as a public company, in its Base Prospectus of the Programme, these Final Terms, current reports or periodic reports, fails to provide information or provides inaccurate or misleading information which could materially affect a Bondholder’s decision to purchase the Bonds.

(b) The Issuer, based on the legally binding judgment of a court or a final administrative decision, is obliged to make a payment on account of penalties, sanctions, damages or similar which exceed 10% of the Group’s equity;

(c) With respect to any asset of the Issuer, based on a legally binding enforcement title against the Issuer, a confiscation or a court seizure is performed, or, based on that title, claims are enforced which exceed 10% of the Group’s equity, and such a confiscation, seizure or enforcement is not revoked or annulled within 90 days of its initiation, unless the Issuer, according to Article 822 of the Code of Civil Procedure, provides a valid proof in writing to confirm that it has met its obligation;

(d) The Bonds issued under the Programme are withdrawn from trading on a regulated market;

(e) The Issuer makes a disposal other than Permitted Disposal;

(f) The Issuer has paid a dividend;
<table>
<thead>
<tr>
<th></th>
<th>(g)</th>
<th>The Issuer has redeemed equity shares;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(h)</td>
<td>The Issuer’s general meeting has adopted a resolution on dissolving the Issuer or on relocating the Issuer’s registered office abroad; or</td>
</tr>
<tr>
<td></td>
<td>(i)</td>
<td>The Issuer has granted any borrowing (or any other form of financing) in a total amount exceeding 5% of the Group’s equity, subject to the provisions of the following sentence, to any party other than a member of the Group, an investment fund managed by BEST TFI S.A., or a securitisation fund whose debt portfolios are managed by the Issuer.</td>
</tr>
</tbody>
</table>

The amount limitation referred to in the previous sentence does not apply to:

|   | (i)    | the Issuer’s purchase of treasury bonds or treasury bills issued by the State Treasury; |
|   | (ii)   | the Issuer’s acquisition of interests or shares in third parties whose activity is related to the Group’s core economic activity, and granting financing in any form to such parties; and |
|   | (iii)  | the Issuer’s acquisition of interests or shares in third parties which have come into the possession of the claims of securitisation funds or real properties representing original collaterals for the repayment of such claims and real properties owned by the Group, as well as granting financing in any form to such parties. |

where:

**Permitted Disposal** means a disposal which meets at least one of the following criteria:

<table>
<thead>
<tr>
<th></th>
<th>(a)</th>
<th>it is done in the course of the Issuer’s economic activity in exchange for assets or considerations of an equivalent or similar market value, or in exchange for cash or a cash equivalent;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(b)</td>
<td>its value in a given calendar year does not exceed 5% of the Group’s equity determined on the basis of data from the most recently published periodic report;</td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td>it is made with respect to old, outdated or redundant assets; or</td>
</tr>
<tr>
<td></td>
<td>(d)</td>
<td>it is concluded between the Issuer and a subsidiary.</td>
</tr>
</tbody>
</table>


**Disposal** means a transfer of property rights as part of a single transaction or multiple related transactions.

**Governing law**

The Bonds shall be governed by Polish law.
C.9  **Description of the rights attached to the securities, including ranking and limitations to those rights, plus the nominal interest rate, the date from which interest becomes payable and the due dates for interest. Where the rate is not fixed, description of the underlying instrument on which it is based, maturity date and arrangements for the amortisation of the loan, including the repayment procedures, an indication of yield, and the name of the representative of the debt security holders.**

**Rights attached to the Bonds**

The Bonds shall entitle their holders to receive from the Issuer a monetary consideration in the form of the nominal value of the Bonds, and if the Bonds carry an interest rate, in the form of interest on the nominal value of the Bonds, calculated according to a variable or fixed interest rate. Bondholders' rights to receive considerations from the Bonds are not limited.

**Ranking**

The Bonds shall represent the Issuer's direct, unconditional and unsecured liabilities, and shall have an equal status without any preference with respect to each other, and with respect to any other existing and future unsecured and non-subordinated liabilities of the Issuer, except for liabilities which are given priority under applicable law.

**Taxes**

All payments under the Bonds shall be made without any set-offs or deductions on account of any existing or future taxes, or on account of any statutory receivables which have been calculated or imposed by or on behalf of competent tax authorities, unless set-offs or deductions of such taxes or statutory receivables are required under applicable mandatory laws. If any payment under the Bonds involves an obligation to collect and pay any tax or other statutory receivables, the Issuer shall not pay any compensation to offset such taxes or statutory receivables.

**Instances of default**

The Terms of Issue of the Bonds, as approved by way of resolution no. 28/2014 of the Issuer’s Management Board of 17 March 2014, provide the following instances of default:

- The Group permanently discontinues all or a significant part of its economic activities involving the acquisition of debt, debt recovery and the management of securitisation funds;

- The debt ratio exceeds 2.50;

- The Issuer becomes insolvent, the Issuer files for bankruptcy, the Issuer files for recovery proceedings; the Issuer confirms in writing that it is insolvent; the Issuer conducts negotiations with all or a certain category of its creditors with a view to changing the rules of repayment of its debt due to being unable to punctually meet its monetary obligations;

- The Issuer fails to repay its financial debt in a total amount exceeding 10% of the Group’s equity; and

- the Issuer’s financial debt in a total amount exceeding 10% of the Group’s equity exclusively under bank loans or borrowings or derivative transactions with banks matures before the set due date.

The Final Terms of the issue provide for the following additional instances of default:

(a) The Issuer, contrary to an obligation resulting from its status as a public company, in its Base Prospectus of the Programme, these Final Terms, current reports or periodic reports, fails to provide information or provides
inaccurate or misleading information which could materially affect a Bondholder’s decision to purchase the Bonds.

(b) The Issuer, based on the legally binding judgment of a court or a final administrative decision, is obliged to make a payment on account of penalties, sanctions, damages or similar which exceed 10% of the Group’s equity;

(c) With respect to any asset of the Issuer, based on a legally binding enforcement title against the Issuer, a confiscation or a court seizure is performed, or, based on that title, claims are enforced which exceed 10% of the Group’s equity, and such a confiscation, seizure or enforcement is not revoked or annulled within 90 days of its initiation, unless the Issuer, according to Article 822 of the Code of Civil Procedure, provides a valid proof in writing to confirm that it has met its obligation;

(d) The Bonds issued under the Programme are withdrawn from trading on a regulated market;

(e) The Issuer makes a disposal other than Permitted Disposal;

(f) The Issuer has paid a dividend;

(g) The Issuer has redeemed equity shares;

(h) The Issuer’s general meeting has adopted a resolution on dissolving the Issuer or on relocating the Issuer’s registered office abroad; or

(i) The Issuer has granted any borrowing (or any other form of financing) in a total amount exceeding 5% of the Group’s equity, subject to the provisions of the following sentence, to any party other than a member of the Group, an investment fund managed by BEST TFI S.A., or a securitisation fund whose debt portfolios are managed by the Issuer.

The amount limitation referred to in the previous sentence does not apply to:

(i) the Issuer’s purchase of treasury bonds or treasury bills issued by the State Treasury;

(ii) the Issuer’s acquisition of interests or shares in third parties whose activity is related to the Group’s core economic activity, as well as granting financing in any form to such parties; and

(iii) the Issuer’s acquisition of interests or shares in third parties which have come into the possession of the claims of securitisation funds or real properties representing original collaterals for the repayment of such claims and real properties owned by the Group, as well as granting financing in any form to such parties.

where:

**Permitted Disposal** means a disposal which meets at least one of the following criteria:

(a) it is done in the course of the Issuer’s economic activity in exchange for assets or considerations of an equivalent or similar market value, or in exchange for cash or a cash equivalent;

(b) its value in a given calendar year does not exceed 5% of the Group’s equity determined on the basis of data from the most recently published periodic report;
(c) it is made with respect to old, outdated or redundant assets; or

(d) it is concluded between the Issuer and a subsidiary.


**Disposal** means a transfer of property rights as part of a single transaction or multiple related transactions.

**Governing law**

The Bonds shall be governed by Polish law.

**Interest**

The Bonds carry a variable interest rate, being the sum of WIBOR for 3-month deposits and a margin of 3.50% per annum.

Interest Payment Dates:

10 June 2015
10 September 2015
10 December 2015
10 March 2016
10 June 2016
10 September 2016
10 December 2016
10 March 2017
10 June 2017
10 September 2017
10 December 2017
10 March 2018
10 June 2018
10 September 2018
10 December 2018
Maturity

Save for the Issuer's option to redeem the Bonds earlier, the Bonds shall be redeemed on 10 March 2020.

Amortisation arrangements

Not applicable. The Bonds shall not be amortised.

Representation of Bondholders

Not applicable. No Bondholders' representative has been appointed.

C.10

Description of the rights attached to the securities, including ranking and limitations to those rights, plus the nominal interest rate, the date from which interest becomes payable and the due dates for interest. Where the rate is not fixed, description of the underlying instrument on which it is based, maturity date and arrangements for the amortisation of the loan, including the repayment procedures, an indication of yield, and the name of the representative of the debt security holders. If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under circumstances when the risks are most evident.

Not applicable. The interest on the Bonds does not include a derivative component.

C.11

Indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets, with indication of the markets in question.

The Issuer intends to file an application for the admission of the Bonds to listing and trading on a regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange).
## Part D – Risk

<table>
<thead>
<tr>
<th>D.2</th>
<th>Key information on the key risks that are specific to the Issuer.</th>
</tr>
</thead>
</table>

By purchasing the Bonds, investors accept the risk that the Issuer may become insolvent or, due to other reasons, may be unable to meet its obligations resulting from the Bonds. There are a number of circumstances which may lead to the Issuer becoming unable to meet its obligations resulting from the Bonds. It is not possible to identify all such circumstances or to state which circumstances are most likely to occur, because the Issuer may not be aware of all such circumstances. The Issuer has described a number of risks which may have a material negative effect on the Issuer’s activity or ability to meet its obligations resulting from the Bonds. Such risks include:

- the risk of failure to meet business targets;
- the risk of failure to procure adequate financing for the purchase of new debt portfolios;
- the risk of a mismatch between the Bonds’ maturities and the expected date of return on investment;
- the risk relating to the purchase of debt portfolios;
- the risk of the loss of experienced managers or key employees;
- the risk of a breakdown of ICT infrastructure;
- the risk of the Group incurring over-the-limit costs related to the functioning of the managed funds;
- the risk of personal and capital relations;
- the risk of negative PR;
- the risk of transfer prices;
- market risk;
- the risk of deterioration of the debtors’ financial situation;
- the risk associated with consumer bankruptcy;
- the risk associated with competition on the market of purchasing and managing debt portfolios;
- the risk associated with the supply of debt portfolios;
- foreign exchange risk;
- the risk associated with changes in laws and their interpretation;
- the risk associated with data processing, in particular personal data processing;
<table>
<thead>
<tr>
<th>D.3</th>
<th>Key information on the key risks that are specific to the securities.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There are also risks associated with the Bonds, including market risks such as:</td>
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<tr>
<td></td>
<td>• the risk of a decrease in the market value of the Bonds if the Issuer has an option to redeem the Bonds earlier;</td>
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<td></td>
<td>• the risk of fluctuations in the market value of Bonds issued at a discount or a premium;</td>
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<td></td>
<td>• the risk of a change in the law or practice of public administration authorities;</td>
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<td></td>
<td>• the risk of failure to satisfy the Bondholders’ claims in the event that the Issuer becomes bankrupt;</td>
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<td></td>
<td>• the risk of priority being given to the creditors of securitisation funds;</td>
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<td></td>
<td>• the risk of lack of trading on the primary market or low liquidity of the secondary market;</td>
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<tr>
<td></td>
<td>• the risk of interest rate fluctuations affecting the market value of fixed interest Bonds;</td>
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<td></td>
<td>• the risk associated with unclear and complicated tax laws;</td>
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<td></td>
<td>• the risk of suspension of the public offering, subscription or sale of the Bonds;</td>
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<tr>
<td></td>
<td>• the risk of the Bonds not being admitted to trading on a regulated market;</td>
</tr>
<tr>
<td></td>
<td>• the risk of suspension of the Bonds’ admission to trading or listing on a regulated market;</td>
</tr>
<tr>
<td></td>
<td>• the risk of trading in the Bonds being suspended; and</td>
</tr>
<tr>
<td></td>
<td>• the risk of the Bonds being excluded from trading on a regulated market.</td>
</tr>
</tbody>
</table>

### Part E – Offer

<table>
<thead>
<tr>
<th>E.2b</th>
<th>Reasons for the offer and use of proceeds when different from making profit or hedging certain risks.</th>
<th>The net proceeds from the issue of the Bonds shall be earmarked for:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i) financing and refinancing expenditures in connection with the acquisition of debt portfolios by the Group; or</td>
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<td></td>
<td>(ii) financing and refinancing expenditures incurred in connection with the acquisition of interests, investment certificates or shares in other entities from the debt recovery industry, or in connection with acquiring an enterprise or an organised part of an enterprise from such entities; or</td>
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<td></td>
<td>(iii) refinancing the Group’s existing debt.</td>
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<tr>
<td>E.3</td>
<td>Description of the terms and conditions of the offer.</td>
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<td>-----</td>
<td>-----------------------------------------------------</td>
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<tr>
<td></td>
<td>The Bonds shall be the object of a public offering in the territory of the Republic of Poland.</td>
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<tr>
<td></td>
<td>Type of Bonds: Bearer bonds carrying a variable interest rate.</td>
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<tr>
<td></td>
<td>Number of Bonds offered: 200,000</td>
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<tr>
<td></td>
<td>Nominal value per Bond: PLN 100</td>
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<tr>
<td></td>
<td>Information on the interest rate on Bonds: variable interest rate, being a sum of WIBOR for 3-month deposits plus a 3.50% margin per annum.</td>
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<td></td>
<td>The issue price per Bond amounts to: the issue price shall be determined in the course of book building and shall be the same for all Bonds.</td>
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<td></td>
<td>Offeror: mBank S.A., acting through its organisational unit, Biuro Maklerskie mBanku S.A.</td>
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<td></td>
<td>Offer period: 6 March 2015, 9:00 to 15:00.</td>
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<td></td>
<td>Description of the subscription procedure:</td>
<td></td>
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<tr>
<td></td>
<td>Subscriptions for the Bonds are to be made by post or a courier service. Subscriptions may be sent by fax if agreed between an institutional investor and the Offeror. It is not possible to subscribe in person at customer service points.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A model Bonds subscription form shall be made available to investors by the Offeror. Investors who intend to purchase the Bonds are required to maintain an investment account with an investment firm.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>List of customer service points where subscriptions will be accepted: mBank S.A, Biuro Maklerskie, ul. Senatorska 18, 00-950 Warsaw.</td>
<td></td>
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<tr>
<td></td>
<td>Details on minimum and maximum value of subscription:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>An investor may subscribe for a minimum of 1 Bond and for up to 200,000 Bonds.</td>
<td></td>
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<tr>
<td></td>
<td>Description of the possibility of a reduction of subscriptions and the procedure for reimbursing money paid:</td>
<td></td>
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<tr>
<td></td>
<td>First, the Bonds shall be allotted to investors who have participated in the book building and, based on their invitations, have correctly subscribed and paid for the Bonds. The Bonds shall be allotted to the invited investors according to their subscriptions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Next, the Bonds may be allotted, at the Issuer’s discretion, to other investors who have correctly subscribed and paid for the Bonds.</td>
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<tr>
<td></td>
<td>Payments for the Bonds shall be made by way of an exchange of settlement instructions, as described in detail in paragraph 11 of the Detailed Rules of KDPW. Therefore, an overpayment by an investor purchasing the Bonds is not possible.</td>
<td></td>
</tr>
</tbody>
</table>
Details on mode and date of payment:

*Payments for the Bonds of this series shall be made by way of an exchange of settlement instructions between an entity maintaining the investor’s securities account and a party representing the Issuer (on a delivery versus payment basis).*

Date and mode of announcement of the results of the offer to the public:

*The results of the offer shall be announced to the public in a current report within one business day of the end of the Bonds subscription process.*

Procedure for notifying subscribers about the allotted Bonds:

*An investor has the right to be informed about the number of the allotted Bonds by the investment firm which maintains their investment account, according to that firm’s terms and conditions.*

Amount of costs and taxes charged to subscribers:

*An investor subscribing for the Bonds shall not be charged any additional subscription costs.*

<table>
<thead>
<tr>
<th><strong>E.4</strong></th>
<th>Description of any interest that is material to the issue/offer, including conflicting interests.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Offerors may receive remuneration from the Issuer in connection with the issue of the Bonds under the Programme. Each Offeror, as well as their subsidiaries or related parties, work with or may in the future begin working with the Issuer in the area of financial activity, and may provide services to the Issuer, its subsidiaries or related parties in the course of their normal business. Subject to the above information, according to the Issuer’s knowledge, no person involved in the issue of the Bonds has any material interests in connection with the offer, and there are no conflicting interests.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>E.7</strong></th>
<th>Estimated expenses charged to the investor by the Issuer or the Offeror.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Issuer shall not charge any expenses to the investors. Subscribing for the Bonds does not involve any additional fees charged by the Offeror. However, an investor may be required to pay indirect costs of Bonds subscription, in particular a brokerage commission charged for making an order/subscription, establishing or maintaining an investment account, and any other bank costs associated with paying for the Bonds, the costs of exchanging foreign currencies for PLN, etc. Furthermore, it must be pointed out that investors’ payments for the Bonds do not carry an interest rate, and if a payment is fully or partially reimbursed to an investor, no interest or compensation is due for the investor.</td>
</tr>
</tbody>
</table>