



NOTICE OF CONVENING THE BONDHOLDERS MEETING

Warsaw, 16 August 2016

From: Wydawnictwa Szkolne i Pedagogiczne S.A. (the Issuer)

Dear Ladies and Gentlemen,

Notice of convening the meeting of the holders of the bonds (the Bonds) issued by the Issuer under resolution No. 22/12 of the Issuer's Management Board adopted on 5 September 2012 and resolution of the Supervisory Board adopted on 6 September 2012.

The terms defined in the terms and conditions of the Bonds shall retain their meaning in this notice.

1. FACTS

- (a) The Issuer intends to exercise the option of the early redemption of the Bonds provided for in the terms and conditions of the Bonds (the **Issuer Call Option**) and refinance each Working Capital Facility, provided that the financing under the New Credit Facility Agreement (as defined below) is ensured. The draft notice of the early redemption of the Bonds is attached hereto as Schedule 5 (Notice of early redemption of the Bonds).
- (b) All the Bonds will be redeemed early and each Working Capital Facility will be refinanced with the proceeds of the new credit facility agreement (the **New Credit Facility Agreement**). Furthermore, the Issuer, the Issuer's shareholder and the companies from the Issuer's group intend to establish security interest for the creditors' claims under the New Credit Facility Agreement in the form of, among others, registered pledges over the claims under the agreements for keeping the Issuer's bank accounts, registered pledge over the Issuer's enterprise, registered pledges over the shares in the Issuer and registered pledge over the verbal-graphic mark "WSiP" where such assets are also the Security Interest for the Bonds (the **New Credit Facility Agreement Security Interest**).
- (c) Furthermore, acting under Art. 492.1.1 of the Partnerships and Companies Code dated 15 September 2000 (the PCC) and Art. 515.1 of the PCC the Issuer intends to merge with sole-shareholder subsidiary i.e. Szkoła Języków Obcych "Profi-Lingua" sp. z o.o. (entered in the National Court Register under No. 0000605181) (the **Target**) where the Issuer shall be the surviving company purchasing all of the Target's assets.
- (d) The Issuer would also like to modify the mechanism of the Issuer Call Option by making it more flexible, including, without limitation, allowing the Issuer to early redeem the Bonds with the shorter period of notice and on days other than the Interest Payment Dates.
- (e) Therefore the Issuer convenes the Bondholders Meeting in order to adopt the resolutions on the above matters.

WYDAWNICTWA SZKOLNE I PEDAGOGICZNE Spółka Akcyjna

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Wpisane do rejestru przez Sąd Rejonowy dla m.st. Warszawy w Warszawie,
XII Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS 0000595068
REGON 141911531, NIP 527 260 52 92
Wysokość kapitału zakładowego 17 050 400 zł (wpłacony w całości)



2. BONDHOLDERS MEETING

- (a) Notice is hereby given that the meeting of the holders of the Bond shall be held at 10:00 a.m. on 24 August 2016 in Warsaw, at the registered office of Allen & Overy, A. Pędzich sp. k., Rondo ONZ 1, 34th floor, 00-124 Warsaw (the **Meeting Date**).
- (b) The agenda of the meeting shall consist in adopting the resolutions consenting to:
- (i) the Issuer and the companies from the Issuer's group entering into the New Credit Facility Agreement;
 - (ii) the Issuer, the Issuer's shareholder and the companies from the Issuer's group entering into the agreements establishing the New Credit Facility Agreement Security Interest including, without limitation, the agreements for registered pledges over the claims under the agreements for keeping the Issuer's bank accounts, registered pledge over the Issuer's enterprise, registered pledges over the shares in the Issuer and registered pledge over the verbal-graphic mark "WSiP" where such assets are also the Security Interest for the Bonds;
 - (iii) the Issuer's shareholder exercising the voting rights attaching to the shares in the Issuer in order to allow the Issuer to merge with the Target;
 - (iv) amending the terms and conditions of the Bonds as regards the Issuer Call Option by:
 - (A) shortening the minimum period of notice of the intention to exercise the Issuer Call Option the Issuer sends to the holders of the Bonds set out in the terms and conditions of the Bonds; and
 - (B) changing the days when the Bonds made be early redeem in exercise of the Issuer Call Option;
 - (v) authorising and instructing Bank Polska Kasa Opieki S.A. as the administrator of the pledges securing, among others, the claims under the Bonds to take any and all actions required for the purpose of or in connection with establishing the New Credit Facility Agreement Security Interest or any actions related thereto, including to give any and all consents and sign any and all documents and declarations required under or in connection with the actions referred to herein; and
 - (vi) taking all factual and legal actions necessary under or in connection with the above mentioned actions and documents.
- (c) The draft resolution on the matter:
- (i) referred to in subparagraphs (b)(i), (b)(ii), (b)(v) and (b)(vi) is attached as Schedule 2 (Draft resolution No. 1 of the Bondholders Meeting);

- (ii) referred to in subparagraphs (b)(iii) and (b)(vi) is attached as Schedule 3 (Draft resolution No. 2 of the Bondholders Meeting); and
- (iii) referred to in subparagraph (b)(iv) is attached as Schedule 4 (Draft resolution No. 3 of the Bondholders Meeting).

3. PARTICIPATION IN THE BONDHOLDERS MEETING

- (a) The bondholders may participate in the meeting in person or through an attorney.
- (b) A bondholder intending to participate in the meeting in person should submit (i) a registered deposit certificate or any other relevant document confirming the holding of the Bonds two business days prior to the Meeting Date i.e. 22 August 2016, and confirming that the Bonds will be blocked until the business day falling after the Meeting Date, (ii) an excerpt from the National Court Register or the Investment Funds Register or any other relevant register (not older than three months) as well as the identification documents of the persons representing the bondholder, evidencing the due authorisation of the representatives of the relevant bondholder.
- (c) A bondholder intending to participate in a meeting through an attorney (personal appearance is not required then) should submit: (i) a registered deposit certificate or any other relevant document confirming the holding of the Bonds two business days prior to the Meeting Date i.e. 22 August 2016, and confirming that the Bonds will be blocked until the business day falling after the Meeting Date, (ii) an excerpt from the National Court Register or the Investment Funds Register or any other relevant register (not older than three months), a power of attorney and the identity cards of the persons representing the bondholder, evidencing the due authorisation of the representatives of the relevant bondholder. The power of attorney may be granted to the lawyers of Allen & Overy, A. Pędzich sp.k. The form of the power of attorney is attached hereto as Schedule 1 (Form of the power of attorney).
- (d) In order to facilitate the progress of the Bondholders Meeting we request you to send the copies of the documents entitling the representatives of the bondholders to participate in the convened Bondholders Meeting to Allen & Overy, A. Pędzich sp.k. at: pawel.zdanowicz@allenoverly.com and konrad.zawistowski@allenoverly.com.

For and on behalf of Wydawnictwa Szkolne i Pedagogiczne S.A.

PREZES ZARZADU

Jerzy Garlicki

Ewa Strzelczyk

Prokurent

Schedule:

- (1) Form of the power of attorney.
- (2) Draft resolution of the Bondholders Meeting in the matters referred to in subparagraphs 2(b)(i), (b)(ii), (b)(v) and (b)(vi).
- (3) Draft resolution of the Bondholders Meeting in the matters referred to in subparagraphs referred to in subparagraphs 2(b)(iii) and (b)(vi).
- (4) Draft resolution of the Bondholders Meeting in the matters referred to in subparagraphs referred to in subparagraph 2(b) (iv).
- (5) Draft notice of the early redemption of the Bonds.





SCHEDULE 1

FORM OF THE POWER OF ATTORNEY

[on a Bondholder's letterhead]

[PLACE], [DATE]

POWER OF ATTORNEY

Acting for and on behalf of [A BONDHOLDER'S NAME], with its registered office in [TOWN/CITY] at [NUMBER OF BUILDING, STREET NAME, PREMISES NUMBER], [POST CODE] [TOWN/CITY] (the **Bondholder**), we hereby authorise:

Piotr Lesiński, business address: Allen & Overy, A. Pędzich sp. k., Rondo ONZ 1, 00-124 Warsaw;

and

Konrad Zawistowski, business address: Allen & Overy, A. Pędzich sp. k., Rondo ONZ 1, 00-124 Warsaw,

each of them individually, to independently represent the Bondholder at the meeting of the bondholders (the **Bondholders Meeting**) convened for 24 August 2016, including the adjournments, being the holders of the bonds issued by Wydawnictwa Szkolne i Pedagogiczne S.A. with its registered office in Warsaw (the **Issuer**), including:

1. to vote at the Bondholders Meeting in favour of the resolutions on or related to the matters set out in the notice of convening the Bondholders Meeting dated 16 August 2016; and
2. to perform, for and on behalf of the Bondholders, any other factual and legal actions which may prove necessary in the course of the Bondholders Meeting, including to sign the resolutions adopted by the Bondholders Meeting.

This power of attorney is valid for 30 days as of its granting.

The attorney may represent at the Bondholders Meeting other holders of the bonds issued by the Issuer and grant further powers of attorney.

[name]

A handwritten signature in blue ink is located in the bottom right corner of the page.

SCHEDULE 2

DRAFT RESOLUTION NO. 1 OF THE BONDHOLDERS MEETING

RESOLUTION NO. 1 OF THE HOLDERS OF THE BONDS ISSUED BY WYDAWNICTWA SZKOLNE I PEDAGOGICZNE S.A. DATED 24 AUGUST 2016

1. Terms defined in the terms and conditions of the Bonds shall retain their meaning in this Resolution, unless specified otherwise.
2. The Bondholders Meeting consents to the Issuer incurring the new Financial Indebtedness by the Issuer, the companies of the Issuer's group (as borrowers) and the specified financial institutions (as lenders) entering into the new credit facility agreement (the **New Credit Facility Agreement**) the proceeds of which will be utilised to early redeem the Bonds in full. Subject to item 6 below, incurring the new Financial Indebtedness under the New Credit Facility Agreement shall not constitute an Event of Default under the terms and conditions of the Bonds and shall not entitle the Bondholders to demand the early redemption of the Bonds.
3. The Bondholders Meeting consents to the Issuer, the Issuer's shareholder and the companies from the Issuer's group entering into all the agreements and documents establishing all the security interest required under or in connection with the New Credit Facility Agreement including, without limitation, the agreements for registered pledges over the claims under the agreements for keeping the Issuer's bank accounts, registered pledge over the Issuer's enterprise, registered pledges over the shares in the Issuer and registered pledge over the verbal-graphic mark "WSiP" where such assets are also the Security Interest for the Bonds (the **New Credit Facility Agreement Security Interest**). Subject to item 6 below, establishing the New Credit Facility Agreement Security Interest shall not constitute an Event of Default under the terms and conditions of the Bonds and shall not entitle the Bondholders to demand the early redemption of the Bonds.
4. The Bondholders Meeting authorises and instructs Bank Polska Kasa Opieki S.A. as the administrator of the pledges securing, among others, to take any and all actions required under or in connection with the actions in order to enter into the New Credit Facility Agreement, establish the New Credit Facility Agreement Security Interest, including to give any and all consents and sign any and all documents and declarations required under or in connection with the actions referred to in this item.
5. The Bondholders Meeting authorises and instructs Bank Polska Kasa Opieki S.A. to perform, for and on behalf of the Bondholders, any factual and legal actions which may prove necessary under or in connection with the actions referred to in this resolution.
6. The above authorisation is granted on the condition that the Bonds will be redeemed until 30 October 2016.





SCHEDULE 3

DRAFT RESOLUTION NO. 2 OF THE BONDHOLDERS MEETING

***RESOLUTION NO. 2 OF THE HOLDERS OF THE BONDS ISSUED BY
WYDAWNICTWA SZKOLNE I PEDAGOGICZNE S.A. DATED 24 AUGUST 2016***

1. Terms defined in the terms and conditions of the Bonds shall retain their meaning in this Resolution, unless specified otherwise.
2. The Bondholders Meeting consents to the Issuer exercising the voting rights attaching to the shares in the Issuer in order to allow the Issuer to merge with Szkoła Języków Obcych "Profi-Lingua" sp. z o.o. (entered in the National Court Register under No. 0000605181).
3. The Bondholders Meeting authorises and instructs Bank Polska Kasa Opieki S.A. as the administrator of the pledges securing, among others, the claims under the Bonds, to take any and all actions required under or in connection with the actions referred to in item 2 above, including to give any and all consents and sign any and all documents and declarations required under or in connection with the actions referred to in item 2 above.
4. The Bondholders Meeting authorises and instructs Bank Polska Kasa Opieki S.A. to perform, for and on behalf of the Bondholders, any factual and legal actions which may prove necessary under or in connection with the actions referred to in this resolution.

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SCHEDULE 4

DRAFT RESOLUTION NO. 3 OF THE BONDHOLDERS MEETING

RESOLUTION NO. 3 OF THE HOLDERS OF THE BONDS ISSUED BY WYDAWNICTWA SZKOLNE I PEDAGOGICZNE S.A. DATED 24 AUGUST 2016

1. Terms defined in the terms and conditions of the Bonds shall retain their meaning in this Resolution, unless specified otherwise.
2. The Bondholders Meeting consents to amending the terms and conditions of the Bonds in such a way that Clause 11.2 (Redemption of the Bonds) (numbering in the terms and conditions of the Bonds recorded in the register kept by Bank BGŻ BNP Paribas S.A.) and Clause 10.2 (Redemption of the Bonds) (numbering in the terms and conditions of the Bonds deposited with the NDS) is amended and shall read as follows:

“The Issuer may decide to redeem all the Bonds prior to the Final Maturity Date. If the Issuer decides to redeem the Bonds in accordance with this Clause, the Issuer will notify the Bondholders of the early redemption of the Bonds at least 20 days before the date on which the Issuer intends to redeem the Bonds. The Bonds will be redeemed early at their nominal value plus the interest accrued until the redemption date (exclusive of such date) and plus the Premium calculated on the nominal value of the Bonds”.
3. The Bondholders Meeting consents to amending Clause 9 of the Supplements to the terms and conditions of the Bonds in such a way that the words “on the Interest Payment Date” are replaced by “on the date”.

For the Issuer:

For the Bondholders:

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SCHEDULE 5

NOTICE OF EARLY REDEMPTION OF THE BONDS

[on the Issuer's letterhead]

Warsaw, [●] 2016

From: Wydawnictwa Szkolne i Pedagogiczne S.A
(the Issuer)

Re.: 4,500 bonds issued by the Issuer on 25 September 2012, series WSIP02250917, recorded in the register kept by Bank BGŻ BNP Paribas S.A. (the Ordinary Bonds) and 15,180 bonds issued by the Issuer on 25 September 2012, series WSIP01250917, registered with the depository kept by the National Depository for Securities (the NDS) and introduced to the alternative trading system operated by BondSpot S.A. (the NDS Bonds)

Dear Sirs,

1. Under Clause 11.2 of the terms and conditions of the Ordinary Bonds and Clause 10.2 of the terms and conditions of the NDS Bonds, subject to item below 2 below, the Issuer informs that it has decided to early redeem all the Ordinary Bonds and all the NDS Bonds.
2. The Ordinary Bonds and the NDS Bonds will be early redeemed on [●] 2016 (the **Early Redemption Date**) provided that until [●] 2016 the Issuer will have obtained the financing ensuring that, among others, the Early Redemption Amount (as defined below) will be covered in full.
3. Subject to item 2, on the Early Redemption Date each holder of the Ordinary Bonds and each holder of the NDS Bonds will receive from the Issuer the total amount (the **Early Redemption Amount**) equal to:
 - (a) the nominal value of the Ordinary Bonds and, respectively, the NDS Bonds held by such holder;
 - (b) the interest due for the period of time from the last Interest Payment Date (inclusive) (as defined in the terms and conditions of the Ordinary Bonds and, respectively, the NDS Bonds) to the Early Redemption Date (exclusive); and
 - (c) the premium of $[1.50]^{1/[0.75\%]^2}$ of the nominal value of the Ordinary Bonds and, respectively, the NDS Bonds. The premiums will be calculated in accordance with in terms and conditions of the Ordinary Bonds and, respectively, the NDS Bonds.

¹ If the redemption occurs before 25.09.2016

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4. At their early redemption the Ordinary Bonds and the NDS Bonds will be cancelled.
5. As regards the Ordinary Bonds, the Early Redemption Amount shall be paid pursuant to Clause 8 of the terms and conditions of the Ordinary Bonds.
6. As regards the NDS Bonds the Issuer shall file with the NDS the request for handling the early redemption of the NDS Bonds in accordance with the regulations of the NDS.

On behalf and for Wydawnictwa Szkolne i Pedagogiczne S.A.

² If the redemption occurs after 25.09.2016

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