

Business Terms and Conditions of Česká spořitelna, a.s.

**for provision of loans,
bank guarantees and
letters of credit**

**Corporate
Clients**

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1. BASIC PROVISIONS

1.1 Scope of Validity

These Business Terms and Conditions (the “**BC**”) of Česká spořitelna, a.s., having its registered office at Prague 4, Olbrachtova 1929/62, Postal Code 140 00, identification number (IČO): 45244782, registered in the Commercial Register maintained by the Municipal Court in Prague, file No.: B 1171 (the “**Bank**” or “**ČS**”) govern the relations established by any contract pursuant to Article 1.2 of the BC concluded between the Bank and its Client who is a legal entity or an entrepreneur, and who belongs to the group of the Bank’s corporate clients (the “**Client**”).

1.2 Inseparable Part of the Contract

The BC form a part of any contract entered into between the Bank and the Client, which refers to the BC and the subject matter of which is the provision of one or more banking products specified in Article 2.1 of the BC (the “**Contract**”). Depending on the client group to which the Client is assigned according to the Bank’s principles, the relations established by the Contract are also subject to the General Business Terms and Conditions of the Bank (the “**GBTC**”) and the relevant Bank’s price list that specifies prices of services and interest rates, valid as at the date when the paid service is provided or as at the date of performing certain act (the “**Price List**”). The Bank publishes valid versions of the GBTC and Price List at its points of sale or at the Bank’s website. The provisions of the Contract shall prevail over the BC, the GBTC and the Price List. The provisions of the BC shall prevail over the GBTC.

1.3 Changes to the BC

In the event of any changes to the laws, other regulations or conditions in financial markets or if technologies or organization processes change, the Bank may, taking into consideration its business policy, amend these BC, in particular, without limitation, the provisions of the BC related to the conditions and manner of drawdown of banking products as well as interest applied and repayment of Client’s debts towards the Bank. Bank shall notify the Client about such an amendment to the BC in personal meetings or via post, electronic banking or a special Internet page the address of which the Bank will announce to the Clients on time. Client who is a small entrepreneur will be notified by the Bank about the BC change not later than 2 months before the effective date of the amendment to the BC; the Client who is not a small entrepreneur will be notified by the Bank not later than 1 month before the effective date of the amendment to the BC. Unless the Client rejects the proposed change in writing before the effective date of the amendment to the BC, the new BC wording shall become binding for both parties. Unless the Bank and the Client agree otherwise, the Client’s disagreement with a BC change expressed prior to the effect of a BC change shall have the same consequences as Other Serious Circumstance (Article 11.2 of the BC).

2. BANKING PRODUCTS

2.1 Banking Products

Under the conditions agreed in the Contract, the Bank shall provide the Client with banking products (the “**Banking Products**” and individually “**Banking Product**”) in the form of a loan, loan commitment, bank guarantee or letter of intent pertaining thereto, letter of credit or a combination of one or more Banking Products (credit line)

2.2 Loan and Loan Commitment

The Bank shall provide the Client with monetary funds for a certain period of time up to a certain amount in the form of a loan (the “**Loan**”). A loan may be registered (a) on a loan registration account (the “**Loan Account**” and such Loan the “**Term Loan**”) and drawn down by means of transfer of the Loan funds to the Client’s account maintained by the Bank and specified in the Contract (the “**Current Account**”) or (b) on the Current Account and continuously and repeatedly drawn down and repaid within the scope of payments in respect of this account (such Loan shall be the “**Overdraft Loan**”). The Bank may also issue a loan commitment for the Client (the “**Loan Commitment**”); the Contract or the Loan Commitment shall stipulate whether the Loan Commitment is binding or non-binding.

2.3 Bank Guarantee and Letter of Intent

The Bank shall grant a bank guarantee (the “**Bank Guarantee**”) for the fulfilment of an obligation of a person specified in the Drawdown Request (as defined in Art. 3.2 of the BC) (the “**Debtor**”). The Bank Guarantee shall be established by the Bank’s statement in the Guarantee Deed (the “**Guarantee Deed**”) to the effect that the Bank shall provide the creditor of the obligation secured with a Bank Guarantee (beneficiary) with performance for the Debtor if conditions specified in the Guarantee Deed are met, up to the amount set forth in the Guarantee Deed up to which the Bank guarantees the performance of the Debtor’s obligation (the “**Bank Guarantee Amount**”). A Letter of Intent to grant a Bank Guarantee (the “**Letter of Intent**”) is a binding commitment for the provision of a Bank Guarantee to the Client up to the Bank Guarantee Amount set forth by the Letter of Intent. Where the creditor’s rights under a Bank Guarantee or under a Letter of Intent are assigned to a third party (also repeatedly) a beneficiary shall mean the assignee onto whom such rights have been assigned. The following terms used in the BC, the Contract or Drawdown Request shall have the meaning ascribed to them in the Civil Code (as defined in Article 13.12 of the BC): ČS or the Bank shall mean the issuer; the confirmatory bank shall mean the confirmatory issuer; and the advising bank shall mean the advising issuer.

2.4 Letter of Credit

The Bank shall open an irrevocable documentary letter of credit (the “**Letter of Credit**”) to fulfil a Debtor’s obligation. A Letter of Credit shall be established by the Bank’s statement in the Letter of Credit to the effect that the Bank shall provide the beneficiary with performance upon submission of the documents set forth by the Letter of Credit within timelines specified by the Letter of Credit, up to the amount set forth by the Letter of Credit. Where the right to act under a Letter of Credit is assigned to another person (also repeatedly) the beneficiary shall mean also the assignee to whom such rights have been assigned. The provisions of Article 4.3 and Article 4.6 of the BC shall also apply to standby Letters of Credit accordingly. The following terms referred to by the BC, the Contract or Drawdown Request (as defined in Article 3.2 of the BC) shall have the meanings ascribed to them in the Civil Code (as defined in Article 13.12 of the BC): ĆS or the Bank shall mean the issuer; the nominated bank shall mean the designated issuer; the confirmatory bank shall mean the confirmatory issuer; and the advising bank shall mean the advising issuer.

3. CONDITIONS OF PROVISION OF BANKING PRODUCTS

3.1 Availability Period

The Contract shall specify the period during which the Client shall be authorised to apply with the Bank for the provision of Banking Products (the “**Availability Period**”). Unless specified otherwise by the Contract, the Availability Period shall commence on the date of Contract conclusion. The Client may apply with the Bank for the provision of a Bank Guarantee on the basis of a Letter of Intent and for the provision of a Loan on the basis of a Loan Commitment throughout the validity of the Letter of Intent/Loan Commitment.

3.2 Drawdown Request

The Client shall request a drawdown with the Bank through a Drawdown Request (the “**Drawdown Request**”) in the form of:

- a) Client's instruction for disposal of monetary funds on the Current Account where a request for Overdraft Loan drawdown is concerned;
- b) Term Loan Drawdown Request where a Term Loan drawdown is required (the “**Loan Drawdown Request**”);
- c) Loan Commitment issue request where the issuance of a Loan Commitment is required (the “**Loan Commitment Issue Request**”);
- d) An instruction for the provision of a Bank Guarantee or Letter of Intent (the “**Instruction for Bank Guarantee/Letter of Intent**”) where the provision of a Bank Guarantee or Letter of Intent is required;
- e) An instruction for the issue of a Bank Guarantee/Letter of Intent addendum (the “**Instruction for the Issue of a Bank Guarantee/Letter of Intent Addendum**”) where a change to the Bank Guarantee/Letter of Intent is required;
- f) An instruction for the opening of a Letter of Credit where the opening of a Letter of Credit is required (the “**Instruction for Irrevocable Letter of Credit Opening**”); and
- g) Request for Letter of Credit Amendment where a change to the conditions of the Letter of Credit or revocation thereof is required (the “**Request for Letter of Credit Amendment**”).

In the event that the Bank uses a binding specimen of the respective Drawdown Request, the Bank shall provide it to the Client and the Client shall be obliged to use it. The Drawdown Request shall be binding for the Client upon delivery to the Bank; it may not be revoked or amended without the Bank's consent.

Where the Drawdown Request is not consistent with the Contract or if the conditions of drawdown in the Drawdown Request are amended in a manner considered unacceptable by the Bank, the Bank shall be authorised to decline the Drawdown Request. Furthermore, the Bank shall be authorised to decline any Drawdown Request within the scope of a Non-binding Banking Product Commitment (as defined in Article 3.8 of the BC), without giving any reasons.

3.3 Limit and Available Limit

The Bank shall allow the Client a drawdown in respect of any Banking Product (including the drawdown of a Banking Product included in a credit line) up to the amount (limit) set forth for this purpose in the Contract (the “**Limit**”), no more, however, than up to the amount of the Available Limit (the “**Available Limit**”) corresponding to the difference between the Limit and:

- a) in respect of Term Loans and Loan Commitments, the sum total of (i) unpaid amounts of Term Loans (ii) non-utilised amounts from all valid Loan Commitments; and (iii) non-utilised amounts from all valid Loan Commitments issued by the Bank on the basis of documentation different from the Contract which should, as per the Contract, reduce the Available Limit (the “**Original Documentation**”);
- b) in respect of Overdraft Loans, the sum total of unpaid amounts of Overdraft Loans;
- c) in respect of Bank Guarantees and Bank Guarantee Letters of Intent, the sum total of (i) non-disbursed amounts of valid Bank Guarantees; (ii) non-disbursed amounts of valid Bank Guarantees issued by the Bank on the basis of Original Documentation; (iii) non-utilised amounts from all valid Bank Guarantee Letters of Intent; (iv) non-utilised amounts of all valid Bank Guarantee Letters of Intent issued by the Bank on the basis of Original Documentation; (v) amounts of unpaid debts towards the Bank arising from performance of Bank Guarantees and in association therewith; and (vi) amounts of unpaid debts towards the Bank arising from performance of Bank Guarantees issued pursuant to the Original Documentation and in connection therewith;
- d) in respect of Letters of Credit, the sum total of (i) non-disbursed amounts of valid Letters of Credit; (ii) non-disbursed amounts of valid Letters of Credit opened by the Bank on the basis of Original Documentation; (iii) amounts of unpaid debts towards

the Bank arising from performance of Letters of Credit and in association therewith; and (iv) amounts of unpaid debts towards the Bank arising from performance of Letters of Credit opened pursuant to the Original Documentation and in connection therewith; and

e) in respect of any required (but not yet provided) drawdown of a Banking Product, the sum total of all amounts of drawdown of such Banking Product which are to be provided prior to such required drawdown.

The difference between the Limit and the current Available Limit shall represent (always in relation to the respective Banking Product) the utilised limit (the “**Utilised Limit**”).

3.4 Regulatory Limit

The Contract may determine that the amount of the Utilised Limit may not exceed, in relation to one or more Banking Products, not only the Limit but also the variable limit determined on the basis of the current value of Collateral (as defined in Article 8.3 of the BC) in a manner set forth by the Contract (the “**Regulatory Limit**”).

3.5 Separate Limit and Shared Limit

Within the scope of a credit line, the Bank shall allow the Client to draw down an Overdraft Loan up to the amount of:

- a) the limit set up for each Current Account separately in the currency of the concerned account (the “**Separate Limit**”), whilst the Available Limit for drawdown of an Overdraft Loan within the scope of a Separate Loan shall equal the difference between the amount of the Separate Limit and the unpaid amount of the respective Overdraft Loan; or
- b) the limit common for all Current Accounts through which the Client may draw down the Overdraft Loan (the “**Shared Limit**”), whilst the Available Limit for the drawdown of the Overdraft Loan within the scope of the Shared Limit shall equal the difference between the amount of the Shared Limit and the sum total of the unpaid amounts of Overdraft Loan provided within the scope of the Shared Limit.

The Client shall apply for the set-up of a Separate Limit and Shared Limit by means of the Request for Limit Set-up (the “**Request for Limit Set-up**”). In the event that the Bank has a binding specimen of the Request for Limit Set-up, it shall provide it to the Client who shall be obliged to use it. The Bank shall carry out the set-up of limits as of the business day on which the Client evidences compliance with the conditions of drawdown for the respective Overdraft Loans to the Bank (except for Drawdown Request), or as of a later business day specified in the Request for Limit Set-up, no sooner, however, than as of the day following 2 business days of the delivery of the Request for Limit Set-up to the Bank.

The current amount of the Separate Limit is displayed within the Bank’s internetbanking service for the Current Account in respect of which such limit has been set up. The current amount of the Shared Limit is then displayed for the Current Account which is specified as the master account in the Request for Limit Set-up.

The Bank may adequately decrease the Separate Limit or the Shared Limit, if there is a risk that, with a view to a change to the Exchange Rate (as defined in Article 13.1 of the BC), the drawdown would exceed the Limit or the Credit Line Limit (as defined in Article 3.6 of the BC); the Bank shall notify the Client of such a reduction.

The Bank shall charge the unpaid amount of the Overdraft Loan exceeding the Limit or the Credit Line Limit to the Current Account on which such Overdraft Loan is registered (where a drawdown within the scope of a Separate Limit is concerned) or to each Current Account through which Overdraft Loans within the scope of the Shared Limit are drawn down, in a ratio of their debit balances arising from the Overdraft Loan drawdown.

3.6 Credit Line Limit and Available Credit Line Limit

The Bank shall allow the Client to draw down a credit line up to the amount (limit) specified for this purpose in the Contract (the “**Credit Line Limit**”), not exceeding, however, the amount of the available Credit Line Limit (the “**Available Credit Line Limit**”), equal to the difference between the Credit Line Limit and the amount determined as the sum total of Separate Limits and Utilised Limits of other Banking Products provided within the scope of the Credit Line. The difference between the Credit Line Limit and the current Available Credit Line Limit shall represent the utilised Credit Line Limit (the “**Utilised Credit Line Limit**”).

3.7 Exceeding the Regulatory Limit, Limit or Credit Line Limit

If the Utilised Limit exceeds the amount of the Regulatory Limit (be it separately or in combination with the Utilised Limit of another Banking Product to which the Regulatory Limit applies) or the Limit or if the Utilised Credit Line Limit exceeds the amount of the Credit Line Limit, e.g. as a result of a drawdown or due to a change to the Exchange Rate (as defined in Article 13.1 of the BC), the difference shall be considered a Client’s due and payable debt in default, but only in respect of the part of the resulting excess of the respective limit where such excess may be remedied by an extra-ordinary Loan repayment; the Client shall be obliged to make such repayment forthwith, and Article 7.7 of the BC shall not apply to such repayment. If such repayment does not cover the full amount of the excess of the Limit, Regulatory Limit, or Credit Line Limit, where applicable, upon Bank’s request the Client shall, pay the amount of the remaining payable excess of the Limit, Regulatory Limit, or Credit Line Limit, where applicable, within a timeline specified in the Bank’s request and to the account determined by the Bank and the Client shall create a pledge over its receivable for the payment of funds from this account in favour of the Bank as a Collateral (as defined in Article 8.3 BC); the Bank shall release such Collateral once the excess is eliminated and no risk of another immediate excess exists.

3.8 Non-binding Promise to Provide Banking Products

The Contract may define that the Contract represents (fully or in a scope defined thereby) a non-binding commitment to provide Banking Products (the “**Non-binding Promise to Provide Banking Products**”). The Bank shall be authorised to revoke the Non-binding Promise to Provide Banking Products at any time, fully or partially, with immediate effect, without giving any reasons.

3.9 Conditions Precedent to Each Drawdown

The Bank shall allow the Client to make a drawdown (including the initial drawdown) only after the following conditions precedent to drawdown have been satisfied:

- a) A Current Account has been opened for the Client pursuant to an agreement entered into with the Client;
- b) The Bank has received the respective Drawdown Request, properly completed in compliance with the BC and the Contract, signed by persons authorised to act on behalf of the Client, together with all documents, authorisations, and other materials which have been requested by the Bank in respect of the concerned drawdown; where a Bank Guarantee or a Letter of Credit is concerned, these shall be, in particular, a copy of the document about the transaction which forms the source material for the Bank Guarantee or Letter of Credit (e.g. a contract on purchase, preliminary contract, draft contract on purchase, proforma invoice, order); this document serves the Bank solely for the purposes of evidencing the existence of the concerned transaction, the Bank shall not be bound by such document in any way and shall not be obliged to check its compliance with the Drawdown Request;
- c) The drawdown shall be utilised for the determined purpose;
- d) The drawdown is to be executed on a business day within the Availability Period;
- e) As of the drawdown date, no Event of Default (as defined in Article 11.1 of the BC) or Other Serious Circumstance (as defined in Article 11.2 of the BC) have occurred, nor there is a risk of occurrence thereof;
- f) The provision of the drawdown is not contrary to any of the applicable legal regulations (Czech or foreign);
- g) The drawdown currency is available on the interbank market;
- h) The amount of the drawdown does not exceed the amount of the Available Limit or Available Credit Line Limit, except for situations concerning drawdown for the purposes of repayment of the Client's debt arising from the Contract;
- i) The drawdown will not result in the amount of the Utilised Limit exceeding the Regulatory Limit (be it separately or in combination with the Utilised Limit of another Banking Product to which the Regulatory Limit applies);
- j) The Client has paid the Prices (as defined in Article 8.1 of the BC) payable prior to drawdown; and
- k) Other conditions of drawdown set forth by other provisions of the BC and of the Contract have been met.

3.10 Repeated Drawdown of a Banking Product within a Credit Line

If the utilised and unpaid amount of a Banking Product provided within a Credit Line has been repaid or the Bank's liability arising from such Banking Product ceased to exist, the Client may request the Bank to provide for a drawdown of another or the same Banking Product within the scope of repayment or cessation of the liability in compliance with the Contract.

3.11 Risk Period

A risk period (the “**Risk Period**”) must not exceed the period set forth by the Contract and must expire no later than on the Final Maturity Date (as defined in Article 7.4 BC). A Risk Period shall mean:

- a) In respect of a Bank Guarantee, the period of the Bank Guarantee Validity (as defined in Article 4.2 of the BC) incremented by the period necessary for the Bank to assess compliance with the conditions of performance from the Bank Guarantee in case the claim from the Bank Guarantee is exercised and the Bank does not decide thereon until the last day of the Bank Guarantee Validity period;
- b) In respect of a Letter of Intent, the summary validity period of Letter of Intent and Bank Guarantee to be provided on the basis of the former;
- c) In respect of a Letter of Credit payable immediately (at sight), the period of validity of the Letter of Credit extended by 30 calendar days;
- d) In respect of a Letter of Credit with deferred maturity, the period of validity of the Letter of Credit extended by the number of days of the deferred maturity, no less, however, than by 30 calendar days; and
- e) In respect of a Loan Commitment, a summary period of validity of the Loan Commitment and maturity of the Loan to be provided on the basis of the former.

3.12 Exclusion of Concurrence

If, as of the date of Contract conclusion, another Overdraft Loan is registered on the Current Account (an existing Overdraft Loan) the following shall apply: as of the moment of establishment of the right to draw down a new Overdraft Loan, the right to draw down the existing Overdraft Loan shall extinguish and the current owing amount of the existing Overdraft Loan on the Current Account shall be thereafter considered a new Overdraft Loan up to the amount of the Limit.

3.13 Use of Other Bank's Services

In connection with the provision of a Banking Product, the Bank may avail of the services of other banks. The Bank shall not be liable for potential failure to meet the instructions or break the habits or obligations on the part of such banks. Where the Client determines a bank the services of which are to be used in relation to the Banking Product, and the use of services of such bank would not be effective or would be contrary to the business policy of the Bank, the Bank may itself choose a bank the services of which it will avail of, without Client's prior consent.

4. CERTAIN PROVISIONS ON BANK GUARANTEES AND LETTERS OF INTENT

4.1 Provision of a Bank Guarantee and Letter of Intent and Changes Thereto

The Bank shall provide a Bank Guarantee or a Letter of Intent or shall issue an addendum thereto in the form used by the Bank on the basis of a respective Drawdown Request, unless agreed otherwise with the Client. In the Guarantee Deed, Letter of Intent or addenda thereto, the Bank may use wording usual in the banking practice. Where a discrepancy between the Contract and the conditions of the Guarantee Deed, Letter of Intent or addenda thereto arise, the conditions of the Guarantee Deed, Letter of Intent or addenda thereto shall prevail over the Contract. The Bank may decline the provision of a Bank Guarantee, Letter of Intent or a request for a change thereof without giving any reason.

4.2 Effectiveness and Validity of a Bank Guarantee

Unless stipulated otherwise in the Guarantee Deed, the period over which the Bank is obliged to perform in favour of the beneficiary (the **"Bank Guarantee Effectiveness"**) shall be adequate to the period starting on the Guarantee Deed issue date and expiring on the date set forth by the Guarantee Deed or as of the time of fulfilling the conditions set forth by the Guarantee Deed (the **"Bank Guarantee Validity"**).

4.3 Specific Obligations of the Client in respect of Certain Bank Guarantees

A Bank Guarantee for a refund of an advance payment (downpayment) or a Bank Guarantee for retained payment may contain a condition of performance from the Bank Guarantee constituting the crediting of the downpayment amount or the retained payment amount in the amount and to the account set forth by the Guarantee Deed. The Client shall be obliged to inform the Bank about the fulfilment of this condition within 5 business days of such fulfilment. If the Bank is asked to perform from the Bank Guarantee, and the Client has not met this obligation as yet, the Bank shall be authorised to consider this condition to be complied with.

4.4 Confirmation of a Bank Guarantee by Other Bank

The beneficiary of a Bank Guarantee confirmed by other bank may choose to claim performance from the Bank Guarantee either by the Bank or by a bank which has confirmed the Bank Guarantee (the confirmatory bank). The Bank shall reimburse any performance provided by the confirmatory bank to the beneficiary to the confirmatory bank, including remuneration and any costs associated with the confirmation of the Bank Guarantee. If the confirmatory bank refuses to confirm the Bank Guarantee, the obligation of the Bank to provide the Bank Guarantee shall be extinguished.

4.5 Bank's Performance from a Bank Guarantee

The Bank shall perform from the Bank Guarantee after all conditions have been met and all documents set forth by the Guarantee Deed have been submitted. The Bank shall check the documents submitted under the Bank Guarantee solely against the Bank Guarantee conditions set forth by the Guarantee Deed and shall not take into account any other document or fact. Where the Guarantee Deed defines the conditions for performance from the Bank Guarantee, the Bank shall be obliged to review compliance with the respective conditions. Unless specified otherwise by the Contract or by the Guarantee Deed, the Bank shall be obliged to fulfil its obligations set forth in the Guarantee Deed upon request by the beneficiary regardless of whether the Debtor has been previously requested to perform, and may not raise objections in respect of the beneficiary which could be raised by the Debtor in respect thereof. Unless stipulated otherwise by the Contract or the Guarantee Deed, the Bank shall review the beneficiary's claim raised on the basis of the Bank Guarantee only formally and may decline to execute performance from the Bank Guarantee only for reasons of non-compliance with the conditions governing the performance from the Bank Guarantee set forth by the Guarantee Deed.

4.6 Indirect Guarantee

On the basis of a Drawdown Request, the Bank may apply for the provision of a Bank Guarantee or a standby letter of credit in favour of the beneficiary with another bank (the **"Beneficiary's Bank"**) and to provide a Bank Guarantee for the Beneficiary's Bank (the **"Counter-guarantee"**) to secure any potential receivables of the Beneficiary's Bank arising from the performance in favour of the beneficiary on the basis of the bank guarantee provided or standby letter of credit opened by the Beneficiary's Bank. The validity of a Counter-guarantee shall always exceed the validity of the bank guarantee provided or standby letter of credit opened by the Beneficiary's Bank in favour of the beneficiary. The receivable of the Beneficiary's Bank in respect of performance from the Counter-guarantee shall be independent of the liability secured by the bank guarantee or standby letter of credit of the Beneficiary's Bank. Performance from the Counter-guarantee, however, shall be conditioned by the Beneficiary's Bank declaring that the beneficiary has raised a claim in respect of the bank guarantee provided or standby letter of credit opened by the Beneficiary's Bank. The Beneficiary's Bank shall be specified in the Drawdown Request. In no case shall the Bank be responsible for failure to fulfil the instructions, breach of habits or obligations, shortcomings, errors or delays on the part of the Beneficiary's Bank. The Client shall be obliged to compensate the Bank for any liabilities and responsibilities which may be raised against the Bank as a result of the usage of services of the Beneficiary's Bank.

4.7 Debt Arising under Bank's Performance from a Bank Guarantee

Payments made from the Bank Guarantee shall form Client's debt owing to the Bank in the amount of the payment made by the Bank from the Guarantee, which shall be due and payable on the date when the payment from the Bank Guarantee is made.

5. CERTAIN PROVISIONS ON LETTERS OF CREDIT

5.1 Opening and Changing Letters of Credit

The Bank shall open or change a Letter of Credit according to the Client's instructions specified in the Drawdown Request in compliance with the relevant rules of the International Chamber of Commerce in Paris specified in the Drawdown Request. In the drafting of the Letter of Credit, the Bank shall be authorised to use wording habitual in the banking practice. In the Letter of Credit, the Bank shall be authorised to specify facts mentioned by the Contract and by the Drawdown Request. A change to the Letter of Credit shall have effects vis-à-vis the beneficiary or the confirmatory bank only after the beneficiary or the confirmatory bank have expressed their consent to the change. Revocation of a Letter of Credit shall constitute a change to the Letter of Credit with all of its consequences. The Bank may decline to open a Letter of Credit or a request for a change thereof without giving any reasons.

5.2 Performance from a Letter of Credit

The Bank shall provide performance from the Letter of Credit in favour of the beneficiary if the beneficiary satisfies the conditions specified in the Letter of Credit during the period of its validity. The Bank shall check documents submitted under the Letter of Credit only against the conditions of the Letter of Credit and shall not take into account any other document or fact.

5.3 Debts Arising under Bank's Performance from a Letter of Credit

Payments made from the Letter of Credit shall result in the Client's debt owing to the Bank in the amount of the payment made by the Bank from the Letter of Credit and it shall be due and payable on the date when the payment from the Letter of Credit is made.

6. INTEREST

6.1 Interest Rate

The interest rate or the method of its determination shall be set forth by the Contract. The interest rate may be set as fixed, variable, floating or fixed for an interest rate period.

6.2 Reference Interest Rate

A reference interest rate shall mean an interest rate referred to by the Contract when specifying the method of determination of the interest rate (the "**Reference Interest Rate**"). If the Reference Interest Rate is not available on the date of its determination, the value of the latest Reference Interest Rate known to the Bank shall be applied. The Bank may also determine (i) the basic rate for corporate clients (the "**Basic Rate**") (ii) the preferential interest rate for commercial banking clients (the "**Preferential Interest Rate**") or (iii) other similar rate as the Reference Interest Rate. The value of the Basic Rate and the Preferential Interest Rate shall be determined by the Bank with a view to its internal principles and the situation on financial markets where the Bank refinances itself. The value of the Basic Rate shall be determined by the Bank with effect as of the date of its publication by the Bank at its business points or on its website. The amount of the Preferential Interest Rate shall be notified by the Bank to the Client reasonably in advance to its effective date; if the Client, having received the notification of the amount of the Preferential Interest Rate does not repay the Loan in full amount (as set out in Article 7.7 of the BC), the new value of this interest rate shall be considered accepted by the Client. If the value of the Reference Interest Rate drops under 0 per cent per annum, the basis for the calculation of respective interest of the value of such Reference Interest Rate shall be 0 per cent per annum for the entire period for which this Reference Interest Rate is less than 0 per cent per annum.

6.3 Interest Period

The Client shall be obliged to pay interest from drawn-down and unpaid principal of the Loan for a period set forth by the Contract (the "**Interest Period**"). Interest Periods shall be regular and shall run in relation to each drawdown of the Loan separately. The initial Interest Period shall commence on the date of the drawdown of the Loan. Any other Interest Period shall commence on the date following the last day of the immediately preceding Interest Period. The Contract may determine the last day for all Interest Periods uniformly; in such a case each Interest Period (regardless of its prescribed duration) shall end on the determined last day.

6.4 Interest Rate Period

The Contract shall set forth the duration of the period of validity of a Variable Interest Rate (as defined in Article 6.6 of the BC), or of the Fixed Interest Rate for an Interest Rate Period (as defined in Article 6.8 of the BC) (the "**Interest Rate Period**"). The determined interest rate value shall apply as of the first day of the Interest Rate Period (incl.) until the last day of the Interest Rate Period (incl.). Interest Rate Periods shall be regular and shall be related to each drawdown of the Loan separately. The initial Interest Rate Period shall commence on the date of the drawdown of the Loan. Any other Interest Rate Period shall commence on the day following the last day of the immediately preceding Interest Rate Period. The Contract may determine the last day for all Interest Rate Periods uniformly; in such a case each Interest Rate Period (regardless of its prescribed duration) shall end on the determined last day.

6.5 Fixed Interest Rate

A fixed interest rate shall mean a rate the value of which set forth by the Contract remains unchanged for the duration of the Loan (the “**Fixed Interest Rate**”).

6.6 Variable Interest Rate

A variable interest rate (the “**Variable Interest Rate**”) shall mean a rate the value of which is determined for an Interest Rate Period as part of the agreed margin and Reference Interest Rate effective on the quotation date (the “**Quotation Date**”). Where a Variable Interest Rate determined on the basis of a Reference Interest Rate (such as PRIBOR, EURIBOR or LIBOR) is concerned, the Quotation Date shall usually precede the start of the Interest Rate Period by 2 days.

6.7 Floating Interest Rate

A Floating Interest Rate shall mean a rate determined as a sum of the agreed margin amount and the Reference Interest Rate (the “**Floating Interest Rate**”). The Bank shall be authorised to continuously amend the value of the Floating Interest Rate as per its internal rules and procedures with a view to changes to the value of the Reference Interest Rate.

6.8 Fixed Interest Rate for Interest Rate Period

A Fixed Interest Rate for an Interest Rate Period shall mean a rate the value of which shall remain unchanged for the duration of the Interest Rate Period (the “**Fixed Interest Rate for an Interest Rate Period**”). The amount of a Fixed Interest Rate for an Interest Rate Period shall be determined by the Bank as per its internal rules and procedures with a view to the situation on financial markets where the Bank refinances itself. Unless the specific value of the Fixed Interest Rate for an Interest Rate Period is mentioned in the Contract for a specific Interest Rate Period, it shall be notified by the Bank to the Client prior to the start of such Interest Rate Period. If the Client, having received the notification regarding the value of the Fixed Interest Rate for an Interest Rate Period, does not repay the Loan in full (as set out in Article 7.7 of the BC), the notified new value of this interest rate shall be considered accepted by the Client.

6.9 Interbank Market Rates

If the agreed Reference Interest Rate is an *IBOR rate, it shall mean the rate of the interbank monetary market for the respective currency. PRIBOR (Prague Interbank Offered Rate) is a rate for which banks borrow from each other on the interbank market, published at approx. 11 a.m. of the Central European Time on the PRIBOR site of the Reuters system. EURIBOR (Euro Interbank Offered Rate) is a rate for which banks borrow from each other on the interbank market, published at approx. 11 a.m. of the Central European Time on the EURIBOR site of the Reuters system. LIBOR (London Interbank Offered Rate) is a rate for which banks borrow from each other on the interbank market, published at approx. 11 a.m. of the Central European Time on the LIBOR site of the Reuters system.

6.10 Market Disruption

If the relevant *IBOR Reference Interest Rate is not published on the respective site by 11 a.m. on the Quotation Date, or the relevant *IBOR Reference Interest Rate does not cover the Bank’s costs of acquisition of the adequate deposits for the funding of the Loan, the Bank shall notify the Client of this fact. Unless the Bank subsequently agrees a substitution Reference Interest Rate with the Client, the substitution Reference Interest Rate shall be, as of the date specified by the Bank, the Basic Rate.

6.11 Calculation of Interest

In calculation of interest as well as prices and fees determined as per the Contract or Price List, the Bank shall take into account the actual number of days and the fictitious duration of a 360-day calendar year.

6.12 Payment of Interest

Interest shall be payable on the last day of the respective Interest Period. Interest on Term Loans shall be payable for the period from the Term Loan drawdown date where initial Interest Period is concerned, and thereafter for the period from the last day of the preceding Interest Period (inclusive) to the penultimate day of the current Interest Period (inclusive). Interest on Overdraft Loan shall be payable for the period from the first day of the Interest Period (incl.) to the last day of the Interest Period (inclusive). Interest for the last Interest Period shall be payable on the basis of clearing carried out by the Bank on the Final Maturity Date (as defined in Article 7.4 of the BC), no later, however, than on the last day of the Interest Period in which the Final Maturity Date occurred.

7. REPAYMENT OF CLIENT'S DEBTS TOWARDS THE BANK

7.1 Method of Debts Repayment

Unless specified otherwise by the Contract, the Client shall pay its debts arising from the Contract or in association therewith through its Current Account. The Client shall be obliged to ensure a sufficient available balance on the Current Account for the repayment of a payable debt on the day immediately preceding the debt due date. The Bank shall be authorised to collect the funds in the relevant amount on the due date of the Client's debt from the Current Account. If the available balance on the Current Account does not cover the full debt repayment amount on the due date, the Bank shall be authorised to execute priority collection of money to cover the debt repayment also from any other account of the Client maintained by the Bank, incl. collections prior to the execution of other payment instructions.

7.2 Order of Repayment of Debts

Where the funds available on the Client's accounts maintained by the Bank are not sufficient to cover the repayment of all due debts of the Client to the Bank, the available funds shall be used for the repayment of such debts in the following order:

- a) Penalty-type payments (contractual penalties, default interest);
- b) Cost Reimbursement (as defined in Article 8.3 of the BC) and compensation of damages;
- c) Other Prices (as defined in Article 8 of the BC);
- d) Interest;
- e) Loan principal and debts arising from performance from a Bank Guarantee or Letter of Credit or in connection therewith in an order from the longest overdue debt by the due date; and
- f) Other due debts of the Client payable to the Bank, unless the Bank has determined a different debt repayment order (e.g. in the event that the Client has payable debts from several Contracts or other bank transactions).

7.3 Repayment

Unless the debt repayment date is stipulated by the Contract, the Price List or hereby, the debt shall be payable on the date it arises.

7.4 Final Maturity Date

The Contract may set forth a date as at which the Client shall be obliged to repay all of his debts to the Bank arising from the Contract or in association therewith at the latest (the "**Final Maturity Date**").

7.5 Annuity Repayment

The Contract may stipulate the method of joint repayment of the Loan principal and Loan interest by means of regular even payments (the "**Annuity Instalment**"), the amount of which shall remain unchanged over the effective period of the same interest rate. In the course of repayments, the mutual ratio of the Loan principal instalment and interest payment changes within the scope of the Annuity Instalment. Where annuity repayment has been contracted, the Loan interest for Interest Periods to which Annuity Instalment does not apply shall be payable separately on the last day of the Interest Period. The amount of the Annuity Instalment shall be determined by the Bank with a view to the amount of the Loan, the number of instalments and the value of the interest rate, and the Bank shall notify the Client thereof prior to the start of the Loan repayment and upon any change to the interest rate.

7.6 Loan Reduction

Where the Client has not drawn the Loan up to the amount of the Limit or where the Client has made an early repayment, the Client shall be obliged to repay the Loan in the originally agreed amounts and on originally agreed dates and the repayment period shall be adequately reduced or the amount of the last instalment adjusted.

7.7 Early Repayment

An early repayment shall mean a repayment of the Loan or part thereof made prior to the due date originally set forth by the Contract (an "**Early Repayment**"). An Early Repayment of an Overdraft Loan may be made by the Client without prior approval from the Bank. An Early Repayment of a Term Loan may be made by the Client only with a prior approval from the Bank.

If a Variable Interest Rate is applied to the Loan, the due date of the Early Repayment has to be the last day of the Interest Rate Period. The Client shall be obliged to meet the conditions of the execution of an Early Repayment in the amount and on the date approved by the Bank; failure to do so by the Client shall be considered default.

With the Early Repayment of a Term Loan, the Client shall be obliged to pay to the Bank also the complete appurtenance, the price for Early Repayment (the "**Early Repayment Price**"), if agreed in the Contract, as well as reimbursement of costs incurred by the Bank due to the Early Repayment, and any other amounts stipulated for such case by the Contract.

Where a new value of a Fixed Interest Rate is being notified for a period of an interest rate applied to the Loan, the Client shall be authorised to make the Early Repayment no later than on the last day of the current Interest Rate Period on the basis of an advance written notification to the Bank; in such a case, the Early Repayment Price shall not be payable.

Where a new value of a Preferential Interest Rate applied to the Loan is being notified, the Client shall be authorised to make the Early Repayment prior to the effect of the new value of the Preferential Interest Rate on the basis of an advance written notification to the Bank; in such a case, the Early Repayment Price shall not be payable.

7.8 Co-debtors

Where a party to the Contract is another person in the position of a co-debtor, the Client and the co-debtor shall be jointly and severally responsible for proper and timely performance in respect of any debts and obligations arising from the Contract or in association therewith. The Bank shall be authorised to enforce performance in respect of debts and obligations by either. Bank's default in relation to the Client shall not result in default to the co-debtor. Any obligations of the Client arising from the Contract or in association therewith shall be equally applicable to the co-debtor and the co-debtor shall make the same declarations as the Client in the Contract, unless these inherently pertain solely to the Client.

7.9 Performance by Third Parties

The Bank shall not be obliged to accept any payment from a person other than the Client or co-debtor who is a party to the Contract.

8. CERTAIN PROVISIONS ON PRICES

8.1 Prices

The Client shall be obliged to pay to the Bank prices, fees, charges and Cost Reimbursement (as defined in Article 8.3 of the BC) pursuant to the BC, the GBTC and the Price List (the "**Prices**"). Should the Contract stipulate some of the Prices differently from the BC, the GBTC or the Price List, the Price set forth in the Contract shall prevail. Should the Price List set some of the Prices as individual and the specific level of Prices is not agreed between the Client and the Bank, the Client shall be obliged to pay to the Bank the Price stipulated in the Price List as the minimum. If the due date for a Price is not agreed and it is neither stipulated in the Price List, the Price shall be due on the date set by the Bank, while considering the nature of such a Price. In case the Client does not fully or partially utilise the Banking Products and no other agreement is reached, the Client shall pay the full Price for accepting, assessing and evaluating the request for a Banking Product, as agreed in the Contract.

8.2 Commitment Fee

The Bank shall be paid a commitment fee for the reservation of funds (the "**Commitment Fee**"). Commitment Fee is calculated from the Available Limit (the "**Commitment Fee for Limit Reservation**"), from the Available Credit Line Limit (the "**Commitment Fee for Reservation of Credit Line Limit**"), from non-utilised amount of valid Loan Commitment (the "**Commitment Fee from Loan Commitment**") and from the non-disbursed amount of valid Bank Guarantees as per the valid Bank Guarantee, or from the non-utilised amount of the valid Letter of Intent (the "**Commitment Fee from the Bank Guarantee Amount**").

The Commitment Fee for Limit Reservation and the Commitment Fee for Reservation of Credit Line Limit shall be paid for the period from the first day of the Availability Period (inclusive) until the last day of the Availability Period (inclusive) and it is due retroactively, always on the last day of the Availability Period and in the case of the Commitment Fee for Reservation of Limit for Overdraft Loan drawdown, always on the day stipulated for the payment of interests accrued on this Loan.

The Commitment Fee from Loan Commitment shall be paid during the period of validity of the Loan Commitment and it is due in advance or retroactively; the due date is specified in the Contract. This fee shall be calculated from the current non-utilised amount of the Loan Commitment based on the balance as at the due day of the Commitment Fee.

The Commitment Fee from the Bank Guarantee Amount is paid during the period of Bank Guarantee Validity or validity of the Letter of Intent and it is due in advance or retroactively; due date is specified in the Contract. This fee will be calculated from the current non-utilised amount of the Letter of Intent based on the balance as at the due day of the Commitment Fee.

If the Commitment Fee is due in advance and if during the period for which the Commitment Fee is to be paid, the amount from which the Commitment Fee is calculated increases, the Client shall be obliged to pay the remaining part of the Commitment Fee amounting to the new amount to the Bank at the latest on the first day of the period that immediately follows after the period for which the Commitment Fee is to be paid or on the last day of the Bank Guarantee Validity or validity of the Letter of Intent or the Loan Commitment, should this day be earlier. In the event of early return of the Guarantee Deed, decrease in the Bank Guarantee Amount or in the amount of the Loan or early cessation of the Bank's obligation arising from the Bank Guarantee, Letter of Intent or the Loan Commitment the Bank will not return the already paid Commitment Fee.

8.3 Cost Reimbursement

The Client shall be obliged to reimburse the following costs and amounts to the Bank (the "**Cost Reimbursement**"):

- a) Expenses incurred by the Bank when exercising rights and fulfilling obligations arising under or in connection with the Contract and related to establishing, administrating, reviewing and valuating the collateral securing the Client's debts towards the Bank arising under or in connection with the Contract (the "**Collateral**"), including, without limitation:

- i) Fees of notary public, expert, translator, interpreter, duty stamps, charges and similar payments, costs of postal and telecommunication services;
- ii) Costs incurred in relation to the breach of Client's obligation to duly repay to the Bank the debts arising under or in connection with the Contract and costs spent when recovering debts arising under or in connection with the Contract and in relation to the enforcement of Collateral (including costs of legal representation);
- iii) Costs incurred in relation to provision of Banking Products, their change or cancellation;
- iv) Costs incurred due to the use of services provided by other bank in connection with provision of Banking Products, their change or cancellation (such as charges, fees of other bank which was used by the Bank to execute the Client's instructions);
or
- b) Property damage caused to the Bank independent of its will, in association with provision of Banking Products, including, without limitation:
 - i) Increase of capital expenses or decrease of yields due to change in requirements for capital adequacy stipulated in generally binding legal regulations in case of increased risk weight of the provided Banking Product in the segment to which the Client belongs; or
 - ii) Increase of costs, or decrease of yields due to change in another standard which is binding for the Bank, change in the interpretation of such standard or substantial change on financial markets, on which the Bank carries out its refinancing; always in comparison with the status anticipated as at the time of entry into the Contract.

Debt to repay the Cost Reimbursement is due on the day when the relevant costs are incurred by the Bank, or when the Bank suffers material damage. The Bank will subsequently notify the Client on the paid amount for Cost Reimbursement and reasons why the costs were incurred.

8.4 Prices, Charges and Fees of Other Bank or Further Expenses Debited to the Beneficiary

If the Client stipulates in the Drawdown Request that any Prices, charges and fees of other bank or further expenses associated with the Banking Product shall be debited to the beneficiary, the Client is accountable for their payment by the beneficiary. If the beneficiary does not pay some of these debts on the due day, the Bank shall be entitled to collect the corresponding amount of monetary funds from the Current Account and use them to pay the due debt; provisions of Articles 7.1 and 7.2 of the BC shall apply accordingly. The Bank will subsequently notify the Client on such paid amount of Prices, charges and fees of other bank or further expenses related to the Banking Product and the reason why the amount was incurred.

9. REPRESENTATIONS

9.1 Representations

Client represents to the Bank, with the validity as at the Contract conclusion date and furthermore as at every day throughout the duration of the Bank's and Client's obligations arising under or in connection with the Contract that:

- a) If the Client is an individual (a natural person), the Client's legal capacity is not restricted;
- b) If the Client is a legal entity, it is a legal entity duly established, originated and existing in accordance with the laws of jurisdiction of its incorporation;
- c) The Contract and legal acts associated therewith (in particular legal acts related to the provision of Collateral) were duly and validly executed by the Client or on its behalf by its representatives who have not acted in excess to their authorisation;
- d) All Client's debts and obligations towards the Bank under the Contract and legal acts related to the Contract (in particular legal acts related to the provision of Collateral) are valid and enforceable debts and obligations of the Client;
- e) Documents and additional information provided to the Bank during negotiation about the Contract and legal acts related with the Contract (in particular legal acts related to the provision of Collateral) are true, complete, correct and not misleading in any material respect, and their content provides full and true overview of the Client's overall economic and business situation and about the Client's ability to service its debts in the future; from the day when the stated documents and other information were provided to the Bank there were no material changes to the facts related to them;
- f) By entering into the Contract and associated legal acts (in particular legal acts related to the provision of Collateral), by assumption and servicing of debts and fulfilment of obligations on the basis thereof the Client does not breach any legal regulation, its constitutional documents (founding legal acts), decision of any authority empowered to issue a binding and enforceable decision (the court, arbitration court or arbiter, public authority or local authority and other relevant entity, authority or organisation) (the "**Public Authority**") or its own duties or rights of a third party;
- g) The Client is not aware that any Public Authority conducts any proceedings that might have an adverse impact on the Client's ability to fulfil its obligations towards the Bank duly and on time, its overall economic and business situation, or that the Client is under the threat that such proceedings would be commenced;
- h) The Client does not have a record of tax arrears in the tax register, does not have due arrears and penalties for public health insurance or due arrears and penalties for social insurance and for contributions to the state employment policy or the Client has a repayment schedule covering arrears that was approved by the Bank;
- i) Place where the main interest of the Client is concentrated within the meaning of the Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings (the "**Centre of Main Interest**") is located in the country of the Client's registered office or place of business;
- j) Client, person providing Collateral or any person controlling the Client or controlling the person providing Collateral (in all these cases, either de facto, or de jure, directly or indirectly) within the meaning of the relevant provisions of the Act No. 90/2012 Coll., on Business Corporations, as amended (the "**Business Corporations Act**") are not included in the sanction list or a similar list maintained by the European Union or its member states, or by the USA, UN, Czech Republic or Slovak Republic or stated

in public notices declaring sanctions by the above-mentioned sovereigns; and financial means from the Banking Products (or from any part thereof) provided under the Contract will not be directly or indirectly used for the benefit of a person who is included in any of the sanction lists specified above;

- k) No criminal prosecution was commenced against the Client, against a person providing Collateral or against any person controlling the Client or controlling the person providing Collateral (in each case, actually or legally, directly or indirectly controlling), nor the Public Authority found them guilty of committing a criminal offence;
- l) The Client has been informed (i) on the risks related to the Loans granted in a foreign currency to such an extent which is sufficient for the Client's informed and prudent decision-making, including information on the adversary influence of potential significant depreciation of Czech crowns or of the increase in foreign interest rate on the instalment amount for Loans granted in a foreign currency, and (ii) on the existence of the Bank's offer as regards the Loans of the same nature in Czech crowns and as regards financial instruments which provide the Client with hedging against currency; and
- m) The Client is aware of the risks related to the provision of a Bank Guarantee, Letter of Intent or opening of a Letter of Credit in case they are governed by other law than the Czech law, Czech practice and other than Czech court is competent for arbitration of disputes, and the Client will indemnify to the Bank all damages and reimburse all costs incurred by the Bank in connection with provision of such Banking Products.

The Client notes and acknowledges that the Bank relies upon each of the Client's representations set out in this BT above and in the Contract in relation to the Bank's entry into the Contract (the "**Representations**").

10. CLIENT'S UNDERTAKINGS

10.1 Prohibition to Cancel a Current Account

The Client will have a Current Account established.

10.2 Information Undertakings

The Client undertakes:

- a) within 10 business days after the occurrence of or ascertaining a relevant fact or after creation or obtaining a relevant document, to inform the Bank about the fact that:
 - i) There has been a change in any of the facts that were stated in the Representations or disclosed to the Bank during negotiation on concluding the Contract;
 - ii) There has been a change in the Client's ownership structure exceeding 10% during the period of 12 consecutive months;
 - iii) An Event of Default or Other Serious Circumstance (as defined in Article 11 of the BC) have occurred, and to submit proposal for correction;
 - iv) There has been deterioration of the Collateral or deterioration of the Collateral value, deterioration of the Client's economic and business situation, decrease in the real value of its assets or there have been material changes in the asset structure, there has been an increase in its debts which is not insignificant, there has been a decrease in the receivables or investments or another similar change,
and the Client has to corroborate the above-stated facts with available documents or in other demonstrable manner, depending on the nature of the notified facts; and
- b) to provide the Bank with the information and submit to the Bank the documents that the Bank requests within the deadlines stipulated by the Bank.

10.3 Income on Accounts Maintained for the Client by the Bank

The Contract may stipulate the obligation of the Client to direct certain volume of its income, i.e. the incoming payments from the Client's receivables, to the accounts maintained by the Bank for the Client. At evaluating how this obligation is fulfilled, the Bank may not take into consideration the incomes (i) transferred to the account maintained by the Bank for the Client as part of financing provided by the Bank to the Client, (ii) transferred to the account maintained for the Client by the Bank from other accounts maintained for the Client by the Bank or by a third party and (iii) transferred to the account maintained by the Bank for the Client from accounts maintained by the Bank or by a third party for a member of the Client's Group if the existence of an adequate counter-performance is not evidenced to the Bank.

If the Contract stipulates the Client's obligation to route its income to the accounts maintained for the Client by the Bank within the scope corresponding to the Bank's proportion in the Client's financing, this proportion shall be determined as the A/B quotient, where "A" represents the total unpaid amount of the principal from loans granted to the Client by the Bank, and "B" represents the total unpaid amount of the principal from all loans provided to the Client by the Bank and by other banks or financial institutions, according to the information available to the Bank.

10.4 Pari Passu

The Client shall ensure that none of its existing or future creditors is or will be in any manner favoured over the Bank and that Client does not and will not assume any debt the satisfaction of which would have a preference over satisfaction of the debt arising under the Contract or if a security created in relation to such a debt would give a beneficiary therefrom a preferential position in terms of certainty of satisfaction of its claims from the enforcement thereof than the Collateral.

10.5 Changes of Status

At least 1 month prior to the first steps implementing such a change are to be performed, the Client shall request the Bank's opinion regarding the intention to carry out any corporate changes (i.e. in particular a merger, de-merger, transfer of assets to a partner (shareholder), change to its legal form or cross-border transfer of the company registered office), decrease in the registered capital, a purchase, sale or lease of an enterprise or its part, a non-negligible change in the Client's business activities, their scope or a change to the Client's place of business or another similar change.

10.6 Supplementing Collateral

If the Bank ascertains a fact which, in the Bank's opinion, has or may have an adverse impact on the Client's ability to satisfy the debts arising under or in connection with the Contract, or if the Collateral ceases to exist or its value decreases or if the Collateral ceases to be valid or effective or if the Bank's position among the Client's creditors deteriorates, the Client shall be obliged to provide at its own expense additional Collateral for securing its debts towards the Bank, within the scope and manner specified by the Bank.

10.7 Representations

The Client shall be obliged to proceed in such a manner that all the Client's Representations are in all material respects correct, complete and not misleading.

10.8 Duration of Undertakings

The Client shall be obliged to fulfil its undertakings stipulated in Article 10 of the BC throughout the entire duration of the Client's and Bank's contractual obligations arising under or in connection with the Contract.

11. EVENTS OF DEFAULT AND OTHER SERIOUS CIRCUMSTANCES

11.1 Event of Default

The circumstances set out below shall be considered to constitute a breach of Client's obligations under the Contract (the "**Event of Default**"):

- a) The Client uses the funds provided under a drawdown or any part thereof for any other purpose than the one stipulated in the Contract;
- b) The Collateral with the value, scope and terms required pursuant to the Contract is not established or the Collateral ceases to be valid or effective;
- c) The Client is in default as regards a payment of any monetary debt to the Bank arising under or in connection with any contract entered into with the Bank or the Client does not fulfil any non-monetary obligation arising under or in connection with any contract entered into with the Bank or under any other legal act related to such a contract; or
- d) Any other circumstance occurs which constitutes an Event of Default under the Contract.

11.2 Other Serious Circumstances

Regardless of its cause, any of the below-stated facts shall be considered other serious circumstance (the "**Other Serious Circumstance**"):

- a) Any representation made to the Bank by the Client or by any person providing the Collateral proves to be false, incomplete or misleading (in any material respect) or any details set out in documents submitted to the Bank prove to be false, incomplete or misleading in any material respect or subsequently such changes of the facts occurred that might have such consequence;
- b) There has been a change in the persons controlling (factually or legally, directly or indirectly) the Client or controlling the persons providing the Collateral;
- c) Performance of any liability or obligation arising under or in connection with the Contract would cause a breach of legal regulation setting out the obligations of the Bank or it might otherwise adversely affect the legal status or economic position of the Bank;
- d) Any of the Client or any person providing the Collateral or any person controlling the Client or controlling a person providing the Collateral (in all these cases, factually or legally, directly or indirectly) has been listed in the sanction list or a similar list maintained by the European Union or its member states, or by the USA, UN, Czech Republic or Slovak Republic or stated in public notices declaring sanctions by the above mentioned sovereigns; or financial means from the Banking Products (or from any part thereof) provided under the Contract are directly or indirectly used for the benefit of a person who is included in any of the sanction lists specified above;
- e) A criminal prosecution was commenced against the Client, against a person providing Collateral or against any person controlling the Client or controlling the person providing Collateral (in each case, factually or legally, directly or indirectly), or the Public Authority found any of them guilty of committing a criminal offence;
- f) The Client, any person controlled by the Client, any person controlling the Client or controlled (in each case, factually or legally, directly or indirectly) together with the Client by a third party (the "**Client's Group**") or a person providing the Collateral, has become insolvent or there is an impending insolvency in respect of any of them; a Public Authority conducts a proceeding against any of them which proceeding may have an adverse impact on a part of such person's assets which is not insignificant (such as insolvency proceedings, criminal proceedings, enforcement procedure or execution proceedings) or those persons are

- under a threat of such a proceeding; or the Public Authority issued a final decision pursuant to which the Client, a member of the Client's Group or a person providing the Collateral has breached a legal obligation;
- g) A third party has declared a monetary debt of the Client or of a person providing the Collateral as immediately payable or payable upon request;
- h) Any other event occurs which, in the Bank's opinion, may have a material adverse effect on the business activity, scope and state of assets or economic situation of the Client or a person providing the Collateral;
- i) The Client has changed its Centre of Main Interest without a prior consent of the Bank;
- j) The occurrence of any circumstance undermining the Bank's trust in the person of Client or in the member of the Client's Group or in continuous due course of the Client's fulfilment of duties and servicing the debts in relation to the Bank under or in connection with the Contract has been ascertained;
- k) The Client has expressed its disagreement with a change to the BC pursuant to Article 1.3 of the BC; or
- l) Any other circumstance occurs that constitutes an Other Serious Circumstance under the Contract.

12. CONSEQUENCES OF THE OCCURRENCE OF AN EVENT OF DEFAULT OR OTHER SERIOUS CIRCUMSTANCE

12.1 Remedial Measures

If the Bank ascertains that an Event of Default or Other Serious Circumstance has occurred, the Bank may apply any of the following remedial measures (the "**Remedial Measures**"):

- a) Definitively terminate or reject any drawdown;
- b) Declare the Client's debts towards the Bank arising under or in connection with the Contract which are not yet due, or their part, as immediately due and payable;
- c) Withdraw from the Contract with the effect as at the withdrawal delivery date, unless a later effective date of the withdrawal is specified in the withdrawal deed; through the withdrawal all the Client's monetary debts towards the Bank arising under or in connection with the Contract become due and payable and other receivables and debts of the Client and the Bank cease to exist, except for such receivables and debts which shall continue to exist under applicable laws; or
- d) Demand that the Client deposits to the account specified by the Bank funds in the amount equal to a sum of (i) the unused amount of each valid Loan Commitment, (ii) undisbursed Bank Guarantee Amount of each valid Bank Guarantee, (iii) unused amount of each valid Letter of Intent and (iv) undisbursed amount of each valid Letter of Credit; Client shall, within 5 business days from delivery of the Bank's demand, deposit the required amount to the account and create a pledge over its receivable for disbursement of funds from such account for the benefit of the Bank as a Collateral, unless the Client presents to the Bank documents that confirm in a manner satisfactory for the Bank that the Bank's liabilities ensuing from these instruments have ceased to exist.

The Bank will notify the Client about the Remedial Measure chosen by the Bank.

12.2 Contractual Penalty

In the event of a breach of Client's obligations arising under the Contract or obligations under legal acts related to the provision of a Collateral and, at the same time, such a breach constitutes an Event of Default or Other Serious Circumstance, the Bank may require the Client to pay a contractual penalty the amount of which is stipulated in the Contract. Neither of a withdrawal from the Contract, the existence of an exculpatory circumstance or the lack of Client's fault causes the cessation of the Bank's claim for payment of a contractual penalty. The payment of a contractual penalty does not cause a termination of the Client's obligation to fulfil its debt owing to the Bank, the Bank's claim for a compensation of damage to the full extent or the Bank's right to apply the Remedial Measures. The Bank has the right to adequately decrease the contractual penalty amount. The Bank is entitled to require the payment of the contractual penalty as soon as it learns that an Event of Default has occurred and shall notify the Client about such fact. The fact that the Client has notified the Bank that an Event of Default or Other Serious Circumstance has occurred or will occur and notified potential consequences thereof to the Bank does not relieve the Client of its obligation to pay the contractual penalty, obligation to pay the Cost Reimbursement and compensation of damage to the Bank in full. If the Event of Default or Other Serious Circumstance continues the Bank is entitled to require the contractual penalty even repeatedly. The Client shall pay the contractual penalty to the Bank upon Bank's request in which the Bank specifies the reason for requiring the contractual penalty, its amount and the period during which the contractual penalty shall be paid which shall not be shorter than 5 calendar days, as well as the number of the account to which the contractual penalty shall be paid.

12.3 Compensation of Damage

Upon the occurrence of an Event of Default or Other Serious Circumstance the Bank shall be entitled to require the Client to pay compensation of damage (including loss of profit and costs additionally incurred, directly or indirectly, in connection with the debt recovery, etc.) that the Bank has incurred in connection with the occurrence of the above-mentioned event or circumstance or with the application of any of the Remedial Measures, even if such a compensation of damage could have been covered by default interest. A notification of a breach of a legal obligation and notification of potential consequences of such a breach does not relieve the Client from its obligation to compensate the damage to the Bank.

12.4 Default Interest

In the event that the Client is in default with the payment of any of its debts arising under or in connection with the Contract the Client shall be obliged to pay to the Bank a default interest from the amount in default, in the amount stipulated by the Contract

(the “**Default Interest**”). The Client shall be obliged to pay the Default Interest to the Bank for the period commencing on the first day of default (inclusive) and ending on the day preceding the day when the overdue amount is repaid (inclusive). The Bank is entitled to capitalise the unpaid appurtenance of the Client’s debt and to record the capitalised interest as part of the principal in default. The Bank is entitled to account for the Default Interest on continuous basis, always with the due date on the settlement day. Regardless of the Default Interest the Bank is entitled to require from the Client all the costs incurred by the Bank as a result of such a default, for example costs related to the recovery of the Client’s debt towards the Bank, including costs of legal representation.

13. OTHER PROVISIONS

13.1 Exchange Rate

To carry out the conversion of an amount in one currency to an amount in another currency under the Contract (in particular for the purpose of collection or offsetting amounts denominated in different currencies, conversion of drawdown amounts to the currency of the Limit, Regulatory Limit, or Credit Line Limit and vice versa, or for ascertaining the Available Limit, or Available Limit of Credit Line or ascertaining whether the Utilised Limit exceeds the amount of Limit or Regulatory Limit, or whether the Utilised Limit of Credit Line exceeds the Credit Line Limit), the Bank’s exchange rates valid for as at the conversion date, or the exchange rate of the Czech National Bank valid as at the conversion date (always upon the Bank’s choice) shall apply, or if for any reason such exchange rates cannot be used as at the conversion date, the nearest preceding exchange rate shall apply, unless other exchange rate agreed with the Client valid as at the conversion date shall apply (the “**Exchange Rate**”).

13.2 Set-Off

At any time the Bank is entitled to set off its matured receivables towards the Client arising under the Contract (regardless of their currency) against any receivables of the Client towards the Bank, matured or immature, and also against the receivables under an agreement on account maintained by the Bank. The Client may set off its receivables towards the Bank against the Bank’s receivables towards the Client only upon a prior written agreement with the Bank.

13.3 VAT

The Client acknowledges that all payments to be made by the Client pursuant to the Contract, the BC, GBTC and the Price List, are specified without the value added tax within the meaning of Act No. 235/2004 Coll., on Value Added Tax, as amended, or within the meaning of a regulation that would replace this Act in the future (the “**VAT**”). If the law stipulates the obligation to pay the VAT for specific performance, the VAT will be charged above the agreed amount, and even retroactively. For the avoidance of doubt, the Bank and the Client declare that the provisions of the GBTC related to taxes and to increase of payments with the tax shall apply also in the cases where the Bank incurs any additional costs as a result of exclusion or reduction in the entitlement for VAT deduction, or ensuing from the obligation to pay the amount representing the VAT.

13.4 Alternative Dates

If a date set for a certain fact, or for performing acts under or in connection with the Contract falls on other day than a business day, the first business day following after such a date shall be considered the set date. Similarly, if the last day of the set period falls on a day other than a business day, the period is extended and will end on the first business day following after that period; the subsequent period following thereafter shall terminate on a usual date, as if the previous period was not extended. In justified cases the Bank is entitled to set a different irregular duration of a period; the Bank shall inform the Client about such a measure.

13.5 Termination of the Contract by the Client

The Client is entitled to withdraw from the Contract only before commencement of the Banking Product drawdown and in the case of Overdraft Loan, also after the drawdown commencement, on condition that the Client has repaid in full its debts towards the Bank arising under or in connection with the Contract. The withdrawal from the Contract shall be effective on the second business day after the day when the Client’s written notice has been delivered to the Bank; if the Banking Product has been drawn down in the meantime, the withdrawal shall be effective only after all drawdowns of the Banking Product under the Contract have been terminated. As at the effective date of the Client’s withdrawal from the Contract, the Client’s right to make drawdowns of any Banking Product ceases to exist and all its debts towards the Bank arising under or in connection with the Contract become payable. The notice period is 1 month, commencing on the effective day of the withdrawal; however it will not elapse until the Client repays all its debts towards the Bank arising under or in connection with the Contract.

13.6 Discontinuation of Drawdown

The Bank is entitled to discontinue the drawdown in the event the Client – individual (natural person) deceased. Further conditions for discontinuation of the drawdown are stipulated in the Contract, BC and GBTC.

13.7 Form and Content of Documents

All documents submitted to the Bank pursuant to the GBTC, BC and the Contract, in particular documents evidencing the satisfaction of conditions to drawdown, must be in the form and content acceptable for the Bank.

13.8 Assignment

Assignment of rights and obligations of the Client and the Bank arising under the Contract shall be governed by the relevant provisions of the GBTC.

13.9 Limiting the Risks

At limiting the risks from banking products provided to the Client in the past or after the execution of the Contract the Bank is allowed to cooperate with renowned institutions; for this purpose the Bank is also authorised to grant to these institutions access to necessary information on the Client, which are subject to banking secrecy or other legal protection.

13.10 Alternative Provisions

If any provision is or becomes invalid or unenforceable and such a provision can be separated from the remaining content, then only such a provision shall be deemed invalid in respect of which it can be assumed that the Bank and the Client would have entered into a contractual relationship even without such a provision; such invalid or unenforceable provision shall be replaced with another provision the effects of which are approaching the intent of the original provision to maximum extent possible.

13.11 Introduction of Euro

If the Euro currency is introduced in the Czech Republic and the Czech crown (CZK) is replaced by Euro and the related changes of Reference Interest Rates are implemented, then:

- a) A Banking Product registered in Czech crowns will from that point on be maintained, shall bear the interest and shall be repaid in Euro, whereas the conversion of the drawn down and at that point of time still unpaid amount of the Banking Product will be carried out in accordance with generally binding coefficients or in accordance with other generally binding method stipulated for such case;
- b) The Limit, Regulatory Limit and Credit Line Limit registered in Czech crowns will from that point on be maintained in Euro, whereas the conversion of these amounts will be carried out in accordance with generally binding coefficients or in accordance with other generally binding method stipulated for such case; and
- c) The interest rate will be set subject to the relevant interest rate that will be introduced with the margin specified by the Bank (i) depending on the conditions agreed for the Banking Product provided; (ii) based on the Bank's internal rules and procedures defining interest rates; and (iii) depending on the situation on financial markets where the Bank refinances itself.

13.12 Exclusion of Application of Certain Provisions of the Civil Code

Commercial practices shall not prevail over the arrangements of the contracting parties or over the provisions of legal regulations. The following statutory provisions shall not apply to contractual relationships between the Bank and the Client: provisions of Section 557, Section 1740 paragraph (3), Section 1747, Section 1748, Section 1751 paragraph (2) and (3), Section 1793, Section 1796, Section 1799 and Section 1800, Section 1805 paragraph (2), Section 1899, Section 1913, Section 1930 paragraph (2) first and second sentence, Section 1932, Section 1933, Section 1936, Section 1950, Section 1952 paragraph (2), Section 1970, Section 1971, Section 1978 paragraph (2), Section 1980, Section 1995 paragraph (2), Section 2399 paragraph (2) and Sections 2431 to 2444 of the Act No. 89/2012 Coll., Civil Code, as amended (the "Civil Code").

13.13 Statute of Limitations

All the Bank's receivables towards the Client and other rights of the Bank towards the Client arising under or in connection with the Contract (including receivables and rights arising under legal acts related to the provision of Collateral) shall become time-barred upon the expiry of the 10-year limitation period.

13.14 Applicable Law, Jurisdiction

The contractual relationships between the Bank and the Client shall be governed by Czech law. Any disputes arising from the Contract shall be resolved in court proceedings. Ordinary court of the Bank shall have the jurisdiction in disputes with Clients who are foreign persons or foreign entities.

13.15 Effective Date

These BC enter into force on 1 June 2015.

INFORMATION ABOUT THE BANK

Česká spořitelna, a.s.

having its registered office at Olbrachtova 1929/62,
140 00 Prague 4, Czech Republic, registered in the Commercial
Register maintained by the Municipal Court in Prague,
file No.: B1171

Identification number (IČO): 45244782

Tax identification number (DIČ): CZ 699001261

Contact Details:

Bank information line: 800 207 207

For calls from abroad: +420 956 777 956

E-mail: csas@csas.cz

Website: www.csas.cz, www.erstecorporatebanking.cz

Ombudsman of Česká spořitelna Financial Group:

Olbrachtova 1929/62, 140 00 Prague 4

ombudsman@csas.cz, Phone: 956 717 718

Bank code for the payment system: 0800

Bank BIC/SWIFT code: GIBACZPX

Telex: 121010 spdb c, 121624 spdb c, 121605 spdb c

Reuters: SPOPsp.PR

Supervisory Authority:

Czech National Bank, Na Příkopě 28, 115 03 Prague 1

Main scope of business:

Provision of banking services on the basis of the banking licence
granted pursuant to the Act No. 21/1992 Coll., on Banks;
the licence also comprises the authorisation to provide
for investment services pursuant to the Act No. 256/2004 Coll.,
on Capital Market Undertakings.