

# Terms and Conditions for Credit Products of Raiffeisenbank a.s.

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## I. Introductory provisions

### I.1 Scope of applicability

These Terms and Conditions for Credit Products (the „Credit Conditions“) govern the basic rights and obligations of the Bank and its Clients in relation to the provision of credits and loans (the „Credit“) and other Banking Products until any and all of the mutual right and obligations of the Bank and the Client arising from the provision of the Credit and/or any other Banking Product and/or other debts under the Agreement have ceased to exist.

### I.2 Rules of priority

These Credit Conditions constitute an integral part of each Agreement entered into between the Bank and the Client and determine a part of its content. In the event of any discrepancy between the provisions of the Credit Conditions and the Agreement (excluding the Credit Conditions and the General Business Conditions), the provisions of the Agreement (excluding the Credit Conditions and the General Business Conditions) shall prevail. In the event of any discrepancy between the provisions of the General Business Conditions and these Credit Conditions, the provisions of these Credit Conditions shall prevail. Should a certain matter be dealt with, even partially, both in the Agreement (excluding the Credit Conditions and the General Business Conditions) and in the Credit Conditions or the General Business Conditions, both the provisions of the Agreement and those of the Credit Conditions or the General Business Conditions shall apply, provided that they are simultaneously applicable in the given case.

### I.3 Definitions

In the event that capitalised terms are used in the Credit Conditions, they will have the meaning as set out in Article II. of the Credit Conditions or, if Article II. of the Credit Conditions expressly refers to the definition of a specific term contained in the General Business Conditions, the meaning ascribed to such term in the General Business Conditions. Capitalized terms used in the Agreement (excluding the Credit Conditions and the General Business Conditions) have the same meanings ascribed to them in these Credit Conditions, unless the Agreement stipulates otherwise. Definitions used in the Credit Conditions and in the Agreement include the singular and plural of such defined terms.

### I.4 References to the Agreement and the Credit Conditions

References to the Agreement or its individual provisions contained in the Credit Conditions or the Agreement are deemed as references to the Agreement, including the Credit Conditions and the General Business Conditions, and all additional parts, modifications and amendments thereto, unless it is expressly stipulated or implied by the context that reference is being made exclusively to the Agreement, excluding the Credit Conditions and the General Business Conditions. References to the Credit Conditions do not imply in and of themselves a reference to the Agreement.

## II. Definitions and interpretation rules

### II.1 Definitions

**Agreement** means each agreement on Credit (including each authorised overdraft agreement, revolving credit agreement and investment credit agreement), as well as an agreement on the Credit Line and/or an agreement on the provision of other Banking Products, the contents of which are in part determined by an explicit reference to these Credit Conditions, including the Credit Conditions, the General Business Conditions, and any and all annexes, parts, changes and amendments thereto.

**Availability Period** has the meaning given to it in Article IV.6 of the Credit Conditions.

**Bank** means the entity defined as the Bank in the heading of the Agreement.

**Bank Guarantees** has the meaning given to it in Article X.1 of the Credit Conditions.

**Banking Business Day** has the meaning specified in General Business Conditions.

**Banking Service** has the meaning specified in the General Business Conditions.

**Banking Products** means a Credit, Guarantee, Letter of Credit or other banking products.

**Bank's Overdraft Rate** means the interest rate quoted by the Bank. The Bank notifies the Client of the current Bank's Overdraft Rate in the Interest Rates List.

**Base Rate for Corporate Loans** means the interest rate quoted by the Bank. The Bank notifies the Client of the current Corporate Loan Base Rate in the Interest Rates List.

**BOR** means the Base Overdraft Rate (BOR) quoted by the Bank. The Bank notifies the Client of the current BOR in the Interest Rates List.

**Business Corporations Act** means Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), as amended.

**Civil Code** means Act No. 89/2012 Coll., the Civil Code, as amended.

**Client** means a person which has entered into the Agreement with the Bank and which is defined as the Client in the heading of the Agreement.

**Compound Risk-Free Interest Rate** means the compound Risk-Free Interest Rate calculated for a specific Interest Period of a Risk-Free Rate Credit pursuant to paragraphs (b) and (c) of Article V.6 of the Credit Conditions.

**Controlling Entity** means a controlling entity within the meaning of section 74 of the Business Corporations Act.

**Controlled Entity** means a controlled entity within the meaning of section 74 of the Business Corporations Act.

**Conditions Precedent** has the meaning given to it in Article IV.2 of the Credit Conditions.

**Co-debtor** means an entity other than the Client that is obligated to fulfill debts from the Agreement jointly and separately with the Client.

**Credit** has the meaning given to it in Article I.1 of the Credit Conditions.

**Credit Conditions** means these Terms and Conditions for Credit Products of Raiffeisenbank a.s.

**Credit Line** means the cash limit agreed in the Agreement within the range of which the Client may request the Bank for the provision of the Credit or any other Banking Product from the Bank under the conditions set forth in the Agreement.

**Current Account** means the current account of the Client maintained at the Bank, whose identification is specified in the Agreement and which is utilised for payments under the Agreement.

**Customs Guarantees** has the meaning given to it in Article X.2 of the Credit Conditions.

**Daily Risk-Free Interest Rate** means, for each relevant Risk-Free Rate Quotation Day:

- (i) in relation to €STR, the €STR published on the next Risk-Free Rate Quotation Day following the Risk-Free Rate Quotation Day for which the published €STR is set, at approximately 8:00 a.m. Central European Time;
- (ii) in relation to SOFR, the SOFR published on the next Risk-Free Rate Quotation Day following the Risk-Free Rate Quotation Day for which the published SOFR is set, at approximately 8:00 a.m. New York Time;
- (iii) in relation to SONIA, the SONIA published on the next Risk-Free Rate Quotation Day following the Risk-Free Rate Quotation Day for which the published SONIA is set, at approximately 9:00 a.m. London Time; and
- (iv) in relation to SARON, the SARON published on the Risk-Free Rate Quotation Day for which the SARON is set, at approximately 6:00 p.m. Central European Time (at the end of trading on the SIX exchange), provided that the Bank reserves the right to use the new (corrected) value of the Risk-Free Interest Rate as the Daily Risk-Free Interest Rate if a new (corrected) value of the relevant Risk-Free Interest Rate is published later on the relevant Risk-Free Rate Quotation Day when the original value of the Risk-Free Interest Rate was published.

**Decisive Date** has the meaning given to it in Article V.8 of the Credit Conditions.

**Drawdown Request** means (i) a request for drawing the Credit and/or a request for the provision of any other Banking Product (e.g. opening a Letter of Credit or issuing a Guarantee) submitted by the Client to the Bank in writing on the Bank's standard form (sample request forms are attached as an annex to the Agreement), regardless of the title used, or (ii) any other document presented by the Client to the Bank or any other act made by the Client vis-à-vis the Bank that is considered, under an express arrangement contained in the Agreement **or by the fact that it is expressly accepted by the Bank**, to be the Client's request for drawing the Credit and/or for the provision of another requested Banking Product.

**Electronic Box** has the meaning given to it in the General Business Conditions.

**Electronic Channel** has the meaning given to it in the General Business Conditions.

**€STR or ESTR** (Euro Short-Term Rate) means the short-term interest rate for unsecured amounts in EUR, expressed as a p.a. rate, administered by the European Central Bank (or any other entity who takes over the administration of this interest rate) and published by the European Central Bank (or any other entity who takes over the publication of this interest rate).

**EURIBOR** (Euro Interbank Offered Rate) means the interest rate for the sale of interbank deposits in EUR,

expressed as a p.a. rate, administered by the European Money Markets Institute (or any other entity who takes over the administration of this interest rate), published by the European Money Markets Institute (or any other entity who takes over the publication of this interest rate) on the Decisive Date at approximately 11:00 a.m. Central European Time for the maturity period equal to or closest to the relevant Interest Period (where there are two nearest maturity periods, for the longer maturity period closest to the relevant Interest Period), provided that the Bank reserves the right to use the new (corrected) EURIBOR value for the relevant maturity period if a new (corrected) EURIBOR value is published for the relevant maturity period later on the Decisive Date.

**Financial Institution** means any bank, savings bank or credit union, insurance and re-insurance company, as well as any equivalent foreign entity; moreover, even certain additional entities subject to the terms and conditions of Act No. 182/2006 Coll., on Bankruptcy and its settlement (Insolvency Act), as amended.

**Final Maturity Date** means the last day on which the Client is required to repay to the Bank the Credit and pay interest thereon and all other payments or other Client's debts associated with the Agreement or arisen therefrom.

**General Business Conditions** means the General Business Terms and Conditions of Raiffeisenbank a.s.

**Group** means the group consisting of the Client and all entities that are Controlling Entities of the Client or Controlled Entities of the Client, as well as all entities that constitute a concern with the Client and, furthermore, entities having a share in the Client's registered capital of more than 20 per cent (%) and entities in which the Client or Controlling Entities of the Client or Controlled Entities of the Client have a share of more than 20 per cent (%).

**Guarantee** has the meaning given to it in Article X.3 of the Credit Conditions.

**Guarantor** means an entity other than the Client that has provided the Bank with or established in favour of the Bank a security for the Client's debts.

**IBOR** means:

- (i) PRIBOR in relation to Credits in CZK; and
- (ii) EURIBOR in relation to Credits in EUR; and
- (iii) WIBOR in relation to Credits in PLN.

**IBOR Quotation Day** means:

- (i) in relation to a Credit denominated in CZK, a Banking Business Day;
- (ii) in relation to a Credit denominated in EUR, a **TARGET T2** Business Day; and in relation to a Credit denominated in PLN, a day (other than Saturday or Sunday) on which banks are normally open to the public in the Republic of Poland.

**Interest Period** means (except for the last Interest Period) the period stipulated in the Agreement, for which the interest rate is fixed. The first Interest Period starts on the date of **first** Credit drawdown and ends on the last day of the period set out in the Agreement. Every next Interest Period starts running on the first day after the end of the immediately preceding Interest Period, unless otherwise specified herein or in the Agreement. The last Interest Period ends on the Final Maturity Date. Where the Interest Period is longer than 1 day, it holds that the last day of the Interest Period is also the first day of the following Interest Period. If the last day of

the Interest Period longer than 1 day falls on a day other than a Banking Business Day, the last day of such Interest Period (and the first day of the following Interest Period) is either (i) the next Banking Business Day if it is in the same calendar month, or (ii) the immediately preceding Banking Business Day in other cases.

**Interest Rates List** has the meaning given to it in the General Business Conditions.

**Market Reference Rate** means any of the following interest rates:

- (i) any Risk-Free Interest Rate; or
- (ii) any IBOR.

**Letter of Credit** has the meaning given to it in Article XI.1 of the Credit Conditions.

**Material Fact** means any of the circumstances specified in Article XIII.1 of the Credit Conditions or any other circumstance designated as a Material Fact in the Agreement.

**Observation Period** has the meaning stipulated in Article V.6 of these Credit Conditions.

**POR** means the Prima Overdraft Rate (POR) quoted by the Bank. The Bank notifies the Client of the current POR in the Interest Rates List.

**PRIBOR** (Prague Interbank Offered Rate) means the interest rate for the sale of interbank deposits in CZK, expressed as a p.a. rate, administered by the Czech Financial Benchmark Facility (or any other entity who takes over the administration of this interest rate), published by the Czech Financial Benchmark Facility (or any other entity who takes over the publication of this interest rate) on the Decisive Date at approximately 11:00 a.m. Central European Time for the maturity period equal to or closest to the relevant Interest Period (where there are two nearest maturity periods, for the longer maturity period closest to the Interest Period), provided that the Bank reserves the right to use the new (corrected) PRIBOR value for the relevant maturity period if a new (corrected) PRIBOR value is published for the relevant maturity period later on the Decisive Date.

**Price List** has the meaning given to it in the General Business Conditions and specified in the Agreement.

**Reference Rate** means the interest rate the amount of which is announced under this designation on the Interest Rates List.

**Risk-Free Rate Credit** means any Credit subject to an interest rate determined as the sum of the Risk-Free Interest Rate and a fixed margin expressed as percentage p. a.

**Risk-Free Rate Quotation Day** means:

- (i) in relation to a Risk-Free Rate Credit denominated in EUR, a ~~TARGET T2~~ Business Day; and
- (ii) in relation to a Risk-Free Rate Credit denominated in a currency other than EUR, a day, excluding Saturdays and Sundays, on which banks at the seat of the regulator of such currency are open for current transactions.

**SARON** (Swiss Average Rate Overnight) means the average Swiss daily interest rate, expressed as a p.a. rate, administered by the SIX Swiss stock exchange (or any other entity who takes over the administration of this interest rate) and published by SIX (or any other entity who takes over the publication of this interest rate).

**SOFR** means the Secured Overnight Financing Rate, expressed as a p.a. rate, administered by the Federal Reserve Bank (FED) in New York (or any other entity that takes over

the administration of this interest rate) and published by the Federal Reserve Bank (FED) in New York (or any other entity that takes over the publication of this interest rate).

**SONIA** (Sterling Overnight Index Average) means the average daily interest rate for deposits in British pounds, expressed as a p.a. rate, administered by the Bank of England (or any other entity who takes over the administration of this interest rate) and published by the Bank of England (or any other entity who takes over the publication of this interest rate).

~~**TARGET T2 Business Day** means the day on which the Trans-European Automated Real-time Gross Settlement Express Transfer T2 payment system launched on 19 November 2007 is open for the settlement of payments denominated in EUR system operated by the Eurosystem (or any payment system which will be successor thereto) is open for the settlement of payments denominated in euro.~~

**Website** means the freely accessible website of the Bank, namely [www.rb.cz](http://www.rb.cz).

**WIBOR** (Warsaw Interbank Offered Rate) means the interest rate on the PLN deposit market, expressed as a p.a. rate, administered by GPW Benchmark S.A. (or any other entity who takes over the administration of the interest rate), published by GPW Benchmark S.A. (or any other entity who takes over the publication of the interest rate) on the Decisive Date at approximately 11:00 a.m. Central European Time for the maturity period equal to or closest to the relevant Interest Period (where there are two nearest maturity periods, for the longer maturity period closest to the Interest Period), provided that the Bank reserves the right to use the new (corrected) WIBOR value for the relevant maturity period if a new (corrected) WIBOR value is published for the relevant maturity period later on the Decisive Date.

## II.2 References to legislation

Unless otherwise stated in these Credit Conditions or in the respective Agreement, references to any legislation, international treaty or their individual provisions, shall be deemed to include references to any amendment, re-enactment or substitution of that legislation, international treaty or their individual provisions.

## II.3 Accounting and financial terminology

Terms and expressions used in the Agreement in relation to accounting statements and financial indicators of the Client or any other entity are used and are to be interpreted in accordance with valid and effective applicable accounting regulations.

## II.4 Headings

The table of contents and headings of articles, paragraphs and annexes in these Credit Conditions or the Agreement are included for convenience only and shall not be construed as part of the contractual provisions of the Agreement and shall not affect the interpretation of the Agreement.

### II.5 Co-debtor

All rights and obligations of the Client under these Credit Conditions or the Agreement shall apply to the Co-debtor, with the exception of the right to draw the Credit or other Banking Products, which the Co-Debtor has only in case that it is expressly agreed in the Agreement.

## III. Provision of the Credit and/or Banking products

The scope of the Agreement includes the provision of the Credits and/or other Banking Products by the Bank to the Client subject to the terms and conditions set out in the Agreement. The Agreement shall stipulate whether or not, by entering into the Agreement, the Bank is obliged to provide the Client with the Credit and/or other Banking Product and, if so, the date on which such obligation of the Bank with respect to a specific Credit (or a partial drawdown thereof) or any other Banking Product will arise or will be terminated. In case of doubt, it applies that the Bank's obligation to provide the Client the Credit (or a partial drawdown thereof) and/or any other Banking Product does not arise upon the conclusion of the Agreement, but at the moment when the Bank accepts in writing the relevant Drawdown Request, and only in respect of the relevant drawdown of the Credit or the provision of the relevant Banking Product to which such a Drawdown Request relates.

## IV. Drawing down the Credit and/or Banking products

### IV.1 Drawdown Request

The Bank provides the Client with the Credit (or any drawdown of the Credit, including a partial drawdown thereof) or other Banking Products in accordance with the Agreement always only following the submission of the relevant and duly completed Drawdown Request signed by the Client, unless otherwise expressly agreed between the Bank and the Client.

### IV.2 Conditions Precedent

Unless the Bank and the Client agree otherwise, the Client may draw the Credit or request the drawdown of the Credit and/or request the drawdown of the Credit Line and/or request the provision of other Banking Products (the provision of other Banking Products is also understood as opening a Letter of Credit or issuing a Guarantee) only if the all following conditions have been met (the "Conditions Precedent"):

- a) The Client has a Current Account maintained at the Bank;
- b) the Client has provided the Bank with evidence that it adheres to the business objectives, or business plan, which the Bank had accepted as the basis for verifying the feasibility of the repayment the Credit and the debts associated therewith;
- c) if the Agreement establishes that the Credit is granted as a purpose-based loan, the Client has submitted to the Bank, along with the Drawdown Request, invoices or other documents demonstrating that the Credit will

be used for the agreed purpose;

- d) the Client has provided the Bank with all the security required to be provided under the Agreement prior to submission of the Drawdown Request;
- e) the representations and affirmations made by the Client in the Agreement and/or the Credit Conditions, as well as in any documents submitted by the Client to the Bank, are true, complete and not misleading, and effective when so permitted by the nature thereof;
- f) the Client is not in default in respect of any of its obligations under the Agreement. In particular, the Client has paid to the Bank all of the financial debts that were due prior to the requested drawdown of the Credit or the provision of other Banking Products;
- g) all additional Conditions Precedent set out in the Agreement have been met;
- h) no petition to commence insolvency proceedings or any other proceedings due to protracted payment, insolvency, over-indebtedness or bankruptcy has been filed against the Client.

### IV.3 Acceptability of documents

All documents submitted to the Bank before drawing the Credit and/or providing other Banking Products must be in a form and of content acceptable to the Bank.

### IV.4 Evidence of compliance with the Conditions Precedent

Before submitting the Drawdown Request and also upon request of the Bank anytime thereafter, the Client is obliged to provide evidence to the Bank to the extent required by the Bank that all of the Conditions Precedent have been duly complied with. The Bank is entitled, but not obliged, prior to any drawdown of the Credit and/or the provision of other Banking Products, to reinspect whether the Conditions Precedent have been duly met and the Client shall provide the Bank with all necessary cooperation in this respect. The Bank is entitled to provide the Client with the Credit and/or any other Banking Product even if the Conditions Precedent have not been met.

### IV.5 Submission of Drawdown Requests

The Client is obliged to submit the Drawdown Request, including all the documents set out in the Agreement, no later than two (2) Banking business days prior to the requested date of drawdown of the Credit and/or the provision of other Banking Products, unless otherwise agreed between the Bank and the Client. In respect of Letters of Credit and Guarantees, however, this period shall be ten (10) Banking business days prior to the requested date of opening a Letter of Credit or issuing a Guarantee, unless otherwise agreed by the Bank and the Client. If the requested date of drawdown falls on a non-Banking business day, the requested day of drawdown is deemed to be the next Banking business day. The Client is required to complete the Drawdown Request in accordance with the Agreement. If the Drawdown Request contains any inaccurate or incomplete information or information contrary to the Agreement, it shall be deemed to have been completed erroneously and the Bank is not obliged (even if it were under such an obligation according to the Agreement) to grant the Credit and/or provide other Banking Products. In such a case, the Bank shall notify the Client of these circumstances within two (2) Banking business

days after the delivery of the Drawdown Request. The above-mentioned provisions of this Article IV.5 of the Credit Conditions shall not apply to the drawdown of an authorised overdraft, provided that it is expressly agreed in the relevant Agreement that payment orders, cash withdrawal requests, etc. relating to funds on the Current Account are deemed to be Drawdown Requests with respect to an authorised overdraft.

#### **IV.6 Availability Period**

The Client may request the drawdown of the Credit and/or the Credit Line and/or the provision of other Banking Products during the availability period for drawdown (the "Availability Period"), provided that this period has been established in the Agreement. Should the Availability Period expire in vain, the Client's entitlement to draw the Credit and/or the Credit Line is terminated, if not otherwise agreed by the Bank and the Client, or unless the Bank voluntarily grants the Credit and/or provides any other Banking Product to the Client even after the expiration of the Availability Period.

#### **IV.7 Date of Drawdown**

In the event of drawing the Credit the Bank is obliged to execute the Credit drawdown by the date specified in the Drawdown Request, provided that all of the Conditions Precedent and the conditions set out in Article IV.5 above have been met, except when the Bank is not obliged, according to the Agreement, to provide the Credit on the basis of a Drawdown Request received from the Client. In such a case, the Bank shall be obliged to provide drawing of the Credit by the date specified in the Drawdown Request provided that all of the Conditions Precedent and all of the conditions set out in Article IV.5 above have been met and provided that the Bank confirmed to the Client the duly completed Drawdown Request submitted by the Client and delivered (or handed over) to the Client a copy of such submitted Drawdown Request containing the Bank's acceptance.

#### **IV.8 Manner of providing funds drawn under the Credit**

The Bank's obligation to provide the Credit is (with the exception of the Credit provided as an authorised overdraft and with the exception of the Credit that is provided by a transfer of funds to an account other than the Current Account) fulfilled on the day when the Bank has credited the agreed amount of funds to the Current Account, unless otherwise stipulated in the Agreement. The Bank provides an authorised overdraft on the Current Account and/or another account at the Bank specified in the Agreement in such a manner that the Bank makes payments from this account on the basis of the Client's payment orders, cash withdrawals, etc., even if there are insufficient funds in such account to make the respective payment. In such a case, this account may be overdrawn, however, only up to the agreed limit of an authorised overdraft. The authorised overdraft is being repaid with each incoming payment to the Current Account, or to the other account in respect of which the Bank provides an authorised overdraft to the Client, so that the authorised overdraft may be drawn again up to the agreed overdraft limit, unless otherwise agreed by the Bank and the Client. In case the Agreement stipulates that the Credit shall be provided to the Client by transferring the funds drawn to

an account other than the Current Account, the Credit shall be deemed drawn upon the debiting of the drawn amount from the Bank's account, and the Credit is provided as of such moment.

#### **IV.9 Purpose of the Credit**

The Client is obliged to use the funds from the Credit for the agreed purpose and in the time and volume structure in accordance with the Agreement, provided that the purpose and/or time and volume structure have been established in the Agreement. The Bank is entitled, but not obliged, to check the compliance with the agreed purpose of the Credit at any time during the effective term of the Agreement.

### **V. Interest and payments relating to the Credit**

#### **V.1 Interest on the Credit**

The Client is obliged to pay to the Bank the interest on the drawn and outstanding amount of the Credit commencing on the day the Credit is granted until the full repayment thereof.

#### **V.2 Amount and maturity of the interest**

The Client is obliged to pay interest in the amount specified in the Agreement, always for the relevant Interest Period, provided that where the Interest Period is longer than 1 day, it holds that the interest for the last day of the Interest Period is not part of the interest accrued for the ending Interest Period, but part of the interest accrued in the Interest Period that begins on that day, unless the ending Interest Period is the last Interest Period of the relevant Credit, in which case the interest for that day is not charged at all. Interest for an Interest Period is always payable on the last day of the Interest Period, unless otherwise stated below or unless the Bank and the Client agree otherwise. In the case of a Credit for which the Agreement stipulates 1-day Interest Periods, the interest is payable on a monthly basis for the past calendar month, on the last day of the relevant calendar month, unless the Bank and the Client agree otherwise.

#### **V.3 Changes in the Bank's interest rates**

The Bank reserves the right to change the BOR rate, the POR rate, the Bank's Overdraft Rate, the Reference Rate and the Base Rate for Corporate Loans on a continuous basis. The Bank notifies the Client of such changes by publishing then current Interest Rates List in accordance with the General Business Conditions. The provisions of Article I. of the General Business Conditions governing the modifications of contractual terms and conditions on the side of the Bank shall not apply to the changes in the interest rates referred to in this Article V.3 of the Credit Conditions.

#### **V.4 Interest rates on Credits**

##### **(excluding authorised overdrafts and revolving credits)**

Except for overdraft and revolving credits, the interest rate may be agreed in the Agreement as:

- a) a fixed rate, i.e. one that remains unchanged from the date when set until the full repayment of the provided Credit or for a period agreed between the Client and the Bank;
- b) a floating rate structured as the sum of the variable



component of the interest rate and the fixed margin, i.e. the sum of:

- ▶ the Bank's Reference Rate for the given Interest Period + fixed margin expressed as percentage p.a.
- ▶ IBOR for the given Interest Period + fixed margin expressed as percentage p.a.
- ▶ Risk-Free Interest Rate for the given Interest Period + fixed margin expressed as percentage p.a.
- ▶ POR for the given Interest Period + fixed margin expressed as percentage p.a.
- ▶ BOR for the given Interest Period + fixed margin expressed as percentage p.a.
- ▶ Basic Rate for business Credits for the given Interest Period + fixed margin expressed as percentage p.a.

#### V.5 Interest rates on authorised overdrafts and revolving credits

For overdraft credits, the interest rate may be agreed in the Agreement as the sum of the Bank's Overdraft Rate in CZK, EUR, USD + fixed margin expressed as percentage p.a. or as the sum of IBOR for the given Interest Period + fixed margin expressed as percentage p.a. or as the sum of the Risk-Free Interest Rate for the Interest Period + fixed margin expressed as percentage p.a. or as the sum BOR + fixed margin expressed as percentage p.a. or as the sum POR + fixed margin expressed as percentage p.a. For revolving credits, the interest rate may be agreed in the Agreement as the sum of IBOR for the given Interest Period + fixed margin expressed as percentage p.a. or as the sum of the Compound Risk-Free Interest Rate for the given Interest Period + fixed margin expressed as percentage p.a. or as the sum of the Basic Rate for business Credits + fixed margin expressed as percentage p.a.

#### V.6 Determination of the Risk-Free Interest Rate

- a) Where the relevant Agreement specifies 1 day as the Interest Period of the Risk-Free Rate Credit, the Risk-Free Interest Rate applied for each Interest Period of the Risk-Free Rate Credit is the Daily Risk-Free Interest Rate published on the relevant Decisive Date in relation to such Interest Period.
- b) In the case of a Risk-Free Rate Credit other than that referred to in point a) of this Article V.6, the Risk-Free Interest Rate applied to each Interest Period of the Risk-Free Rate Credit (in this Article V.6, referred to as the "**relevant Interest Period**") is the Compound Risk-Free Interest Rate calculated according to the formula below and rounded to 5 decimal places:

$$\left[ \prod_{i=1}^{d_b} \left( 1 + \frac{r_i \times n_i}{N} - 1 \right) \right] \times \frac{N}{tn_i}$$

where:

- $d_b$  means the number of Risk-Free Rate Quotation Days in the Observation Period;
- $i$  means a sequence of integers from 1 to  $d_b$ , each representing one Risk-Free Rate Quotation Day in the Observation Period in chronological order starting

with the first Risk-Free Rate Quotation Day in the Observation Period;

- $r_i$  means the Daily Risk-Free Interest Rate determined for the relevant Risk-Free Rate Quotation Day in Observation Period "i", according to the definition of the Daily Risk-Free Interest Rate provided in Article II.1 of the Credit Conditions, converted from % to a decimal number;
- $n_i$  means, in relation to each Risk-Free Rate Quotation Day in Observation Period "i", the number of calendar days in the Observation Period from such Risk-Free Rate Quotation Day in Observation Period "i" (including that day) to the very next Risk-Free Rate Quotation Day in the Observation Period (excluding that day);
- $N$  means (i) 365 in the case of a Risk-Free Rate Credit denominated in GBP or (ii) 360 in other cases;
- $tn_i$  means the total number of calendar days in the Observation Period;

**Observation Period** means, in relation to the relevant Interest Period, the period starting on (and including) the day that is 5 Risk-Free Rate Quotation Days before the first day of the relevant Interest Period and ending on (and including) the day that is 5 Risk-Free Rate Quotation Days before the penultimate day of the relevant Interest Period;

- c) Where a Risk-Free Rate Credit is repaid early in the course of the Interest Period, the Compound Risk-Free Interest Rate for such shortened Interest Period shall be calculated in the same manner, however the last day of the relevant Interest Period will be the day of early repayment of the Risk-Free Rate Credit.
- d) The interest on the Risk-Free Rate Credit accrued in the relevant Interest Period shall be calculated as the product of:
  - (i) the principal of the Risk-Free Rate Credit,
  - (ii) p.a. interest rate corresponding to the sum of (i) the Compound Risk-Free Interest Rate for the relevant Interest Period and (ii) the fixed interest margin expressed as percentage p.a., and
  - (iii) the quotient of the total number of calendar days in the relevant Interest Period and 360.

#### V.7 Changes to the market interest rate

- a) Where any Market Reference Rate set for any Interest Period is less than 0.00%, such Market Reference Rate for such Interest Period shall be equal to 0.00%. If the Market Reference Rate for the Interest Period is set as the Compound Risk-Free Interest Rate, the preceding sentence shall apply only if the resulting Compound Risk-Free Interest Rate for the relevant Interest Period is less than 0.00%; the preceding sentence shall not apply in relation to the particular Daily Risk-Free Interest Rates from which the Compound Risk-Free Interest Rate is calculated. If an interest risk hedging contract (interest rate swap) is concluded between the Bank and the Client in respect of interest rate risk arising out of the provided Credit, the provisions of the previous sentences of this point a) shall not apply during the effective term of such a contract and to the extent of the agreed interest rate risk hedging.

- b) If no IBOR or Daily Risk-Free Interest Rate is published on any Decisive Date or if no Daily Risk-Free Interest Rate for any Risk-Free Rate Quotation Day in any Observation Period of any Risk-Free Rate Credit is published in the manner specified in the definition of the relevant Market Reference Rate pursuant to Article II.1 of the Credit Conditions (or in a definition agreed in the Agreement), the Bank is entitled to use the relevant IBOR or the relevant Daily Risk-Free Interest Rate determined on the last day when the IBOR or Daily Risk-Free Interest Rate could be determined under the conditions specified in Article II.1 of the Credit Conditions (or under the conditions agreed in the Agreement).
- c) In case the Bank's costs of procuring resources for Client's financing in the relevant market would exceed the value of the relevant Market Reference Rate, the Bank is entitled, regardless of the other provisions stipulated in this Article V.7 of the Credit Conditions, to substitute the relevant Market Reference Rate anytime with a substitute variable component of the interest rate determined by the Bank in an amount expressing the Bank's actual costs of procuring resources for Client's financing. The Bank's authorization to determine this substitute variable component of the interest rate shall apply for the term of the market disruption specified in this point c).
- d) The Bank shall inform the Client about applying IBOR or the Daily Risk-Free Interest Rate determined according to point b) of this Article V.7 of the Credit Conditions or about the amount of the substitute variable component of the interest rate determined according to point c) of this Article V.7 of the Credit Conditions.

#### V.8 Decisive Date

The decisive Date for determining the variable component of the interest rate for the Interest Period (hereinafter referred to as the "**Decisive Date**") is: (i) in the case of a variable component of the interest rate for Credits with an Interest Period of 1 day, as specified in the relevant Agreement, the Risk-Free Rate Quotation Day immediately preceding the relevant Interest Period (if the variable component of the interest rate is the Risk-Free Interest Rate pursuant to point a) of Article V.6 of the Credit Conditions), or the IBOR Quotation Day immediately preceding the relevant Interest Period (where the variable component of the interest rate is other than the Risk-Free Interest Rate), (ii) in other cases, the second IBOR Quotation Day preceding the first day of the Interest Period for which the variable component of the interest rate is determined.

#### V.9 Interest calculation

Interest on the Credit for the Interest Period shall be calculated on the basis of the actual number of calendar days elapsed in the Interest Period and (i) a year of 365 days in the case of an overdraft credit, or (ii) a year of 360 days in other cases.

#### V.10 Interest under the Civil Code

In case of invalidity, ineffectivity or ostensibility of other provisions of the Agreement on the interest or if the interest rate cannot be determined pursuant to other provisions

of the Agreement or the Credit Conditions, the Bank shall be entitled to claim interest in an amount determined in accordance with provisions of the Civil Code.

## VI. Repayment of the Credit and other payments under the Agreement

### VI.1 Credit repayment

The Client is obliged to repay the Credit to the Bank in the amounts, within the time limits and according to terms agreed in the Agreement.

### VI.2 Obligation to provide sufficient funds

The Client undertakes that there will be, no later than on the due date of the relevant payments, sufficient disposable funds on the Current Account to cover the payments of the principal on the Credit, interest, fees and any other payments under the Agreement.

### VI.3 Authority to collect funds from the Current Account

On the relevant due date of the principal on the Credit, interest, fees and any other amounts and payments payable under the Agreement and associated therewith (including any contractual penalties), as well as any amounts and payments relating to the Letter of Credit or the Guarantee, the Bank is authorised to collect the relevant outstanding amounts from the Current Account, without instruction from the Client and without notifying the Client in advance. Simultaneously, the Bank is authorised to issue payment orders for settling the relevant amounts and making the relevant payments on their due date, ahead of any other payments the Bank is required to make on such day pursuant to any payment order of the Client from the Current Account.

### VI.4 Authority to collect funds from other accounts

The Client further explicitly agrees that the Bank is authorised to use funds from any other account of the Client maintained at the Bank, without having instruction from the Client and without notifying the Client in advance, to settle its due receivables arising under or in connection with the Agreement in the event of insufficient funds in the Current Account, or if the Client fails to pay any of the payments of the Credit principal, interest, default interest, fees or other amounts and payments owed (including any contractual penalties), as well as any amounts in relation to the Letter of Credit or the Guarantee on the relevant due dates. The Bank is authorised to make these payments at any time, even at a time other than the agreed due dates for the repayment of the Credit or interest or other payable amounts and payments, with the priority over any other payments of the Client.

### VI.5 Authority to debit accounts with an unauthorised overdraft

If there will not be sufficient funds in the Current Account on the relevant due dates for the payment of a particular amount, the Bank is authorised to make an unauthorised overdraft in respect of the Current Account or other accounts of the Client opened and maintained with the Bank at any time, even if there are insufficient funds in the Current Account or other accounts of the Client opened and



maintained with the Bank in the future, or to charge the Current Account in excess of any agreed Credit overdraft. In such a case, the Client is obliged to pay to the Bank default interest on the amount of the unauthorised overdraft specified in Article VI.7 of the Credit Conditions.

#### VI.6 Set-off

The Bank is authorised to set off its own receivables toward the Client under the Agreement or receivables from other legal acts relating to the Agreement against all other receivables of the Client toward the Bank, including receivables from accounts, deposits, unmatured receivables or receivables denominated in another currency.

#### VI.7 Default interest

The Bank is authorised, in respect of all amounts unpaid by the relevant due date or paid by charging the relevant account resulting in an unauthorised overdraft, to charge a default interest determined by the Bank for each day of default based on the then current default interest rate stated in the then current Interest Rates List, even without notifying the Client in advance. The default interest is always due on the due date for the payment of interest and, after the Final Maturity Date, at the end of each respective calendar month. In cases where the interest due date is not established (as in the case of Letters of Credit or Guarantees, for example), default interest is due at the end of each respective calendar month. This Article VI.7 of the Credit Conditions remains valid and effective even after the termination of the Agreement. [For calculation of default interest the Article V.9 of the Credit Conditions shall apply mutatis mutandis.](#)

#### VI.8 Order of debt payments

Should the Client be in default with the payment of any amount payable to the Bank under the Agreement, or several Agreements, as the case may be, the funds that are then paid to the Bank, or that the Bank receives by enforcing the security provided to the Bank, or in the favour of the Bank, to secure the Client's debts toward the Bank, will be used to settle the Client's debts in the order determined by the Bank. [In the case of default interest and contractual penalties, the Bank may use the received funds to pay the default interest payment and the contractual penalties irrespective of their maturity.](#)

#### VI.9 Settlement of financial debt in another currency

Even if the Client's financial debt is denominated in one currency, the Bank is entitled, but not obliged, to accept payment in another currency. In such a case, the Bank will convert the amounts denominated in such other currency to the currency in which the debt is payable on the basis of the Bank's spot exchange rate valid on the relevant day and, in relation to currencies for which the Bank does not announce a spot exchange rate, on the basis of the Czech National Bank's exchange rate valid on the relevant day. The costs of this currency conversion are borne by the Client.

#### VI.10 Prepayment of the Credit

The Client is not entitled to prepay the Credit or any part thereof, unless otherwise agreed, [with the exception of an overdraft credit, which can be prepaid at any time without any additional costs or fees.](#) If the Bank and the Client agree

on the option of the prepayment of the Credit, the Client may prepay the Credit or a part thereof, provided that the Client delivers to the Bank the relevant written notice within the set time limit before the end of the respective Interest Period. If such time limit is not set out in the Agreement, such written notice must be delivered to the Bank at least ten (10) Banking business days before the end of the respective Interest Period. In such a case, the Client shall pay a prepayment fee in the agreed amount from the amount of the Credit that is being prepaid. If the amount of the prepayment fee is not agreed in the Agreement, it shall be equal to the Bank's breakage costs associated with such prepayment as notified to the Client by the Bank. The fee is payable from the Current Account on the prepayment day.

#### VI.11 Due Date

If the due date of the credit payment or interest falls on a non-Banking business day, the due date shall be:

- a) the last preceding Banking business day in the event that the due date falls on a non-Banking business day and the next nearest Banking business day occurs in a new calendar month; or
- b) the next nearest Banking business day in all other cases.

The Bank is authorised, however, to collect funds from the Current Account on the relevant due date that is not a Banking business day. If the Bank makes such a collection, the due date is the relevant due date.

### VII. Fees and other payments

#### VII.1 Processing fee

The Bank is authorised to charge the Client a fee for the processing of the Credit transaction and for the preparation of the contract documentation in the amount specified in the Agreement. This processing fee is payable within five (5) Banking business days upon the signing of the Agreement, unless otherwise agreed in the Agreement.

#### VII.2 Commitment fee

If, upon the conclusion of the Agreement, the Bank is obliged to provide the Credit to the Client under the terms and conditions set out in the Agreement, the Client shall pay to the Bank a commitment fee for the reservation of funds corresponding to the undrawn portion of the Credit for the Availability Period in the amount stipulated in the Agreement. For each day the Agreement is effective the undrawn portion of the Credit is equal to the then current difference between the amount of the Credit specified in Article I., paragraph 1. of the Agreement and the total of all drawn and outstanding amounts of the Credit to that date in accordance with the Agreement and, possibly, the drawn and repaid amounts of the Credit drawdowns that cannot be drawn again. If not stipulated otherwise, the commitment fee is calculated on a daily basis according to year of 360 days and the actual number of calendar days that have already elapsed in the relevant month, and is payable on the first business day of the following calendar quarter. In case of overdrafts credits, the commitment fee is calculated on daily basis according to year of 365 days and the actual number of calendar days that have already elapsed in the relevant month and is

payable on the last calendar day of the respective calendar month.

### VII.3 Credit administration fee

The Bank is authorised to charge a fee to the Client for the administration of the Credit in the amount stipulated in the Agreement and/or the Price List. This credit administration fee is always calculated as of the end of a respective calendar month and is due on the last day of the respective month in case of overdrafts credits or in other cases on the first (1st) business day of the following calendar month, unless stipulated otherwise in the Agreement and/or the Price List.

### VII.4 Other payments

The Client is obliged to pay to the Bank all other payments specified in the Agreement and/or in the then current Price List in the amounts and within the time limits stated in the Agreement and in the then current Price List.

## VIII. Client's obligations and cooperation

VIII.1 The Client undertakes to fulfill the following obligations for the whole term of the effectiveness of the Agreement:

#### Maintain the scope of business

- a) In the event that the Client is an entrepreneur, not to terminate – without the Bank's prior written approval – its business activities in the scope of business that secures the purpose of the Credit granted under the Agreement and its recoverability;

#### Insure the assets

- b) to insure or to have insured, in the ordinary manner, its assets at an insurance company that is acceptable to the Bank to an extent corresponding to the value of the assets during the entire term of the Agreement;

#### Preserve the assets

- c) to preserve, secure and protect all of the Client's and other parties' assets that is being used or is usable for the Client's business activities and to maintain such assets in a proper condition;

#### Keep the Current Account and maintain the scope of payments

- d) to maintain the Current Account during the entire term of the Agreement and to make payments via the Current Account in the scope set forth in the Agreement, provided that the scope of payments was agreed therein;

#### Enter into relations with associated entities under common conditions

- e) to enter into contractual relations with economically, personally or otherwise associated entities or persons only in the course of ordinary business relations and under the conditions common in business transactions and only for prices that would have been agreed upon between independent entities in ordinary business relationships under the same or similar conditions;

#### Maintain the Conditions Precedent

- f) not to change or modify, without the Bank's prior written approval, any documents that the Client is obliged to deliver to the Bank as the Conditions Precedent, not to terminate the effectiveness thereof,

not to surrender or modify any of the rights under such documents, and not to commence conciliation proceedings or any other proceedings in relation thereto;

#### Comply with legislation

- g) to uphold legal regulations, public law resolutions and other measures that are binding on the Client; in particular, to duly fulfil all of its obligations under generally binding legal regulations (especially tax and other regulations, on the basis of which the Client's financial debts arise vis-à-vis the Czech Republic or other countries, especially the country of which the Client is a tax resident) and also to inform the Bank in writing, without delay, of any circumstances that could result in a default with respect to the fulfilment of these debts or in additional tax or other similar financial obligations; in such cases, the Client is obliged to provide the Bank, without delay, with an instalment plan for the payment of its debts vis-à-vis the state (in particular, vis-à-vis the relevant financial authorities, social security administration and customs offices), respective health insurance companies or other banks, monetary institutions or Financial Institutions, provided that such an instalment plan has been agreed upon;

#### Inform of any Material Facts

- h) to notify the Bank, in writing and without delay, of any circumstances that could jeopardise the recoverability of the Credit, i.e. the due and timely repayment of the Credit under the Agreement, including appurtenances thereof, or the due and timely fulfilment of other financial debts of the Client vis-à-vis the Bank, especially of situations in which any of the Material Facts have actually occurred or could occur. In particular, the Client is obliged to notify the Bank of any substantial changes in the Client's property situation, such as a substantial deterioration of the Client's financial standing, a substantial reduction in the value of its own tangible assets, any out of the ordinary or not sporadic delay in the fulfilment of the agreed outstanding obligations towards other creditors;

#### Inform of any breach of obligations or false representations

- i) to notify the Bank, in writing and without delay, of any potential breach of any of its obligations or the risk of breach thereof, as well as of any change in relation to the truth or completeness of its representations and affirmations made in the Agreement;

#### Inform of any changes in contractual terms

- j) to notify the Bank, in writing, sufficiently in advance or immediately after the Client becomes aware of all intended acts and measures which will or may lead to any change in the terms under which the Agreement was concluded;

#### Inform of any corporate changes in the Client and Guarantors

- k) to notify the Bank, in writing and without delay, of any change in the business name, registered office, place of business, the Client's permanent residence, statutory bodies or members thereof, members of the Client's supervisory board, other top management of the Client and any other substantial changes in the Client's identification data or the management of the

company, as well as of any significant changes relating to entities providing security for the debts towards the Bank, and of any changes in the structure of the Client's members/shareholders;

**Inform of any accounts opened with other banks**

- l) to notify the Bank, in writing and without delay, of opening an account with another bank or another financial institution, as well as to provide the Bank upon request with information relating to any accounts of the Client maintained at other financial institutions;

**Inform of any extraordinary legal acts**

- m) to notify the Bank, in advance and in writing, of its intention to execute a legal act under which the Client is obliged, e.g. in particular, to draw credit or loans at another financial institution, to assume a guarantor's obligation or other liability for third-party obligations, to issue bonds or other debt securities, or to enter into an agreement on financial derivatives, to assign receivables or agreements, to sell its assets, to make financial investments, to grant credit or loans, to issue financial guarantees, to issue or accept bills of exchange, to accede to debts, to take over all third party assets or an aliquot part thereof, to enter into an agreement on the purchase of leased items, a leasing contract, lease agreement or leasehold deed, in which it will act as a lessee or a usufructuary lessee, etc., however, with the exception of legal acts not exceeding the ordinary business activities of the Client (i.e. save for any short-term business loans relating to the supply of goods or services within the scope of the Client's business to the ordinary extent and with ordinary maturity, even among affiliated entities, and with the exception of other obligations that are insignificant in scope);

**Inform of the disposal of assets**

- n) to notify the Bank, in advance and in writing, of its intention to transfer or otherwise dispose of its assets to an extent exceeding the scope of ordinary business relations;

**Inform of any changes in the Group structure**

- o) to notify the Bank, in advance and in writing, of any changes in the amount of its existing shares in other legal entities/companies exceeding 20 per cent (%) of their registered capital and of any changes in its voting rights in these legal entities/companies, as well as of any changes in the structure of the Group and the shares in individual members of the Group;

**Inform of any significant investments**

- p) to notify the Bank, in advance and in writing, of any significant investment which exceeds 15 per cent (%) of the Client's balance sheet value, unless another limit is set out in the Agreement;

**Inform of the conclusion of agreements material for business**

- q) to notify the Bank, in advance and in writing, of entering into another agreement material for the Client's business (e.g. a silent partnership agreement, an exclusive commercial representation agreement, an association agreement, etc.);

**Inform of insolvency, distraint, preventive restructuring or liquidation**

- r) to notify the Bank, in writing and without delay, if

a petition has been filed in relation to the Client, the entities belonging to the Group or the Guarantor, or there is a risk of the filing of such a petition, to commence insolvency proceedings or any other proceeding before the authority of any jurisdiction, or such proceedings are pending, due to payment unwillingness, insolvency, over-indebtedness, or bankruptcy or the risk of bankruptcy, or a writ of execution of judgment or distraint upon its assets (including administrative and tax enforcement); as well as to notify the Bank, in advance and in writing, of [any decision on initiation of preventive restructuring](#) or any decision on the Client's or the Guarantor's entry into liquidation;

**Inform of judicial, administrative and criminal proceedings**

- s) to notify the Bank, in writing, of the commencement of any judicial, administrative, investigative proceedings; conducted by a prosecuting authority or any other similar proceeding before the authority of any jurisdiction, that could have an impact on the Client's ability to duly fulfil its obligations under the Agreement;

**Inform of any material changes in business**

- t) to notify the Bank, in advance and in writing, of all prepared or intended material changes in its business activities or legal form; the Client undertakes to submit the same information about any member of the Group, its guarantors and other Guarantors;

**Inform of the transformation or any disposal of an enterprise**

- u) to notify the Bank, in advance and in writing, of the intention to execute steps that could result in the winding-up of the Client or a member of the Group with liquidation, as well as its merger, consolidation, division, transfer of assets to a member or shareholder, sale or usufructuary right with respect to an enterprise or a part thereof relating to the Client or any member of the Group;

**Inform of any changes in the registered capital**

- v) to notify the Bank, in advance and in writing, of any and all circumstances that could result in a change in the value of the Client's registered capital;

**Inform of the financial standing**

- w) upon the Bank's request, without delay, (i) to notify the Bank in writing of its financial standing and to provide the Bank with any and all cooperation needed to verify and assess the Client's financial standing, and furthermore, (ii) to allow the Bank or an entity entrusted by the Bank to verify, at any time during the effective term of the Agreement, the correctness, completeness and credibility of the reported data and other related circumstances, (iii) as well as to grant the Bank or an entity entrusted by the Bank the right to enter into the Client's premises, to inspect the accounts and other documents and correspondence of the Client directly in the Client's premises;

**Supply true information in writing**

- x) to provide the Bank only with truthful, complete and unbiased information; to supply any and all information to the Bank in writing, unless otherwise agreed between the Bank and the Client;

**Submit final accounts**

- y) to submit to the Bank, within the time limits set out in the Agreement or at any time upon the Bank's request, the balance sheet, profit and loss statement and cash flow statement in an unabridged form, and should the Client not keep accounting statements, then tax statements (in particular, statements containing data on (i) income and expenses in a form appropriate for calculating the tax base and (ii) assets and obligations);

**Submit other accounting documents**

- z) to submit to the bank the appendix to final accounts statements, in the scope as set out in valid legal and accounting regulations, no later than one (1) month after the final accounts have been addressed (as official point of the agenda) by the relevant body of the Client. Should the Client be under the obligation to have its final accounts verified by an auditor and to publish an annual report, the Client is obliged to submit the auditor's report and the annual report no later than one (1) month after these documents have been addressed (as official point of the agenda) by the relevant body of the Client. The submitted documents must be signed by persons authorised to act on behalf of the Client;

**Submit other financial documents**

- aa) upon the Bank's request, no later than 30 days after the request was made, to also submit to the Bank an updated outlook of the financial standing, tax returns, confirmation from the tax administrator, customs office, health insurance company and social security administration office demonstrating the due fulfilment of its payable financial debts and its own affidavit that the Client is not in default vis-à-vis the state or another entity in respect of the payment of taxes or fees, social security premiums, health insurance, customs or other mandatory payments, an overview of receivables and debts according to the Bank's requirements, or other statistical or accounting statements;

**Submit tax returns**

- bb) to submit to the Bank a duplicate (or copy) of the income tax return, including all attachments thereto, along with the confirmation of delivery to the tax administrator, no later than 1 week after it has been sent or handed over to the tax administrator or after the delivery of a request from the Bank;

**Submit documents regarding any change in data entered in the Commercial Register**

- cc) to submit to the Bank a copy of the Client's application filed with the relevant registration court (with the official file stamp of the relevant registration court) for the registration, change or deletion of data entered in the Commercial Register no later than 1 week after the filing at the registration court (or dispatch thereof);

**Submit other documents required under the Agreement**

- dd) to submit to the Bank all other documents, provided they are specified in the relevant Agreement and within the time limits set out in the relevant Agreement;

**Submit documents requested by the Bank**

- ee) to submit to the Bank any other documents that the Bank may request at its own discretion always within the time limits that the Bank has established in its requests;

**Reimburse costs**

- ff) the Client shall bear, beyond the scope of agreed fees, any and all additional costs and expenses incurred in connection with the processing, conclusion, amendment or termination of the Agreement and the enforcement of the provisions of the Agreement, in particular the grant of the Credit and/or other Banking Products, including any out-of-pocket expenses, such as notary, court, administrative and other fees, the costs relating to legal services, expert consultations, tax and economic advisory services, translating and interpreting services, costs of recovery (including court fees), and to reimburse them to the Bank upon request. The costs and expenses are due within five (5) Banking business days after the delivery of the document proving to the Client that certain costs or expenses have been incurred by the Bank in connection with the provision of the Credit to the Client, unless agreed otherwise in individual cases or unless the Bank instructs otherwise;

**Reimburse any increased costs**

- gg) should the Bank incur, in connection with provision of the Credit and/or other Banking Products, any subsequently increased costs relating to the fulfilment of obligations arising to the Bank by virtue of the coming into effect of (including any changes in the interpretation of):
- (i) a legal regulation (including a provision of the Czech National Bank ("CNB") or another state authority); and/or
  - (ii) an official notice or other regulation not having the characteristics of a generally binding legal regulation of the CNB or another state institution, the Client undertakes to reimburse to the Bank upon its request the financial amount corresponding to the increased costs of the Bank. The amount of these costs, stated in the confirmation issued by the Bank, shall be final for and binding on both parties, unless an obvious error will be proven;

**Obtain the spouse's consent**

- hh) if the Client is a natural person and is legally married (or becomes legally married later), to have consent of the other spouse with the conclusion (existence) of the Agreement and with the creation and exercise of the rights and obligations under the Agreement, in particular the consent with each drawdown of the Credit or a part thereof, the repayment of the Credit from common property funds and with the use of the assets or rights belonging to common property as security for the Client's debts arising from the Agreement. Upon the Bank's request, the Client is obliged to submit to the Bank, within thirty (30) days after delivery of such request, proof of the fulfilment of the obligation stipulated in this paragraph in the form of a written declaration of the other spouse. The Bank may request that the signature of the spouse on such declaration is officially authenticated.

## **IX. Securing the Client's debts**

### **IX.1 Additional security**

In the event that the Bank and the Client agree on securing the Client's debts vis-à-vis the Bank and, in the Bank's opinion, any of the security loses all or a part of its value, ceases to exist or becomes insufficient to secure the Client's debts under the Agreement according to the requirements of the Bank, or if, in the Bank's opinion, the creation of financial resources is reduced on the side of the Client, the Bank may request additional adequate security from the Client. For the purposes of this article, the loss of value of some of the security is understood, in particular, to be a situation where the Bank may not be able to satisfy its secured receivables to the originally anticipated extent. In such case, the Client is obliged to replace the no longer existing security or the security whose value is reduced with other security of the same form, if possible, and/or to even up the value of the relevant security to its original extent, all that within the time limit set out by the Bank in its written request.

### **IX.2 Expert opinion**

The Client shall provide the Bank, upon its request, with an expert opinion prepared by an expert acceptable to the Bank concerning the appraisal of the value of the security that has been used to secure the Client's debts under the Agreement.

### **IX.3 Reporting duty**

If the security for the Client's debts under the Agreement ceases to exist or is reduced during the existence of the Client's obligations vis-à-vis the Bank in comparison to the security established in the Agreement by, for example, a decrease in the value of the provided pledge, the Client is obliged to inform the Bank of this without delay.

### **IX.4 Duration of security**

The Client's debts vis-à-vis the Bank must be secured until the full settlement of all debts arising from the provision of a Guarantee. In the case of a Customs Guarantee, the Client's obligations must be secured until the confirmation of the customs authority has been obtained, in accordance with Article X.9 of the Credit Conditions, unless otherwise agreed between the Bank and the Client.

## **X. Provision of other Banking products – Guarantees**

### **X.1 Bank guarantees**

Bank guarantees (hereinafter the "Bank Guarantees") are understood as bank guarantees in accordance with Section 2029 et seq. of the Civil Code.

### **X.2 Customs guarantees**

Customs guarantees (hereinafter the "Customs Guarantees") are understood as guarantees under the Union Customs Code (Regulation of the European Parliament and of the Council No 952/2013 including amendatory and implementing legislation) and Act No. 242/2016 Coll., the Customs Act, as amended.

### **X.3 Operation of the Agreement**

The issuance of a Bank Guarantee or Customs Guarantee (jointly hereinafter as the "Guarantee" or "Guarantees") and the legal relations associated therewith are also supportively governed by generally maintained customs and the guarantee rules specified in the Agreement.

### **X.4 Refund for performance from the Guarantee and other payments**

In the event that the beneficiary under the Guarantee duly requests the bank to make a payment on the Guarantee issued by the Bank, the Bank will make such a payment. The Client is obliged to reimburse to the Bank the amount corresponding to (a) any performance that the Bank provided from the Guarantee, (b) any justifiable fee, commission and/or expense incurred by the Bank in connection with the issuance and administration of the Guarantee, and moreover, in relation to the recovery of any receivables arising from the Guarantee, including any fees and expenses of its legal representative or other experts. The Bank's entitlement to the payment (i.e. a refund) of any amount specified under point (a) arises (and becomes due) at the moment the performance from the Guarantee was provided to the beneficiary, and the entitlement to the payment of any amount specified under point (b) arises (and becomes due) at the moment of payment of the relevant fee or expense.

### **X.5 Guarantee commission and the fee for issuance of the Guarantee**

From the Guarantee issued on the Client's instruction, the Client is obliged to pay a guarantee commission for the Guarantee provided in the amount set forth in the Agreement. If the relevant Guarantee is terminated early, the guarantee commission, or an aliquot part thereof for the period of the actual validity of the Guarantee, will not be returned. The Client will further be charged a one-off fee for the issuance of each individual Guarantee on the Client's instruction, the amount of which is stipulated in the Agreement. The guarantee commission and the fee for issuance of the Guarantee are due on the day the Guarantee is issued and will be paid by debiting the Current Account, unless otherwise agreed between the Client and the Bank.

### **X.6 Standard form of the Guarantee**

Upon request, the Bank will provide the Client with a standardised form for the requested type of Guarantee.

### **X.7 Application for the Guarantee**

The Drawdown Request, which contains an application for the Guarantee, must be delivered to the Bank in writing and signed by the Client on a duly completed form provided to the Client by the Bank. Together with the Drawdown Request, the Client will deliver to the Bank a copy of the document that establishes the debt secured by the Guarantee, as well as any and all documents requested by the Bank in relation to the decision on the issuance of the Guarantee.

### **X.8 Form of the Guarantee**

Unless otherwise agreed between the Bank and Client, the Bank Guarantee will be issued by the Bank in the Bank's standard form. The amount, validity and manner

of termination of the effectiveness of the Bank Guarantee are agreed with the Client in the Agreement and/or in the Drawdown Request accepted by the Bank. If, during the term of the Bank Guarantee, the debt secured by the Bank Guarantee contains the obligation to ensure a change in the Bank Guarantee's amount or validity or the obligation to issue a new Bank Guarantee, the Client shall notify the Bank of this fact in writing no later than upon the delivery of the Drawdown Request containing the application for such Bank Guarantee or upon the conclusion of an Agreement to issue such a Bank Guarantee, if the relevant Agreement does not require the delivery of a separate Drawdown Request. The Client acknowledges and agrees that the Bank is entitled at its own discretion to either refuse to issue such Bank Guarantee or to request additional security from the Client and/or a higher guarantee commission as a precondition for the issuance of such Bank Guarantee. The Client further undertakes that without the Bank's prior written approval, the debt secured by the Bank Guarantee will not be changed so that it would result in an obligation to ensure, during the term of the already issued Bank Guarantee, a change in the Bank Guarantee's amount or validity or the obligation to issue a new Bank Guarantee.

#### **X.9 Conditions of the Customs Guarantees**

The amount of the Customs Guarantee is agreed with the Client in the Agreement and/or the Drawdown Request, accepted by the Bank. The termination of the guarantor's relationship arising under the Customs Guarantee will come into effect on the sixteenth (16th) day after receipt of the Customs Guarantee notice of termination by the relevant customs authority of the Czech Republic (if the notice is sent by the Bank) or issued by the Bank (if the notice is sent by the relevant customs authority of the Czech Republic). The deadline for the Bank to send this notice to the relevant customs authority of the Czech Republic is set out in the Agreement and/or the Drawdown Request accepted by the Bank. The Bank shall further guarantee payment of the customs debt, provided that the relevant operation was secured before the termination of the guarantor relationship established under the Customs Guarantee, even in cases where payment is requested after the effective termination of the guarantor relationship. After the effective termination of the guarantor relationship, the Client shall submit to the Bank, without undue delay, a confirmation of the relevant customs authority of the Czech Republic; this confirmation must contain information demonstrating that the Client has no customs debt recorded at the relevant customs authority of the Czech Republic the settlement of which may be required from the Bank as the guarantor in connection with the guarantee provided under the Customs Guarantee, and proving that all operations secured by the Customs Guarantee have been terminated and that a customs debt, whose settlement may be required from the Bank as the guarantor by virtue of the guarantee provided under the Customs Guarantee, can no longer arise. The confirmation specified in the previous sentence of this article must be in a form and content acceptable to the Bank.

## **XI. Provision of other Banking products – Letters of Credit**

### **XI.1 Letters of Credit**

The Bank opens a letter of credit (the "Letter of Credit") on the basis of a Drawdown Request submitted by the Client. The opening of the Letter of Credit and the legal relations arising therefrom are also supportively governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, issued by the International Chamber of Commerce, Publication No. 600, including annexes, interpretations and explanations of these rules duly issued by the International Chamber of Commerce, or by any other rules stipulated in the Agreement.

### **XI.2 Terms and conditions of Letters of Credit**

A Letter of Credit may be payable upon the submission of the documents specified in the Letter of Credit. The Bank will review the documents in accordance with the terms and conditions of the relevant Letter of Credit and notifies the Client in the event of any defects in the documents. If the Client agrees in such a case with the payment of the Letter of Credit, the Client notifies the Bank in writing thereof. If the conditions for the payment of the Letter of Credit are fulfilled, the Bank will perform the respective payment. The Client is obliged to reimburse to the Bank the amount corresponding to the value of any fulfilment that the Bank pays out from the Letter of Credit, including any justifiable fees, expenses and commissions that the Bank incurs in relation to the paying out of the Letter of Credit. The Bank is entitled to a refund of the above-mentioned amounts at the moment the paying out of the Letter of Credit is effected or when the justifiable expenses are paid.

## **XII. Representations and affirmations of the Client**

### **XII.1 Representations and affirmations of the Client**

The Client hereby represents and affirms to the Bank that:

- a) the conclusion of the Agreement and its fulfilment are in accordance with the powers and authority of the Client and are not in conflict with any of the Client's establishment or foundation documents (or Articles of Association, internal rules, etc.) nor with any legal, official or contractual limitations that are binding on the Client;
- b) it has acquired all licences, concessions, approvals, permits and authorizations to carry on its business in the Czech Republic that are necessary with respect to the purpose for which the Credits or other Banking Products are provided;
- c) the content of the Agreement is binding on the Client, and the Bank's claims arising therefrom are enforceable in accordance with applicable legal regulations;
- d) the Client has provided the Bank with all information and documents about itself and the Guarantors necessary for assessing the financial, property and business situation of the Client; the Client has not concealed from the Bank any circumstances that could have an impact on the Bank's decision making as to whether, and under what conditions, the Credit



or other Banking Products are to be provided to the Client; there have been no adverse changes, or any threat thereof, in the business situation of the Client or its assets in comparison to the facts following from the materials provided to the Bank by the Client; all information and documents that the Client provided to the Bank, especially accounting statements, final accounts and auditor's reports, are true, correct, complete and not misleading;

- e) it is not insolvent, in liquidation or in bankruptcy or any other similar proceeding before the authority of any jurisdiction, nor is there any threat thereof;
- f) it is not a party to any judicial, administrative or arbitration proceedings or any other similar proceeding before the authority of any jurisdiction, nor is there a threat thereof, with the exception of those that the Bank was notified of in writing.

### **XII.2 Effects of representations and affirmations**

The above representations and affirmations are made on the date of this Agreement. The Client shall immediately notify the Bank if any of the representations and affirmations have ceased to be true, complete or not misleading or, when so permitted by the nature thereof, valid and effective.

## **XIII. Material Facts and measures taken by the Bank**

### **XIII.1 Material Facts**

Material Facts shall mean any of the following:

#### **Failure to discharge any of the due financial debts under the Agreement**

- a) the Client failed to pay any of its due financial debt related to the Agreement by the relevant due date;

#### **Breach of obligations by the Client or the Guarantor**

- b) the Client breached any obligation stipulated in the Agreement or these Credit Conditions or any obligation arising from any other agreement concluded with the Bank, unless such breach is explicitly specified as a Material Fact under any other point of this Article XIII.1 of the Credit Conditions or in the Agreement; the Guarantor has breached any of its obligations vis-à-vis the Bank arising from the security documents;

#### **Deterioration of the financial situation**

- c) the Client or the Guarantor demonstrates a deterioration in its financial situation that, in the Bank's opinion, threatens the recoverability of the Credit or the due and prompt fulfilment of other financial debts of the Client vis-à-vis the Bank;

#### **Devaluation in the value of assets**

- d) without the Bank's prior written consent, the Client has significantly reduced the value of its assets, in particular a transfer (whether contractual or not) of substantial part of the assets to a third party has occurred, or by burdening its assets or a substantial part thereof with rights in rem in favour of third parties, or otherwise transferring, encumbering, or disposing of by other means, according to the reasonable opinion of the Bank, a substantial part of its business, whether in terms of volume or profit, or otherwise factually or legally, in the Bank's view, substantially devalued its assets;

### **Non-standard transactions**

- e) without the Bank's prior written consent, the Client has disposed of its assets in a manner other than that which is ordinary and usual in the particular area of business, or entered into a commercial or other agreement under conditions which are other than usual or ordinary;

### **Devaluation of security**

- f) in the Bank's reasonable opinion, the security of the receivables, or as case may be the debts towards the Bank, under the Agreement worsened, became terminated or reduced in value, or such disposal of a pledge or other security, which complicates or obstructs the satisfaction of the Bank from such security, has occurred;

### **Insolvency, judicial or execution proceedings against the Client, the Guarantor or any member of the Group**

- g) an insolvency petition has been filed or bankruptcy has been declared in respect of the assets of the Client or the Guarantor or any member of the Group, or the liquidation of the Client has been initiated, or any judicial, arbitration or execution proceedings or any other similar proceeding before the authority of any jurisdiction have been commenced against the Client (with the exception of petitions documented to the Bank by the Client as, in terms of legal conditions, manifestly groundless or have been filed arbitrarily or intentionally and provided that the Client, the Guarantor or the respective member of the Group, is taking all appropriate measures to ensure that such petitions are dismissed or refused without delay, whereas it is left to the Bank's discretion to decide whether the relevant petition is groundless, arbitral or intentional and whether all appropriate measures are being taken);

### **Criminal prosecution**

- h) criminal prosecution has commenced against the Client or against its statutory body, a member of its statutory body or a member of the Client's supervisory board (if the Client is a legal entity), or any of the above-stated persons has been conclusively convicted of a criminal act;

### **Material breach of the Client's or Guarantor's obligations vis-à-vis third parties**

- i) the Client or the Guarantor has materially breached its obligations vis-à-vis a third party in such a way that it could, in the Bank's reasonable opinion, significantly threaten the fulfilment of the obligations under the Agreement or under any of the security documents;

### **Untrue or incomplete representations or warranties of the Client or the Guarantor**

- j) any of the representations or warranties (or guarantees) of the Client set out in the Agreement or in the Credit Conditions or in relation thereto (especially in any security document) or any of the representations or warranties (or guarantees) of the Guarantor set out in any security document is untrue, incomplete or misleading or, when so allowed by the nature thereof, ineffective on the day it was made;

### **Failure to discharge other due debts vis-à-vis the Bank, insolvency**

- k) the Client or any member of the Group or the Guarantor

has failed to pay any of its due financial debts vis-à-vis the Bank (not listed under letter a) of this Article XIII.1 of the Credit Conditions) or other Financial Institution, or has declared insolvency or has submitted motion to declare a moratorium on debt repayment or, in respect of the Client, any member of the Group or the Guarantor, such changes have occurred that they may, in the reasonable opinion of the Bank, cause an adverse impact on the Client's ability to repay the granted Credit or to discharge other financial debts of the Client vis-à-vis the Bank;

**Non-compliance with the purpose of the Credit**

- l) the Client used the Credit, or any part thereof, in contradiction with the purpose of the Credit set out in the Agreement;

**Substantial change in the scope of business**

- m) without the Bank's prior written consent, the scope of business of the Client has been substantially enlarged or other substantial changes in the scope of business of the Client have occurred or the Client's business activities have been terminated;

**Violation of financial covenants**

- n) the financial covenants set out in the Agreement have not been complied with; in the event of any change in the title of the financial covenant under the Agreement and/or its content expressed in words and/or its content expressed in the rows of the relevant accounting statement, the financial covenant set out in the Agreement is deemed the financial covenant of the same content expressed in words, regardless of its title or content expressed in the rows of the relevant accounting statement;

**Changes in the Group's structure**

- o) without the Bank's prior written consent, changes in the Controlling Entity of the Client or the Controlled Entity of the Client have occurred;

**Conflict between the foundation document and the law**

- p) the foundation agreement, the foundation deed, the memorandum of association, the articles of association or another corporate document of the Client is in conflict with law, and this deficiency is not remedied within statutory time limits;

**Non-conclusion, invalidity or ineffectiveness of security documents**

- q) any security document has not been concluded, lost its validity of effectivity or has not come into force or effect within the time limit set out in the Agreement or in another security document;

**Preferential treatment of other creditors**

- r) the Client has not secured the equitable and fair treatment of the Bank under the Agreement in comparison with other creditors of the Client, which are not given priority under the law, the Client, in particular, gives priority to payments made to other creditors over the settlement of debts to the Bank or it provided some creditors with more advantageous rights and security than those provided to the Bank under the Agreement;

**Material adverse change**

- s) a certain circumstance or set of circumstances has occurred and caused a material change in the conditions which were in place at the time of conclusion

of the Agreement, or any other material fact has occurred which could, in the reasonable opinion of the Bank, have a material adverse effect on the economic or financial situation of the Client or the Guarantor, the value of its assets or on the ability or possibility to fulfil its obligations under the Agreement (e.g. any, for the Bank, adverse changes in the ownership structure or in the composition of the statutory bodies, management or supervisory board of the Client or any member of the Group occur), or an agreement material for the Client's business (e.g. a silent partnership agreement, an exclusive commercial representation agreement, an association agreement) has been concluded without the prior written consent of the bank;

**Unauthorized substantial investment**

- t) without the Bank's prior written consent, a substantial investment has been made that exceeds 15 per cent (%) of the Client's balance sheet value, unless another limit is set in the Agreement;

**Unauthorized transformation or other similar transaction**

- u) without the Bank's prior written consent, the termination, cancellation, transformation or change of the legal form of the Client or any member of the Group has occurred or the enterprise of the Client or any member of the Group, or a part thereof, has been transferred (whether contractually or not) or leased, or steps have been taken towards the termination, cancellation, transformation or change of the legal form of the Client or any member of the Group or towards the transfer (whether contractual or not) or lease of the enterprise of the Client or any member of the Group, or a part thereof; in particular if, without the Bank's prior written consent, there is a merger, consolidation or another form of amalgamation, a transfer of assets to a partner, a division of the Client or any member of the Group, a decrease in its registered capital or if there are steps taken towards a merger, consolidation or another form of amalgamation, a transfer of assets to a partner or a division of the Client or any member of the Group or a decrease in its registered capital;

**Unauthorized termination of the Current Account at the Bank**

- v) without the Bank's prior written consent, the Client has terminated the agreement on the Current Account or other current accounts at the Bank, that certain obligations of the Client under the Agreement or under relevant security documents relate to, by notice of termination, withdrawal or another unilateral act;

**Unauthorized disposal or encumbrance of the financed assets**

- w) without the Bank's prior written consent, the Client has carried out any conduct resulting in the disposal or encumbrance of the subject matter of the financing of the Credit in favour of a third party, or directly leading thereto;

**Unauthorized lending**

- x) without the Bank's prior written consent, the Client as creditor has entered into a credit agreement, a loan agreement, an agreement on the provision of a credit or loan (including an increase in already

negotiated credits and loans), a leasing agreement or factoring agreement with a third party or provided different form of financing (if a limit is stipulated in the Agreement, only the exceeding of such a limit will be deemed a Material Fact in accordance with this letter);

#### **Unauthorized acceptance of financing**

- y) without the Bank's prior written consent, the Client as debtor has entered into a credit agreement, a loan agreement, an agreement on the acceptance of a credit or loan (including an increase in already negotiated credits and loans), a leasing agreement or a factoring agreement with a third party or other form of the financing of the Client has occurred (if a limit is stipulated in the Agreement, only the exceeding of such a limit will be deemed a Material Fact in accordance with this letter);

#### **Unauthorized provision of security**

- z) without the Bank's prior written consent, the Client has provided any kind of security to a third party for its own debts or for the debts of another entity, i.e. especially a pledge, security transfer of rights, suretyship, a letter of indemnity, the escrow and blockage of funds, the blockage of insurance benefits, accession to obligations, a wage deduction authorization agreement, the subordination of obligations, a notarial record on direct enforcement, the issuance, acceptance or co-acceptance of a bill of exchange, or issued an order to a third party to provide security of any kind for its own debts or for the debts of another entity (e.g. issuing a financial guarantee) (if a limit is stipulated in the Agreement, only the exceeding of such a limit will be deemed a Material Fact in accordance with this letter);

### **XIII.2 Measures taken in the event of the occurrence of a Material Fact**

In the event that any of the Material Facts referred to in Article XIII.1 of the Credit Conditions and/or in the Agreement occurs, the Bank is authorised (even without notifying the Client in advance) to take one, more than one, or all of the following measures:

- a) to request the Client to rectify the situation that constitutes a Material Fact within the time limit notified to the Client by the Bank in its request, without the Bank being obliged to make such a request before taking any of the measures listed under letters b) through m) below, and without the fact that the Bank has made such a request limiting in any way whatsoever the Bank's right to take any of the measures referred to under letters b) through m) below;
- b) to deny the Client the drawdown of the Credit or the provision of other Banking Products;
- c) to terminate the provision of the Credit or the provision of other Banking Products with immediate effect upon the delivery of the notice of termination to the Client, unless a later effective date of termination is expressly specified in the notice;
- d) to request additional security for the Client's debts vis-à-vis the Bank under the Agreement or in relation thereto;
- e) to declare the Client's debts for repaying the Credit, including appurtenances thereof, as well as any other

- f) debts of the Client under the Agreement or in relation thereto, as immediately due and payable;
- f) to withdraw from the Agreement with immediate effect upon the delivery of the notice of withdrawal to the Client, unless a later effective date of withdrawal is expressly specified in the notice, and to request a repayment of the Credit, including appurtenances thereof, and other debts under the Agreement or in relation thereto, whereas, by withdrawing from the Agreement, the monetary receivables of the Bank vis-à-vis the Client which have arisen and/or will arise under the Agreement (including future receivables and/or conditional receivables) do not cease to exist, nor does the Client's obligation to pay the interest in the amount set out in the Agreement to the Bank until the full repayment of the principal cease to exist, and, moreover, the security of these receivables does not cease to exist. By withdrawing from the Agreement, all of the Client's rights to any additional fulfilment under the Agreement cease to exist. In the event of a withdrawal from the Agreement, the Client is not entitled to any refundation of any amounts paid to the Bank under the Agreement prior to the withdrawal, including any fees, contractual penalties, charges for services and other payments under the Agreement;
- g) to withdraw from all agreements on Banking Products entered into between the Client and the Bank or to terminate these agreements with immediate effect upon the delivery of the notice of withdrawal or termination to the Client, unless a later effective date of withdrawal or termination is expressly specified in the notice of withdrawal or termination, whereas that which is stated above under letter f) applies *mutatis mutandis* to the effects of withdrawal;
- h) to enforce any of the security of the Client's debts under the Agreement;
- i) not to pay to the Client or any third party any funds from the Current Account or other bank accounts of the Client maintained at the Bank up to the amount of all unpaid receivables of the Bank from the Client (including future receivables and/or conditional receivables);
- j) to set off all of its receivables (due or not due) from the Client against all receivables of the Client vis-à-vis the Bank, regardless of their form (the manner of deposition) or the currency in which they are denominated. It is explicitly agreed that, for the set-off, the Bank may also use any undue receivables of the Client vis-à-vis the Bank or receivables of the Client from deposits, including receivables from its accounts;
- k) to increase the interest rate stipulated in the Agreement up to the current rate of default interest specified in Article VI.7 of the Credit Conditions;
- l) for the purpose of securing the Client's debts under the Agreement, to retain all movables and securities of the Client that the Bank has at its disposal.

### **XIII.3 Duty to provide cooperation**

The Client is obliged to provide the Bank with any cooperation required in order to adopt all the measures referred to in Article XIII.2 of the Credit Conditions.

## **XIV. Publication and changes to the Credit Conditions**

### **XIV.1 Availability of the Credit Conditions**

The Client will receive a copy of the Credit Conditions together with the Agreement as they constitute an integral part thereof. The current version of the Credit Conditions is available to any Client at the Bank's Points of Sale during normal business hours and in electronic form on the Bank's Website.

### **XIV.2 Bank's entitlement to propose a change to the Credit Conditions**

The Bank is entitled to propose to the Client, at any time, a change to the Credit Conditions in the manner set forth in Articles XIV.3 through XIV.5 below. The Bank is entitled to propose a change to the contractual terms and conditions to the Client especially for the following reasons: (i) evolution of Banking Services, (ii) changes in legislation, (iii) evolution on the market of investment and banking services, including the evolution of market practice, and/or progress on markets influencing the provision of Banking Services, (iv) the fulfilment of the obligation to carry out the Bank's activity prudently, (v) changes in technologies and organizational processes of the Bank. The areas subject to change may include, in particular: (i) the manner of establishing, modifying and terminating any contractual relationships, (ii) the rules relating to communication and the manner of mutual dealings, (iii) the scope of reporting duties, (iv) the conditions of the availability and content of the Banking Services, deadlines for the provision thereof, (v) the structure and amount of the fee for the provided Banking Services, including payment terms.

### **XIV.3 Notice of proposed changes to the Credit Conditions**

The Bank will notify the Client of the proposed changes to the Credit Conditions within a period of at least two (2) months prior to the day when the proposed changes are to come into effect. The Bank will notify the Client of the proposed changes to the Credit Conditions predominantly via the Electronic Channel, especially using the Electronic Box. A Client, who does not have an Electronic Box, and the Bank simultaneously has no contact details pertaining to another Electronic Channel, which would enable the delivery of the notice of the proposed changes to the Credit Conditions, will be notified of the proposed changes to the Credit Conditions by the Bank in writing. The Client is entitled, prior to the effective date of the proposed changes to the Credit Conditions, to reject the proposed changes by a written notice delivered to the Bank. If the Client does not reject the proposed changes to the Credit Conditions in the above-specified manner prior to the relevant effective date, the proposed changes will be deemed accepted and the Credit Conditions will be deemed approved by the Client. The Bank shall notify the Client of this consequence in the notice of the proposed changes to the Credit Conditions.

### **XIV.4 Rejection of changes to the Credit Conditions**

If the Client provides the Bank with a written rejection of the proposed changes to the Credit Conditions by the effective date of the proposed change at the latest, the Client's rejection will be considered as the termination of

an obligation under each Agreement entered into with the Client falling within the criteria set out in section 1752 of the Civil Code, which is affected by the proposed changes to the Credit Conditions, in relation to the Bank with effect from the effective date of the proposed changes to the Credit Conditions. The Client's rejection of the proposed changes in the Credit Conditions is without prejudice to any other legal relations between the Client and the Bank. In respect of the Agreements concluded by the Client not falling under the regime of section 1752 of the Civil Code (i.e. which do not represent agreements concluded by the Bank in the course of its ordinary business operations with a higher number of entities and which obligate parties, on a long-term basis, to a recurring performance of the same kind), the Client's rejection of the proposed changes to the Credit Conditions is not considered as the termination of an obligation under such Agreement and the Client remains to be bound by the existing version of the Credit Conditions; however, in such a case, the Bank may terminate an obligation under such Agreement by a written notice delivered to the Client with a two (2)-month notice period from the date of delivery of the notice to the Client.

### **XIV.5 Credit Conditions amendment reflecting changes in legislation**

In the event of any changes in legal regulations governing the legal relations between the Bank and the Client established in the Credit Conditions and the relevant provisions of the Credit Conditions are no longer compatible with the respective legal provisions, the Bank and the Client will be governed by and subject to the applicable legal regulation, as amended. The procedure described under Articles XIV.3 through XIV.4 of the Credit Conditions will not apply to any changes to the Credit Conditions that are based only on the adaptation of their content to the respective provisions of legal regulations according to the previous sentence, nor to any other changes to the Credit Conditions that are only of a mechanical or administrative nature. By accepting these Credit Conditions, the Client takes into account, to the said extent, all potential changes to the Credit Conditions in advance and in accordance with the previous sentence and agrees thereto. In such cases, the Bank will only notify the Client of the respective change to the Credit Conditions.

## **XV. Final provisions**

### **XV.1 Legal regulation of the Credit Conditions**

These Credit Conditions constitute business terms and conditions in accordance with section 1751 of the Civil Code and determine a part of the content of the Agreement.

### **XV.2 Exclusion of certain provisions on adhesion contracts**

The provisions of section 1799 and section 1800 of the Civil Code relating to adhesion contracts will not apply to the Agreements.

### **XV.3 Amendment to Agreements on Current and Deposit Accounts**

The provisions of the Agreement and/or the Credit Conditions regarding the Client's bank accounts maintained at the Bank represent an amendment to any current account

agreement(s) and deposit account agreement(s) entered into between the Client, as client, and the Bank, as bank, in relation to all bank accounts of the Client with the Bank.

#### **XV.4 Interbank information system**

The Client acknowledges that, within the interbank information system, the Bank is entitled to disclose data characterising the Client as well as the extent of its financial debts under transactions concluded with the Bank.

#### **XV.5 Governing law**

Unless the Bank and the Client agree otherwise in writing, all contractual relationships between the Bank and the Client are governed by the laws of the Czech Republic.

#### **XV.6 Severability clause**

Should any provision of these Credit Conditions or any part thereof be or become invalid, ineffective, ostensible or unenforceable, the validity, effectiveness or enforceability of the remaining provisions of these Credit Conditions will remain unaffected. In such a case, the legal relations which were or should have been affected by such an invalid, ineffective, ostensible or unenforceable provision of these Credit Conditions will be subject to relevant legal provisions which correspond as closely as possible to the intention of the parties as apparent from such an invalid, ineffective, ostensible or unenforceable provision of these Credit Conditions.

In the event that one or more of the provisions of the Agreement (excluding the Credit Conditions and the General Business Conditions) are deemed to be partially or in their entirety invalid, ineffective, ostensible or unenforceable, the other provisions of the Agreement will remain in full force and effect. The contractual parties undertake, within twenty (20) days after the delivery of a draft to the other contractual party, to replace the invalid, ineffective, ostensible or unenforceable provisions with provisions that are valid, effective, not ostensible and enforceable and that have, to the greatest extent possible, the same economic and legal meaning and effect as the purpose of the provisions that are to be replaced.

#### **XV.7 Transition to the Euro**

In the event that debts or receivables under the Agreement are denominated in CZK and the euro is introduced as the legal currency of the Czech Republic, such debts or receivables in CZK shall be redenominated as debts or receivables in the euro, all in accordance with applicable generally binding legislation as of the date of introduction of this currency and after the relevant transitional period, converted on the basis of the official exchange rate. In such a case, PRIBOR will be replaced by €STR (in the case of Credits with an Interest Period of 1 day, as stipulated in the relevant Agreement) or EURIBOR (in other cases).

#### **XV.8 Transition to the interest rate SOFR**

If there is an application of the interest rate LIBOR for interest on receivables in USD, or as case may be USD LIBOR, agreed in the Agreement, it holds that in such case shall be instead of interest rate LIBOR, or USD LIBOR, the interest rate SOFR applied, commencing by the nearest **following** Interest period **following 1<sup>st</sup> June 2023**.

#### **XV.9 Transition to the interest rate SONIA**

If there is application of the interest rate LIBOR for interest on receivables in GBP, or as case may be GBP LIBOR, agreed in the Agreement, it holds that in such case shall be instead of interest rate LIBOR, or GBP LIBOR, the interest rate SONIA applied, commencing by the nearest **following** Interest period **following 1<sup>st</sup> June 2023**.

#### **XV.10 Transition to the interest rate SARON**

If there is application of the interest rate LIBOR for interest on receivables in CHF, or as case may be CHF LIBOR, agreed in the Agreement, it holds that in such case shall be instead of interest rate LIBOR, or CHF LIBOR, the interest rate SARON applied, commencing by the nearest **following** Interest period **following 1<sup>st</sup> June 2023**.

#### **XV.11 Transition to the interest rate ESTR**

If there is application of the interest rate EONIA for interest on receivables in EUR agreed in the Agreement, it holds that in such case shall be instead of interest rate EONIA the interest rate ESTR applied, commencing by the nearest **following** Interest period **following 1<sup>st</sup> June 2023**.

#### **XV.12 Exclusion of certain provisions of the General Business Conditions**

The following provisions of the General Business Conditions will not apply to the Agreements:

- a) Article 14.2. (the Termination Notice Effectiveness),
- b) Article 14.3. (Conditions of Withdrawal from the Agreement by the Bank),
- c) Article 14.4. (Method and Effects of Withdrawal from the Agreement by the Bank).

#### **XV.13 Dispute resolution**

Unless otherwise agreed in the Agreement, any and all disputes arising in connection with the Agreement, including disputes on the conclusion of the Agreement, its validity and the rights and obligations of the contractual parties under the Agreement, will be resolved by the relevant courts of the Czech Republic.

#### **XV.14 Effectiveness of the Credit Conditions**

These Credit Conditions come into effect on ~~1<sup>st</sup> July 2023~~ **1<sup>st</sup> February 2024**.

Raiffeisenbank a.s.