

Credit Terms and Conditions for Natural Persons (Business) and Legal Persons

This English version of the contractual document is for information only and is not legally valid. In the event of any discrepancies between the Czech and English versions, the Czech version shall prevail.

You will find below the full wording of the document with all its changes. We have marked all changes in the wording in order to make the document clearer for you. We have added the wording *marked like this* and removed the ~~crossed-out wording~~.

1. Introductory Provisions

- 1.1 **Scope of Regulation.** The Bank's Credit Terms and Conditions for Natural Persons (Business) and Legal Persons (hereinafter the "**Credit Conditions**") represent Product Terms and Conditions as envisaged by the General Business Terms and Conditions (hereinafter "**General Conditions**"). The Credit Conditions and General Conditions form part of the Contract. The Client shall be obliged to familiarize himself/herself/itself with them and comply with them.
- 1.2 **Defined Terms.** Capitalised terms used herein shall have the meaning as defined in Article 18 of these Credit Conditions.

2. Forms of the Credit

- 2.1 These Credit Conditions apply to the following forms of Credits:
- a) Overdraft Credit;
 - b) Short-Term Credit;
 - c) Intermediate Credit;
 - d) Long-Term Credit;
 - e) Revolving Credit;
 - f) Mortgage Credit;
 - g) Other forms described in a Contract.

3. Purpose of the Credit

- 3.1 The Client shall be obliged to use the Credit exclusively for the purpose agreed in the Contract. The Client shall be obliged to demonstrate at any time upon the Bank's request that it used the Credit, or has been still using such a Credit, for the purpose agreed in the Contract.

4. Credit Facility

- 4.1 **Credit Facility.** The Credit Facility or Limit has been agreed upon in the Contract.
- 4.2 **Credit Currency.** The Client shall draw down the Credit preferably in the Credit Currency.
- If the Credit is agreed in CZK and the Client requests for the Drawdown in the foreign currency, the "deviza prodej" Rate (foreign currency selling rate – cashless) valid on the Drawdown date shall be applied for the conversion of the currency of the Drawdown to the Credit Currency, unless agreed otherwise between the Client and the Bank in advance.
- If the Credit is agreed in the foreign currency and the Client requests for the Drawdown in the currency other than the Credit Currency, for the conversion of the currency of the Drawdown to the Credit Currency (i) in case of the Drawdown in CZK the "deviza nákup" Rate (foreign currency buying rate – cashless) valid on the Drawdown shall be applied for the conversion, (ii) in case of the Drawdown in other foreign currency the conversion through CZK pursuant the "deviza nákup" Rate (foreign currency buying rate – cashless) and the "deviza prodej" Rate (foreign currency selling rate – cashless) valid on the Drawdown shall be applied, unless agreed otherwise between the Client and the Bank in advance.
- If the Client requests the Drawdown in the Credit Currency to the Current Account denominated in other currency, the above stated method shall be applied accordingly for the conversion of the currency of the Drawdown to the currency of the Current Account.

If the Client requests the Drawdown in other currency than the Credit Currency to the Current Account denominated in the Credit Currency, the Bank shall transfer to the Current Account the amount in the Credit Currency determined by the above stated method.

- 4.3 The Client shall be entitled to draw down the Credit up to the Credit Facility or up to the Credit Limit.
- 4.4 **Exceeding the Credit Facility.** Should the outstanding amount of the Credit be in excess of the Credit Facility, or the Limit, for any reason, such part of the principal shall immediately become due and payable. The Bank shall be entitled to demand the Client to pay default interest for such amount until it repays this part of the Credit principal. The amount of default interest shall be set forth in the relevant Notice on Interest Rates.

5. Drawdown of the Credit

- 5.1 **Drawdown of the Credit.** The Client shall be entitled to draw down the Credit, at the earliest, on the Business Day that follows after the date at which it meets the Conditions Precedent to the Drawdown. The Client and the Bank may agree that the Credit may be draw down on the Business Day on which the Client has met all the Conditions Precedent to the Drawdown. The Client may draw down the Credit either in a form of a lump sum or successively. The Overdraft Credit and Revolving Credit may be drawn down repeatedly. The Credit is considered provided as soon as the respective amount is deducted from the Bank's funds in favour of the Client.
- 5.2 **Drawdown of the Overdraft Credit.** The Bank shall provide the Drawdown by making the Client enable to draw down the funds from Current Account up to the debit balance, if the Client has the Current Account denominated in the Credit Currency kept by the Bank.
- 5.3 **Drawdown of the Short-Term, Middle-Term, Long-Term, Revolving and Mortgage Credit.** The Bank shall provide the Drawdown based on a submitted Application, the specimen thereof is annexed to the Contract, or based on an Application sent to the Bank through the direct banking channels. The Client shall submit the Application, duly completed and signed, to the Bank not later than two Business Days before the demanded Drawdown date, unless the Client and the Bank agree on a shorter period of time. The submitted Application cannot be modified or cancelled without the Bank's prior consent. In case the Application fails to meet requirements set forth in the Contract, the Bank shall not provide the Drawdown and shall notify the Client of this fact within 2 Business Days after the delivery of the Application, at the latest. The manner of the Drawdown is set forth in the Contract.

6. Conditions Precedent to the Drawdown

- 6.1 **Conditions Precedent to the First Drawdown.** The first Drawdown shall be provided on the condition that:
- The Client has paid to the Bank the fee for provision of the Credit or another fee for arranging the Credit as set out in the Contract;
 - The Client has provided the Bank with documents proving that the Client's authorised body (e.g., general meeting, supervisory board, municipal council) had granted its prior consent to the execution of the Contract, if such a consent is required by legal regulations, or decision of other persons or public administration authorities of relevant jurisdiction authorising the Client to execute the Contract;
 - The Client has proved to the Bank that the Client's debts arising under the Contract and in relation to the Contract and to the provision of the Credit have been provided;
 - The Client has provided the Bank with other documents as stated in the Contract,
- all of the above in the form and contents satisfactory for the Bank, while any and all documents submitted to the Bank shall include the required requisites or shall adequately demonstrate relevant facts.
- 6.2 **Conditions Precedent to Each Drawdown.** Each Drawdown shall be provided on the condition that:
- The Client shall confirm to the Bank in writing, either in the Application for Drawdown or in any other way, that all representations made by the Client in the Contract (including the representations stated in the Credit Conditions) are true, complete and not misleading as at the date of delivery of the Application. In the event the Drawdown is performed in the form of the Overdraft Credit, the Client shall be obliged to confirm the facts set out in the foregoing sentence in writing only if requested by the Bank to supply such confirmation;
 - As at the date of the Application delivery, neither an Event of Default is existent or threatened, nor any Event of Default shall occur as a result of the Drawdown; and
 - As at the date of the Application delivery, the Bank has received all documents it has been entitled to receive under the Contract or in relation to the Contract, and such documents have the form and content satisfactory for the Bank.
- 6.3 In relation to fulfilment of the Conditions Precedent to the Drawdown, the Bank is not obliged to accept any document of which it has reasonable doubts concerning its authenticity or correctness.

7. Compounding of Interest; Change of Currency

- 7.1 **Compounding of Interest.** Unless stated otherwise, interest arising from the Contract shall be calculated on the basis of the actual number of days / 360 days, except for AUD, GBP and JPY and with exception for a computation of the interest for an Overdraft Credit to which the calculation method using the actual number of days / actual number of days shall be applied. The Client is obliged to pay interest to the Bank from the date of provision of the funds to the date of return such provided funds. Interest shall be compounded on the actually drawn amounts.
- 7.2 **Change of the Floating Rate.** In case of a market disruption as defined below in this paragraph the Bank shall be entitled to alter the structure of the interest rate from IBOR to an alternative interest rate which shall reflect the costs of the Bank incurred for obtaining the sources for financing of the Credit. The alternative interest rate is ORR KB (KRS KB) for the Overdraft Credit in CZK and or RR KB (RS KB) in the Credit Currency for other credits and currencies whereas the minimum amount of the alternative interest rate shall be zero (0).
- The market disruption shall mean such market situation that on relevant day the costs of the Bank for obtaining the sources (deposits) on inter-bank market exceed the relevant quoted value of IBOR or the relevant value of has not been quoted at all. In case of the Overdraft Credit or Revolving Credit the market disruption shall mean also such a market situation that on relevant day any of values of IBOR quoted for a shorter period is higher than any of values of IBOR quoted for longer period.
- The Bank is entitled to modify the structure to the original market rate after the market disruption defined above in this paragraph 7.2 has elapsed.
- The Bank shall inform the Client in writing on a performed modification without undue delay.
- 7.3 **Interest on the Overdraft Credit.** The Bank shall debit interest on the drawn principal of the Overdraft Credit to the Client's Current Account on a monthly basis, at each last day of the calendar month for which interest is charged. The Bank shall be entitled to adjust the ORR KB (KRS KB) or RR KB (RS KB) rate, providing the rate has been arranged, with regard to the market rate development.
- If the amount of the fixed interest rate for calculation of the interest is stated in the Notice on Interest Rates, the Bank is entitled to modify it based on the market development, costs of the Bank and other external circumstances. The Bank will inform the Client on modification of the amount of the fixed interest rate in advance, at least 1 month prior to its effectiveness. The Client is entitled to reject the proposed modification and to terminate the Contract for this reason, with an immediate effectiveness in a manner agreed in the Contract, by the Business Day preceding the effectiveness date of the proposed modification, at the latest. In case that the Client will not reject the proposed modification in a manner as stated and will not terminate the Contract for this reason, it shall be deemed that the Client shall accept the proposed modification as of the proposed effectiveness date. Throughout the period of an Overdraft Credit, the computing method of actual number of days / actual number of days shall be valid also for calculation of credit interest on the Current Account.*
- 7.4 **Interest on the Short-Term, Intermediate, Long-Term Credits.** Interest on the drawn principal of the Credit shall be debited to the Client's Current Account and shall be due as at the dates agreed in the Contract. The last repayment of interest shall take place as at the Final Due Date. The Client expressly agrees with the Bank's right to adjust the RR KB (RS KB) rate for the Credit Currency, if such rate has been agreed, with regard to the market rate development.
- 7.5 **Interest on the Revolving Credit.** Interest on the drawn principal of the Revolving Credit shall be debited to the Client's Current Account kept with the Bank and shall be due as at the dates agreed upon in the Contract. The last repayment of interest shall take place as at the Final Due Date. The Client expressly consents to the Bank's right to adjust the ORR KB (KRS KB) or RR KB (RS KB) rate, if such rate has been agreed, with regard to the market rate development.
- 7.6 Cancelled.
- 7.7 **Interest on the Mortgage Credit.** Interest on the drawn principal of the Credit shall be debited to the Client's Current Account and shall be due as at the dates agreed in the Contract.
- 7.8 **Interest Rate Reduction.** The Bank is entitled to reduce the interest rate at its discretion, with immediate effect and for a period of time set forth by the Bank. The Bank is obliged to inform the Client about such reduction without delay by registered letter.
- 7.9 **Change of Currency – Introduction of EURO.** Any amount under the Contract set out or payable in the currency of an EU member state (hereinafter the "**National Currency Unit**") shall be automatically considered as an amount set out or payable in the Common European Currency as of the date at which the National Currency Unit of the respective country is replaced with the Common European Currency in accordance with the applicable law of the European Union or the law of the respective member state.

- 7.10 **Replacement of reference rates.** Without prejudice to any other provisions of the Contract (in particular Article 7 paragraph 7.2 of the Credit Conditions), if one or more of the following events has occurred in relation to the published reference rates (e.g. EURIBOR) or other reference rates used in the Contract:
- A public statement or publication of information by or on behalf of the regulatory supervisor of that reference rate administrator stating that said administrator has ceased or will cease to provide that reference rate permanently or indefinitely provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide that reference rate;
 - A public statement or publication of information by or on behalf of that reference rate administrator stating that said administrator has ceased or will cease to provide that reference rate permanently or indefinitely provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide that reference rate;
 - A public statement by the supervisor of that reference rate administrator that, in its view, that reference rate is no longer representative, or will no longer be representative, of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of that reference rate administrator;
 - It has become, for any reason, unlawful under any law or regulation applicable to the contractual parties of this Contract to use that reference rate;
 - The reference rate is permanently no longer published without a previous official announcement by the competent authority or the administrator;
 - The methodology, formula or other means of determining that reference rate (as defined by e.g. European Money Markets Institute) has materially changed;
- the Replacement Reference Rate will replace that reference rate. Such Replacement Reference Rate will become effective on the date the reference rate ceases or becomes non-representative or as determined by the Bank. The Bank will calculate a spread adjustment to reduce or eliminate any transfer of economic value from one contractual party to the other party as a result of the application of the Replacement Reference Rate and if any adjustment or method for calculating any spread adjustment has been formally determined or recommended by the relevant administrative or regulatory body, the spread adjustment shall be determined on the basis of that determination or recommendation.
- 7.11 **Commitment fee.** *In case of the commitment of the Bank to provide the Credit under the terms and conditions stated in the Contract, the Bank is entitled, during the Drawdown Period, to charge the Client the commitment fee equal to the undrawn Credit in the amount stated in the Contract, or in the Tariff of Fees or Pricelist. The undrawn Credit shall mean the daily amount of the difference between the Credit Facility and the drawn principal of the Credit; the undrawn principal of the Overdraft Credit or Revolving Credit shall mean the daily amount of the difference between the Limit, or the Current Limit, and the drawn principal of the Overdraft Credit or Revolving Credit.*
- For purpose of calculation of the commitment fee, the interest computing method of actual number of days/actual number of days shall be used. In case of the Credit provided in CZK, the calculated fee shall be rounded to whole Crowns (CZK) according to general rules and, in case of the Credit provided in the foreign currency, to two decimal places in accordance with general rules. The commitment fee shall be settled monthly starting from the effective date of the Contract.*
- 7.12 **Fee for administration.** *The fee for administration of the Credit shall be charged monthly starting from the effective date of the Contract for each month, even month commenced, in the amount stated in the Contract, or in the Tariff of Fees or Pricelist.*
- 7.13 **Fee for implementation.** *The fee for implementation shall be determined from the volume of the Credit and shall be paid at once in case of the Credit for the definite period of time; in case of the Revolving Credit or Overdraft Credit for an indefinite period of time, the fee shall be paid regularly for the agreed period, e.g. annually.*
- 7.14 **Other fees.** *The Client is obliged to pay to the Bank any and all other fees stated in the Contract, or in the Tariff of Fees or Pricelist, in the amount and time periods stated in the Contract, Tariff of Fees or Pricelist.*
- 7.15 **Due dates of the fees.** *Unless stated otherwise in the Contract, Tariff of Fees or Pricelist, the fees shall become due as at the last day of the calendar month for which the fee is payable, but not later than within 5 Business Days after the end of the month.*

8. Repayment

- 8.1 **Repayment Currency; Foreign-Exchange Risk; Institution of Insolvency Proceedings.** The Client is obliged to repay the Credit at the dates and in the manner agreed upon in the Contract and in the Credit Currency and without any reduction due to the set-off, counterclaim or a legal action with similar effects. If the Bank enables the Client to repay the Credit in other currency, the Client shall bear any and all foreign-exchange risk in connection

with the Credit. For the conversion, the Exchange Rate shall be used as per the Bank's exchange list valid on the conversion date; namely, the "deviza/valuta nákup" Rate (foreign currency buying rate – cashless/cash) for the conversion of a foreign currency to CZK; the "deviza/valuta prodej" Rate (foreign currency selling rate – cashless/cash) for the conversion of CZK to a foreign currency. The conversion of a foreign currency to another foreign currency shall be done through CZK using the procedure defined in the foregoing sentence of this Article.

The Client and the Bank have agreed that as of the date when declaration of bankruptcy of the Client becomes effective, the Credit is due regardless of the Due Date.

In case of termination of the Contract for the reasons stated in the General Conditions, the Credit shall become due and payable as of the date of termination of the Contract, irrespective of the Due Date or Final Due Date. In such case, the Client shall be obliged to pay compensation for the early repayment (prepayment) of the Credit.

- 8.2 **Execution of Payments to the Debit of the Client's Account.** The Client is obliged to ensure that sufficient funds are available on its accounts kept by the Bank at the due dates of relevant interest, principal, repayments of the principal, and Client's other financial debts in accordance with the Contract. The Client and the Bank have agreed that the Bank is entitled to encumber, without the Client's order (consent), its accounts kept by the Bank by debiting to them payments set out in the previous sentence, unless agreed otherwise.

The Client shall not be released from its liability for its debts arising under the Contract nor its debts arising under the Contract shall be decreased should the Bank fail to execute the respective payment to the debit of some of the Client's accounts kept by the Bank at the relevant Due Date.

A statement from the Bank's accounting books shall be considered as sufficient evidence of the debt arising under the Contract, except for cases of a manifest error.

If the Client and the Bank have agreed the automatic repayment of the installments of the Credit principal and interest by a transfer from the Client's Current Account and such a repayment falls on a Business Day, except for Mondays, the Bank is entitled to refrain from releasing the Client's funds on the Current Account up to the amount of the respective instalment of the Credit principal and interest starting at 00:00 of the day on which falls a repayment of installments of the Credit principal and interest. If such repayment falls on a Monday or a day which is not a Business Day, the Bank is entitled to refrain from releasing the Client's funds on the Current Account up to the amount of Credit principal and interest starting at 00:00 of the day immediately following after the last Business Day before the day on which falls the repayment of installments of the Credit principal and interest.

- 8.3 **Order of Remittance of Debts.** If the Client is obliged to satisfy several due debts arising under the Contract and/or from other commitment relationships to the Bank at the same time and the provided consideration is insufficient to satisfy all of the Client's due debts to the Bank, the consideration provided by the Client shall be used to settlement of the Client's debt to the Bank determined according to the Rules.
- 8.4 **Deductions.** Any payments made by the Client under the Contract must be without any deductions. If a deduction is required by legal regulations to be made by the Client in respect to any such payment, the Client shall be obliged to increase the respective amount so that, after the deductions are subtracted, the Bank receives an amount equal to the amount which it should obtain under the Contract.
- 8.5 **Early or Late Repayment; Default Interest.** The Client is entitled to repay the provided funds to the Bank even prematurely (early) under the terms and conditions stated in this Credit Conditions and in the Contract.

If the Client is in default in repayment of the principal or its due portion, it is obliged, commencing from the first day of the default until the date of repayment of the due amount, the Client is obliged to pay the default interest to the Bank for the amount with the repayment of which it is in default, at the amount equal to the difference between the default interest rate as stated in the relevant Notice on Interest Rates and the interest rate on the Credit. The Bank may require the default interest on the amounts with repayment of which the Client is in default under the relevant Notice on Interest Rates, commencing from the first day of the default until the date of repayment of the due amount. If, during the period of the Client's default, the default interest rate should be changed under the relevant Notice on Interest Rates or the interest rate on the Credit is changed, the amount of the default interest that the Client is obliged to pay under this provision shall also change, consequently, as of the effective date of change of the relevant interest rate. Payment of the default interest shall be without prejudice to the Client's obligation to compensate the Bank for a loss incurred as a result of the Client's default. If the Client repays the due amount within 5 calendar days after its due date, its obligation to pay default interest to the Bank shall cease to exist. The previous sentence shall not apply to the debts arising in connection with the Drawdown of the Overdraft Credit.

- 8.6 **Repayment of the Overdraft and Revolving Credit.** The Client may repay the Overdraft Credit Drawdown and Revolving Credit to the Bank at any time, however not later than by the Final Due Date. The Client shall be obliged to inform the Bank of its intention to repay the Revolving Credit or any part thereof not later than 2 Business Days before the intended repayment. This information obligation shall not be applied in case that the Client repays the Revolving Credit or any part thereof using electronic means of payment.

The Client is also be entitled to draw down the Overdraft Credit and Revolving Credit repeatedly in the course of the Drawdown Period. However, the outstanding amount of the Overdraft Credit and Revolving Credit shall not exceed the Limit.

- 8.7 **Repayment of the Short-Term, Medium-Term, Long-Term and Mortgage Credit.** The Client shall repay the Short-Term, Medium-Term, Long-Term or Mortgage Credit to the Bank as at the date/s stated in the Contract.
- 8.8 Cancelled.
- 8.9 **Prepayment or Failure to Draw the Credit in Full**
- 8.9.1 Unless agreed otherwise by the contractual parties, the Client is obliged to pay to the Bank a compensation for prepayment in case of prepayment of the entire or part of the principal of the Credit, which is agreed as an amount equal to the higher amount of the following values: (a) zero (0); and (b) the difference between the Present Value of the Original Credit and the Present Value of the New Credit.
- The Client is obliged to pay to the Bank the above stated compensation for prepayment also in the event that the Credit falls due and becomes payable before the Due Date or Final Due Date as a result of the termination of the Contract for reasons stated in the General Conditions.
- 8.9.2 Unless agreed otherwise by the contractual parties, the Client is obliged to pay to the Bank a compensation for a failure to draw the Credit in full if the Client fails to draw the Credit in full or at all, which is agreed as an amount equal to the higher amount of the following values: (a) zero (0); and (b) the difference between the Present Value of the Original Credit and the Present Value of the New Credit.
- If the remaining undrawn portion of the Credit is less than 10% of the Credit Facility and, at the same time, the original Drawdown Period has been shorter than or equal to 12 month from the day of the execution of the Contract, the Bank shall not ask the Client to pay any compensation.
- 8.9.3 If the particular Relevant Period is shorter than or equal to 365 days in a standard year and 366 days in a leap year, the discount rate for the purpose of calculation of the Present Value of the Original Credit and the Present Value of the New Credit shall be determined at the date of the prepayment of the Credit or failure to draw the Credit in full as IBOR, or the rate replacing IBOR, or the Reference Rate or O/N index swap "bid" rate or Term SOFR rate, which shall be applicable throughout the duration of the particular Relevant Period, and valid 1 Working Day before the prepayment of the Credit or failure to draw the Credit in full. If such a rate is not fixed or quoted, the last relevant rate shall be applied.
- If the respective Relevant Period exceeds 365 days in a standard year and 366 days in a leap year, the discount rate for the purpose of calculation of the Present Value of the Original Credit and the Present Value of the New Credit shall be determined as at the date of the prepayment of the Credit or failure to draw the Credit in full as the value of the "bid" swap rate in a relevant currency for the particular period, which is quoted at the Refinitiv or Bloomberg page – quotation, 1 Working Day before the early repayment (prepayment) of the Credit or failure to draw the Credit in full. If such a rate is not fixed or quoted, the last relevant rate shall be applied.

9. Security

- 9.1 **Obligation to provide Security.** If agreed in the Contract that Client's debts arising under the Contract related to the Credit shall be secured, the Client is obliged to provide the Bank with the security for its debts in a form, amount, contents, and time period requested by the Bank in the Contract. The Client shall maintain the security for the duration of any debt of the Client to the Bank arising in relation to the Contract.
- 9.2 **Scope of Security.** Unless stated otherwise in the Contract or security documentation, the security shall secure any and all Client's debts to the Bank or Bank's receivables in respect of the Client that arise, or might arise, in relation to the Contract.
- 9.3 **Proving Existence of Security.** The Client is obliged, upon the Bank's request, to prove without undue delay, that the security exists in the scope stated in the Contract.
- 9.4 **Deterioration of Security.** Should the security or any part thereof cease to exist, become ineffective, deteriorate or be disputed in any other way, the Bank, unless it applies the procedure under Article 13 paragraph 13.3 of these Credit Conditions, is entitled to ask the Client to provide additional security or replace such security with other adequate security within a period of time that, however, shall not be shorter than 10 Business Days. The Client is also obliged to provide additional security, upon the Bank's request, without delay if, as a result of a deterioration of the Client's financial or business circumstances or as a result of other circumstances, the existing security proves to be insufficient. Should the Client fail to comply with the Bank's demand pursuant to this paragraph within the stated period of time, the Bank is entitled to proceed in accordance with Article 13 paragraph 13.3 of these Credit Conditions.
- 9.5 **Transfer of Debt.** The secured debts shall not be transferred to the acquirer of the subject of security without prior written consent from the Bank.

If, after the transfer of the ownership title to the subject of security, there is a written request from the Client or provider of the security different from the Client addressed to the Bank to accept the acquirer of the subject of security as a new debtor instead of the Client, the Bank is entitled to respond to such a written request within 30 days of the delivery of the written request to the Bank.

10. Client's Obligations

- 10.1 **Maintenance of the Current Account.** Throughout the effective period of the Contract, the Client undertakes to keep the Current Account with the Bank that shall be used for repayments of the principal and interest on the Credit, fees, charges and Client's other debts to the Bank arising in relation to the provision of the Credit.
- 10.2 **Payment Domiciliation.** Throughout the effective period of the Contract, the Client is obliged to direct its payments to its Current Account, at the minimum ratio of financing provided by the Bank to the Client to the total financing provided by other financial institutions to the Client.
- 10.3 **Pari Passu Clause.** The Client undertakes that its debts under the Contract shall be at least at an equal rate (pari passu) as compared to any other of its existent and future debts, in terms of the security of such debts and the order of their satisfaction, with the exception of the mandatory provisions of legal regulations.
- 10.4 **Negative Pledge.** The Client hereby undertakes that, throughout the effective period of the Contract, without the Bank's prior written consent, it shall not transfer (including detaching it into a trust) or otherwise encumber or allow to be encumbered, lease or rent, its assets or any part thereof to a third party or provide security to a third party (except for the Persons Controlled by SG), or use its assets or any part thereof in a way that results in similar legal effects.
- Furthermore, the Client undertakes that without the Bank's prior written consent, it shall not receive or provide the credit facility or loan or issue its own bill of exchange (promissory note) or accept the bill of exchange nor enter into the contracts on the purchase of leased goods, lease contract or tenancy contract in which the Client shall be on side of the lessee or tenant. The Bank shall not withhold its consent without serious reason.
- The above limitations shall not apply to (i) transfer of the Client's assets in the regular course of business in the scope of its business or activities under the standard market terms and conditions and (ii) security of the Client's debts towards the Bank.
- 10.5 **Financial Statements.** The Client undertakes to submit the financial statements stated in the Contract to the Bank, and to do so in the period of time stated in the Contract.
- 10.6 **Information about Economic Situation and about Criminal Prosecution.** The Client is obliged to inform the Bank in writing and within the period of time stated in the Contract of its financial and economic situation and to provide the Bank, upon its request, with any additional information, in particular that concerning its activities. The Client is also obliged to inform the Bank, without undue delay, about any circumstances that have, or may have, a negative impact on its business or may cause material changes in its activities, or that threaten or may threaten due performance of the Client's debts and obligations under the Contract.
- The Client is obliged to inform the Bank, without undue delay, in writing on commencement, development or termination of the criminal prosecution conducted against the Client, on the final judgment on its conviction (sentence) or other final decision, on imposed or enforced punishment, protective or security measures. Equally, the Client is obliged to inform the Bank in writing on its previous conviction for any crime, unless it is regarded as not having been convicted. Upon the Bank's request, the Client shall provide the Bank with the extract from the Criminal Register or other document regarding its criminal prosecution. To the same extent, the Client shall inform the Bank, without undue delay, in writing if any of the above facts relate to any member of the statutory body or other person entitled to act on behalf of the Client, to a person performing managing or controlling activities or having decisive influence over the management of the Client or Client's employees and upon fulfilment of their working duties, if the crime can be attributed to the Client.
- 10.7 **Information about the Client's group and relationship to the Bank.** The Client hereby undertakes to inform the Bank, without undue delay, in writing of any facts establishing its relationship with other parties as an economically related group or making the Client a party with a special relationship to the Bank within the meaning of Act No. 21/1992 Coll., On Banks, as amended, and to update the Bank on any change to such facts.
- 10.8 **Information about Changes to Centre of Main Interests.** The Client undertakes to inform the Bank, without undue delay, in writing about the fact that its centre of main interest in accordance with the currently valid Regulation of the Council of the European Union on insolvency proceedings (the "Regulation") has changed.
- 10.9 **Insurance.** The Client hereby undertakes to have its assets (or insurable assets) duly insured throughout the whole period of effectiveness of the Contract, and to present evidence documenting this fact upon the Bank's request.

- 10.10 **Transfer.** The Client undertakes, without the Bank's prior written consent, not to assign, transfer or encumber with the rights of third parties its own rights or receivables under the Contract, or assign the Contract. Any assignment or transfer of rights or receivables or assignment of the Contract by the Client without the Bank's consent shall be deemed null and void. Furthermore, the Client undertakes, without the Bank's prior written consent, not to transfer its obligations or debts arising under the Contract to a third party.
- 10.11 **Destruction; Assignment of the Subject of Credit.** The Client is obliged to inform the Bank, without undue delay, and in writing of the fact that the Subject of Credit has been destroyed, degraded or materially damaged. The Client is also obliged to inform the Bank in writing in advance about its decision to assign or transfer the Subject of Credit to another person. In case of assignment or transfer of the Subject of Credit to another person, the Bank is entitled to proceed in accordance with Article 13 paragraph 13.3 of these Credit Conditions.
- 10.12 **Sanctions.** The Client shall not, directly or indirectly, use the proceeds of the Credit or allow these proceeds to be used (or lend, contribute or otherwise make available such proceeds to any person) to fund, participate or contribute to, any activities or business of, with or related to (or otherwise to make funds available to or for the benefit of) any person who is a Sanctioned Person. The Client shall further ensure that it shall not use any revenue or benefit derived from any activity or dealing with a Sanctioned Person for the purpose of discharging amounts owing to the Bank in respect of the Credit.
- 10.13 **Information about Changes to Representations.** *The Client is obliged to inform the Bank without undue delay about the fact that change of the facts in the representations made by the Client have or will occur or that any such representations have become inaccurate, incomplete or misleading.*

11. Other Provisions

- 11.1 **Modifications to Terms and Conditions of the Contract.** In case that the Bank should incur a material increase of costs related to the provision of the Credit to the Client as a result of changes in the relevant legal provisions applicable to the banking, monetary and financial system, and/or taxes (except for the income tax), the Bank is entitled to propose a modification of the Contract that would reflect the above changes. If the Client fails to accept the modification of the Contract proposed by the Bank within 30 calendar days from the delivery of the proposal, the Bank is entitled to proceed in accordance with Article 13 paragraph 13.3 of these Credit Conditions.
- 11.2 **Enforceability Permission.** The Client shall, with cooperation of the Bank at its request, produce a notarial deed, in wording acceptable to the Bank, containing the enforceability permission under the relevant legal regulations with regard to any Client's debts in respect of the Bank in relation to the Contract. The Bank may request that the notarial deed includes the Client's acknowledgement of its debt to the Bank.
- 11.3 **Conversion.** Following the Due Date, the Bank is entitled to convert any outstanding Credit drawn in a foreign currency into CZK using the Bank's Rate "deviza prodej" (foreign currency sell rate – cashless) as published at the conversion date and to ask the Client to settle any such converted amount in CZK.
- 11.4 **Limitation of the Payments in Case of the Default in Payment of the Natural Persons (Business).** Limitation of the amount of the interest, default interest and contractual penalties under the applicable legal regulations in case of the default in payment of the natural person (business) shall not be affected by the provisions of the Contract and Credit Conditions governing the interest and contractual penalties.

12. Representations

- 12.1 **Effectiveness of Representations.** The Client hereby makes the following representations as at the date of execution of the Contract and as at each subsequent day following the date of execution of the Contract until the full repayment of Client's all debts arising under the Contract and in relation to the Contract.
- 12.2 **Status.** The Client is a duly formed and validly existent legal person existing in accordance with the laws of the place of its incorporation. The status of the record of the Client in the Commercial Register or any other statutory register in which the Client has been registered corresponds to the facts.
- 12.3 **Permissions and Consents.** Execution of the Contract as well as exercising of rights and fulfilling obligations under the Contract, including the repayment of debts arising under the Contract to the Bank, have been duly approved by the relevant bodies within the Client's internal structure; they do not require any consent or permission to be granted by other parties or public administration agencies, or, where such requirement exists, such a consent has been granted and is valid and effective.
- 12.4 **Conformity with Existing Commitments.** By exercising its rights and obligations under the Contract, the Client shall not breach its legal obligations arising from legal regulations, contracts already signed by the Client, or Client's other actions, nor shall it infringe any proprietary, contractual or other rights and titles of the Client or of third parties.

- 12.5 **Legal Disputes, Criminal Proceedings.** To the best of the Client's knowledge, no court, administrative or arbitration proceedings concerning the Client or its assets is being conducted which could affect the Client's ability to meet its obligations arising from the Contract or the Client's economic or its financial situation, nor any such proceedings are imminent. Further, to the best of the Client's knowledge, no criminal prosecution is being conducted against the Client, persons who are members of its statutory body or other persons authorised to act on behalf of the Client, persons performing managing or controlling activities or having decisive influence on the management or an employee in connection with the fulfilment of the working duties, provided the crime can also be attributed to the Client, and such prosecution or proceedings is not imminent. The Client has not been sentenced for any offence, no protective or security measure has been enforced, the Client has not been finally convicted for any offence in the past, and if so, it is regarded as not having been convicted.
- 12.6 **Insolvency Proceedings or Other Proceedings with Similar Legal Consequences; Composition.** To the best of the Client's knowledge, no insolvency proceedings have been instituted in respect of the Client's insolvency, nor have any other proceedings with similar legal effects been instituted or a ruling (distrain) ordered with respect to (i) a substantial portion of the assets of either the Client of the person providing the security; or (ii) the assets of either of the Client or the person providing the security, which has been provided as the security of the Client's debts arising under the Contract and in connection therewith.
- 12.7 **Taxes.** The Client has duly paid up all taxes, customs, duties, charges and other similar payments required under the applicable legal provisions and has no overdue debts to the authorities it would not have informed the Bank about in writing.
- 12.8 **Relationship to the Bank.** The Client is not a person with a special relation to the Bank under Section 19 (1) of Act No. 21/1992 Coll., On Banks, as amended.
- 12.9 **Non-Existence of an Event of Default.** No facts or circumstances exist or are threatened that would constitute any of the Events of Default.
- 12.10 **Closing-Down (Liquidation).** No dealings or proceedings concerning the closing-down of the Client or any other proceedings that could adversely impact the Client's ability to meet its duties arising under the Contract take place, nor are they imminent to the best of the Client's knowledge.
- 12.11 **Security.** All the securing documentation is valid, effective and enforceable.
- 12.12 **Client's Centre of Main Interest.** The Client has concentrated the centre of its main interests pursuant to the Regulation within the territory of the Czech Republic. The Client is aware of the fact that should an insolvency proceedings be initiated on its assets located in another member state of the European Union, the Bank shall observe the laws of such member state in compliance with the Regulation regardless of Czech law and the provisions of the Contract.
- 12.13 **Sanctioned Person.** Neither the Client nor any Group Member is a Sanctioned Person or, to the Client's knowledge, any director, officer, agent, employee of the Client or of any Group Member of any affiliate is not a Sanctioned Person.
- 12.14 **Truthfulness and Completeness of Information and Representations.** Any representations made by the Client and information about the Client that have been or shall be communicated by the Client to the Bank in connection with the Contract, whether verbally or in writing, are and shall be truthful and complete in all respects as at the date of their delivery to the Bank as well as on any day following the date of execution of the Contract; and, at the same time, are not and shall not be misleading as at the date of their delivery to the Bank or on any other day following the date of execution of the Contract. The Client has provided to the Bank all the information and documents required for assessing its financial and business circumstances and has not withheld any information that might affect the Bank's decision-making on whether, and under what conditions, it would be prepared to provide a Credit to the Client.
- 12.15 **Transfer of Data of Third Person.** The Client declares that in case of delivery of data of third persons to the Bank during the negotiation or performance of the Contract the Client is entitled to transfer such data to the Bank in order to administrate them for the purpose of conclusion and performance of the Contract and such data shall be kept by the Bank subsequently as part of the contractual documentation for a period required by the legal regulations.
- 12.16 **Exclusion of Representations.** Representations under Article 12, under paragraph 12.2 (Status); paragraph 12.3 (Permissions and Consents), with respect of approvals within the Client's internal structure; paragraph 12.5 (Legal Disputes), with respect of criminal prosecution of individuals who are members of the Client's statutory body; and paragraph 12.10 (Closing-Down), shall not apply if the Client is a natural person. Representations under Article 12, paragraph 12.2 (Status); paragraph 12.6 (Insolvency Proceedings or Other Proceedings with Similar Legal Consequences; Composition), except for representations relating to execution of ruling (distress); and paragraph 12.10 (Closing-Down), shall not apply if the Client is a municipality or region. If the Client's centre

of main interest as envisaged by the Regulation is not located in the European Union, representations under Article 12 paragraph 12.12 (Client's Centre of Main Interest) shall not apply.

13. Events of Default

13.1 Events of Default.

Each of the events or circumstances set out in this Article 13. paragraph 13.1 is an Event of Default:

- 13.1.1 **Default in Payment.** The Client does not pay on the due date any financial debt arising under the Contract or fails to provide for sufficient funds on its Current Account to settle a payment that has become due and payable under the Contract.
- 13.1.2 **Inappropriate Purpose.** The Client uses the Credit for other purpose than that agreed in the Contract.
- 13.1.3 **Failure to Perform Obligations.** The Client does not fulfil any obligation imposed on it by the Contract, or the Client or the person providing the security does not fulfil any obligation imposed on it by the contract entered into between the Client or provider of the security on one hand and the Bank on the other hand and establishing the security in connection with the Contract and, at the same time, such breach does not represent any other Event of Default and such breach is not remedied within the period of 10 calendar days from the date on which the Client or the provider of the security was obliged to fulfil such obligation.
- 13.1.4 **Inaccurate, Incomplete, or Misleading Statement.** Any representation made under the Contract or any security documents is or shall become inaccurate, incomplete or misleading in any material respects as of the time it has been made or it has been deemed to be repeated, or the Client has breached its obligation under Article 10. paragraph 10.13 of the Credit Conditions.
- 13.1.5 **Inaccurate, Incomplete, Misleading Statement, Confirmation, Document Provided by a Third Party.** Any document, confirmation or other statement by a third party, including the provider of the security, made or issued in connection with the Contract is or shall become inaccurate, incomplete or misleading, while this fact in the Bank's opinion affects or may affect the Client's ability to duly meet its obligations under the Contract.
- 13.1.6 **Breach of Obligations towards Other Creditors or towards the Bank from Another Contract.** The Client (i) breaches its any contractual or other legal obligation towards any third party, or any obligation arising under any another contract entered into between the Client and the Bank, or (ii) any financial obligation of the Client under any contract entered into with any third party becomes, or is declared to be, due and payable prior to its originally applicable maturity, or (iii) any creditor of the Client becomes entitled to declare any financial obligation or indebtedness of the Client due and payable prior to its originally applicable maturity.
- 13.1.7 **Deterioration of Security.** Security of the Client's debts ceases to exist, deteriorates or becomes invalid or ineffective, or is declared as such by the Client or the provider of the security, or such security is disputed in any other way.
- 13.1.8 **Adverse Development.** A deterioration of the Client's economic or financial situation has occurred that, in the Bank's reasonable opinion, may affect the due repayment of the Client' debts under the Credit.
- 13.1.9 **Winding-Up; Liquidation; Transformation; Change of Legal Form; Change of Controlling Entity.** The Client's controlling entity or entities is/are preparing, without the prior written consent of the Bank: (i) winding-up of the Client with a subsequent liquidation; (ii) a transformation of the Client under any method mentioned in Act. No. 125/2008 Coll., on Transformation of the Companies and Cooperatives, as amended, or any similar transformation pursuant to any other applicable law; (iii) transfer, lease or rent of the whole Client's business enterprise or its part; (iv) establishment of the pledge over the whole Client's business enterprise or its part, eventually detachment of the Client's business enterprise or its part into the trust or a transaction with similar effects; (v) decrease of the registered capital of the Client; (vi) a change in the controlling entity, partner or shareholder of the Client; or, if the Client had no controlling entity, a transaction occurs as a result of which the Client will have a controlling entity; or one of the above facts occurs.
- 13.1.10 **Insolvency Proceedings or Other Proceedings with Similar Legal Consequences; Execution of a Ruling.** The insolvency proceedings or other proceedings with similar legal consequences have been instituted before the court, or the preventive restructuring or individual moratorium in accordance with the respective legal regulations have been commenced or an execution of a ruling (distress) has been ordered for (i) a substantial part of the assets of either the Client or the person providing the security, or for (ii) the assets of either the Client or the person providing the security, that are the subject of security for the Client's debts arising under the Contract or any part thereof.
- 13.1.11 **Rejecting of insolvency petition.** A petition on insolvency proceedings has been dismissed due to insufficient assets of the Client as a debtor.
- 13.1.12 **Insolvency.** The Client is insolvent or declares in writing that it is unable to duly perform its duties.

- 13.1.13 **Other Circumstances.** The Client sells or otherwise treats all its assets or their substantial part, loses the licence authorising him/her/it to carry out the business activity that was generating a substantial part of its income at the time of execution of the Contract, or discontinues its engagement in such activity to a larger extent.
- 13.1.14 **Client's Death.** The Client has died or has been pronounced dead.
- 13.1.15 **Limitation of Legal Capacity.** The Client has been limited in its legal capacity.
- 13.1.16 **The auditor's report with a negative opinion, refused opinion or with a qualification.** The Client, in accordance with the Contract, shall submit the auditor's report and auditor's opinion in the report is with a qualification or negative or an auditor's opinion has been refused if the auditor is not able to express an auditor's opinion.
- 13.1.17 **Criminal prosecution, conviction of the Client.** A criminal prosecution has been commenced or is conducted against the Client or persons who are members of its statutory body, or the Client has been sentenced (convicted) for a criminal offence, or punishment, protective measure or security measure has been imposed against the Client. This shall also apply in relation to other persons authorised to act on behalf of the Client, the Client's employees in connection with fulfilling their work duties or persons carrying out management and control activities or having a decisive influence on the Client's management, if such crime can also be attributed to the Client.
- 13.2 **Exclusion of the use of Events of Default.** Events of Default under Article 13. paragraph 13.1.9 (Winding-Up, Liquidation, Transformation, Change of Legal Form, Change of Controlling Entity) shall not apply if the Client is the natural person. Events of Default under Article 13, paragraph 13.1.9 (Winding-Up, Liquidation, Transformation, Change of Legal Form, Change of Controlling Entity), paragraph 13.1.10 (Insolvency Proceedings or another Proceedings with similar legal effects; Execution of a Ruling), except for a case of the execution of ruling (distrain), and paragraph 13.1.11 (Rejecting of insolvency petition) shall not be applied if the Client is a municipality or region. Events of Default under Article 13. paragraph 13.1.14 (Client's Death) and paragraph 13.1.15 (Limitation of Legal Capacity) shall not be applied if the Client is a legal entity.
- 13.3 **Bank's Measures.** If an Event of Default occurs, the Bank shall be entitled to:
- Cancel (withdraw from) the Contract;
 - Declare all Client's debts (or any part thereof, as determined by the Bank) arising under the Contract due and payable on the date or within the time period determined by the Bank;
 - Refrain from or terminate any further Drawdown of the Credit under the Contract; the notice of termination shall become effective as at the date of its delivery to the Client;
 - Enforce any security of Client's debts do the Bank arising under the Contract and in connection therewith in order to settle Client's due debts to the Bank, in the order and the manner determined by the Bank, unless such an order or manner has been laid down by mandatory provisions of legal regulations;
 - Settle (satisfy) the Client's due debts to the Bank arising under the Contract and in connection therewith, using the funds in the Client's accounts kept with the Bank. For the remittance as per the foregoing sentence, the Bank shall be entitled to use also the funds in the deposit accounts or deposits maintained for the Client by the Bank, even prior to the agreed due dates of these deposit accounts or deposits. In such a case, the Bank shall be entitled to charge to the Client a fee for an early drawdown and other charges in accordance with the relevant contract for opening and maintaining of a deposit account or deposit. The Bank shall also be entitled to use the debit balance in order to settle Client's debts to the Bank, up to the amounts of the overdraft limit arranged for the debit balances in the Client's current accounts kept with the Bank;
 - Block and refrain from releasing the funds on the Client's accounts up to the amount of Client's all outstanding debts to the Bank;
 - Increase the interest rate in a way agreed in the Contract;
 - Reduce or cancel the Limit for the overdraft or revolving Credit.
- The Bank shall inform the Client about exercising the above stated measures in writing, except for the measure exercised in the Event of Default under Article 13, paragraph 13.1.14 (Client's Death), stating the reason for application of the measures and the effective date of the measures. The Bank is entitled to determine the effective date of the measure taking into account the Event of Default and the nature of the imposed measure. The Bank shall be entitled to apply, at its discretion, one or multiple of the measures mentioned above, whether concurrently or individually.
- 13.4 **Measures of the bank in case of the sanctions.** In case that (i) the fulfilment by the Bank of its obligations under the Contract, or providing of any other services under the Contract becomes illegal or prohibited for the Bank under the relevant laws or (ii) the Client or any Group Member becomes a Sanctioned Person, and in addition to the fulfilment by the Bank of all duties arising for it in this respect under any laws, regulations, measurements or binding decisions:

- a) the Bank shall promptly notify the Client upon becoming aware thereof (to the extent permitted by the relevant laws, and in the case of point (ii) it is only the right of the Bank);
- b) upon the Bank notifying the Client, the Bank is entitled to refrain from any other Drawdown or cancel or terminate the Limit and declare unilaterally all Client's debts under the Contract due and payable either immediately or on a date determined by the Bank without withdrawing from the Contract, and to require their repayment; and
- c) the Client shall repay the Credit on the date specified by the Bank in its notice.

The Bank shall inform the Client about exercising the above stated measures. The measure as stated under letters b) shall be effective as at the moment of the delivery of the Bank's notification to the Client.

14. Contractual Penalty

- 14.1 **Contractual Penalty.** Should the Client breach its obligation under the Contract and secured against by a contractual penalty, it shall pay the contractual penalty at an agreed amount to the Bank.
- 14.2 **Maturity of Contractual Penalty.** The contractual penalty shall become due and payable on the 7th Business Day after the call for paying the penalty has been delivered to the Client. Before exercising its claim to the contractual penalty, the Bank may provide the Client, once or repeatedly, with a time period by which the Client should remedy the respective breach.
- 14.3 **Duration of Claims for Compensation for Damage.** The fact that a contractual penalty has been paid shall not prejudice the Bank's right to claim compensation for damage caused by a breach of the obligation to which the contractual penalty relates, nor shall exempt the Client from the duty to meet the respective obligation or pay the default interest.

15. Compensation for Costs and Expenses

- 15.1 **Compensation for Costs and Expenses.** The Client shall compensate the Bank, upon its request, for any and all reasonably expended costs including all fees and charges originating in relation to the execution, performance, amendment, termination or breach of the Contract and of any contracts entered into pursuant to or in connection with the Contract, including contracts arranging the security for the Client's debts arising under the Contract, as well as any costs incurred by the Bank in protection or execution of any of the Bank's rights and titles under the Contract and any contracts entered into pursuant to or in connection with the Contract, including the costs that the Bank has expended for the assessment of the subject of the security.
- 15.2 **Foreign-Exchange Rate Risk.** The Client is obliged to compensate the Bank for a loss in the extent of any damage to property ensuing from the conversion of a delivery (payment) to another currency, provided that the Bank receives any payment with respect of the debts of the Client or of the provider of the security, as per the Contract, securing documents or other document relating to the Contract in other currency than the Credit Currency, or if any such debt is settled in other currency than the Credit Currency for whatever reason. If, having been converted into the Credit Currency using the Rate compliant to the procedure defined by Article 8. paragraph 8.1 of these Credit Conditions, the payment received by the Bank turns out lower than it was to be in the Credit Currency, the Client is obliged to pay a difference originated in this way to the Bank. At the same time, it is obliged to compensate the Bank for the costs relating to such a conversion.
- 15.3 **Compensation for Damage.** The Bank shall be entitled to request the compensation from the Client for damage (including the actual damage and lost profit) incurred by the Bank, in particular resultant to any Event of Default.
- 15.4 **Duration of Claims.** Any potential withdrawal from the Contract, termination of the Contract or termination of further Drawdown, or cancellation or reduction of the Limit shall be without prejudice to the Bank's claims under this Article 15. These claims shall survive even after the cancellation of the Contract.

16. Set-Off

- 16.1 **Set-off.** The Bank undertakes to inform the Client in writing on offset of mutual receivables, always stating to which receivables the offsetting pertains.
- 16.2 **Conversion.** In case that any credit balance in any of the Client's accounts is denominated in other currency than the outstanding amount pursuant to the Contract, the Bank is entitled, prior to offsetting its receivable, to carry out the conversion of the balance in the account to the Credit Currency using the procedure pursuant to Article 8. paragraph 8.1 of these Credit Conditions.

17. Further Provisions

- 17.1 **Dispute Resolution.** Any and all disputes arising under the Contract or in connection therewith shall be decided by the general courts of the Czech Republic.
- 17.2 **Risk of Changed of Circumstances.** The Client and the Bank assume the risk of changed circumstances associated with contracting parties rights and duties arising under the Contract and in connection therewith. The Client and the Bank exclude the application of provisions of Sections 1765(1) and 1766 of the Civil Code to their contractual relationships established by the Contract. The agreement contained this paragraph shall not prejudice the provisions of Article 11. paragraph 11.1 of these Credit Conditions.
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18. Definition of Terms

- 18.1 **Definition.** Capitalised terms used herein shall have the following meaning:
- “Application”** shall mean the Client’s application for the Drawdown submitted by the Client to the Bank in a form and with all requirements in terms of its contents agreed in the Contract. Application of the Client – legal person, submitted by the Direct Banking Channels, shall be accepted by the Bank only in case it has been made by a Corporate Agent or Proxy authorised to apply for Drawdown of the Credit.
- “Bank”** shall mean Komerční banka, a.s., registered office at Prague 1, Na Příkopě 33/969, Postal Code: 114 07, IČO (Company ID): 45317054, entered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1360.
- “Banking services”** shall mean any banking deals, services and products provided by the Bank based upon its banking licence, including investment services provided by the Bank in its capacity of the brokerage house.
- “BOE Website”** shall mean the website of the Bank of England at the address: <https://www.bankofengland.co.uk/markets/sonia-benchmark>, or the website replacing it.
- “Business Day”** shall mean a day that does not fall on a Saturday, a Sunday, a public holiday or other holidays within the meaning of the applicable legal regulations, on which the Bank is open for the provision of Banking Services and on which other institutions that take part in the provision of Banking Services or on which the provision of the Banking Services depends are open for the provision of the relevant services.
- “Civil Code”** shall mean Act No. 89/2012 Coll., The Civil Code, as amended.
- “Event of Default”** shall mean any event or situation described under Article 13. paragraph 13.1 of the Credit Conditions, or an event or situation specified as an Event of Default in the Contract.
- “Client”** shall mean a natural person (business) or a legal person that entered into the Contract with the Bank pursuant to which the Bank shall grant a Credit to such a person.
- “Conditions Precedent to the Drawdown”** shall mean the conditions precedent set forth in Article 6 herein and in the Contract upon satisfaction of which the Bank shall provide the Client with the Drawdown.
- “Contract”** shall mean the contract based on which the Bank undertakes to provide, under agreed conditions, the Client with a Credit, whose part are the General Conditions and these Credit Conditions.
- “Corporate Agent”** shall mean a statutory body of a legal person, or members of a statutory body of a legal person who are entitled to act externally on behalf of the legal person.
- “Credit”** shall mean financial means (funds) the Bank signs up to render to the Client for an agreed period of time and up to an agreed amount, under the conditions set forth in the Contract.
- “Credit Facility”** shall mean the maximum amount of the Credit set forth in the Contract.
- “Credit Currency”** shall mean the currency in which the Credit Facility or Limit is denominated in the Contract.
- “Current Account”** shall mean any current account of the Client kept by the Bank; for a specific transaction, a current account denominated in the currency in which the transaction is performed shall be used preferentially, unless agreed otherwise.
- “Drawdown”** shall mean provision of a Credit pursuant to the Contract on condition that the Conditions Precedent to the Drawdown are met.
- “Due Date”** shall mean the date at which the Client shall be obliged to remit a certain part of the principal or interest, or to pay another financial debt to the Bank under the Contract.
- “ECB Website”** shall mean the website of the European Central Bank at the address: https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html, or the website replacing it.
- “€STR”** shall mean the euro short-term rate administered and published by the European Central Bank (ECB) on ECB Website, usually by 9:00 (CET) of the relevant day. The Bank shall use such published rate for the relevant one-day period on the date of the Drawdown or on the date of the Interest Rate Update. In case that such date is

not the Working Day, the Bank shall use the €STR rate published by the European Central Bank on the immediately preceding Working Day. If the €STR rate is less than zero (0), €STR shall be deemed to be zero (0). "EURIBOR" is the "European Inter-Bank Offered Rate" (an inter-bank reference borrowing rate). The Bank shall use, for fixing of the interest rate for Credits granted in EUR, this rate fixed at or around 11.00 a.m. (Brussels time) 2 Working Days prior to the date of the Drawdown or, in the event of the Overdraft Credit, 2 Working Days prior to the date of inception of the entitlement to Drawdown, its renewal or Interest Rate Update. The rate is published on the Reuters Monitor, page EURIBOR01 or on a page replacing it. If the rate is less than zero (0), EURIBOR shall be deemed to be zero (0).

"FED Website" shall mean the website of the Federal Reserve Bank of New York (FED) at the address: <https://www.newyorkfed.org/markets/reference-rates/sofr>, or the website replacing it.

"Final Due Date" shall mean the date at which all funds provided by the Bank to the Client under the Contract must be returned and all other Client's duties arising from the Contract or in connection herewith must be performed.

"Floating Rate" shall mean a summation of two components, namely (i) the Reference Rate of the Bank (RR KB) for the respective currency or the Overdraft Reference Rate of the Bank (ORR KB) in CZK for the revolving or overdraft Credits in CZK or the relevant IBOR or Reference Rate and (ii) a fixed variance.

"Group Member" shall mean the person to which the Client is connected by ownership or personally or with whom the Client forms a group.

"IBOR" shall refer to PRIBOR, EURIBOR collectively or to any of these rates separately.

"Interest Period" shall mean a period for which the respective IBOR rate for a Credit has been determined (i.e. for 1M IBOR one month, for 3M IBOR three months etc.) or the Term SOFR rate for a relevant Credit has been determined (i.e. for 1M Term SOFR one month, for 3M Term SOFR three months etc.; however, 6M Term SOFR for six-month period as maximum) and in case of O/N IBOR rate or Reference Rate (i.e. €STR, SOFR, SONIA etc.) such a period shall be one (1) day.

"Interest Rate Update" shall mean an update of the IBOR rate or Reference Rate by the Bank in cases where the Final Due Date follows after the Interest Period elapses.

"Limit" shall mean the highest possible total amount of the Overdraft Credit principal or the Revolving Credit principal.

"M" shall stand for Month.

"Mailbox" shall mean the marked-out space in the internet banking KB+, designated for mutual communication of the Client and the Bank and for delivery of the Mail.

"Month" shall mean the period that starts on a particular day in a given calendar month and ends the following calendar month on the day that has the same numeric designation as the day on which the period started. Where this period starts on a day for which there is no numeric equivalent in the calendar month when the said period ends, this period shall end on the last day of that calendar month.

"Notice on Interest Rates" shall mean an overview of all interest rates applied to deposits and credits, as well as associated rates. This overview is not a Notice as envisaged in the General Conditions.

"Notices" shall mean communications in which further conditions and technical features of providing Banking Services are specified in accordance with the General Conditions or relevant Product Terms and Conditions. The following documents are not Notices: the Notice on Interest Rates, and Bank's exchange rate list.

"O/N" or "D" shall mean a day.

"Overdraft Reference Rate of the Bank" or "ORR KB (KRS KB)" shall mean the interest rate on the overdraft or revolving Credit in CZK published and adjusted by the Bank. Updates of the Overdraft Reference Rate of the Bank are published in the relevant Notice on the Interest Rates.

"Person Controlled by SG" shall have the meaning stipulated in the General Conditions.

"Present Value of the New Credit" shall mean

- (i) in case of the early repayment (prepayment) the present value of all payments made under the Credit that the Bank shall receive after the early repayment (prepayment) of the Credit, including the prepaid principal of the Credit. In case of the prepayment of the Credit to the full extent, the present value of the new credit as at the date of the prepayment shall be equal to the current outstanding principal of the Credit;
- (ii) in case of the failure to draw the Credit the present value of all payments made under the Credit that the Bank shall receive in case of the failure to draw the Credit; the amount equal to the undrawn part of the Credit principal as at the last date of the agreed Drawdown Period shall also be considered as the received payment. In case of the failure to draw the Credit in full the present value of the new credit as at the last date of the agreed Drawdown Period shall be equal to agreed Credit Facility.

"Present Value of the Original Credit" shall mean the present value of all payments made under the Credit that the Bank would receive under original terms and conditions for the duration of respective Relevant Periods.

"PRIBOR" is the Prague Inter-Bank Reference Credit Rate and shall be made public through the REUTERS system, page PRIBOR= for the requested period, or at a page that substitutes it. The Bank shall use, for fixing of the interest rate, this rate fixed 2 Working Days prior to the date of the Drawdown or, in case of an Overdraft Credit, 2 Working Days before the date of inception of the entitlement to Drawdown, its renewal or Interest Rate Update. In case that the interest rate O/N PRIBOR has been agreed for the Credit, the Bank shall use, for fixing of the interest rate, the respective rate fixed as of the date of the Drawdown or, in the event of the Overdraft Credit, the rate fixed as of the date of inception of the entitlement to Drawdown, its renewal or Interest Rate Update. If the rate is less than zero (0), PRIBOR or O/N PRIBOR shall be deemed to be zero (0).

"Pricelist" shall mean the Pricelist of Products and Services for Natural Persons (Business) and Legal Entities.

"Product Terms and Conditions" shall be the terms and conditions of the Bank laying down provision of separate Banking Services.

"Proxy" shall mean a natural or legal person authorised by the Client by power of attorney to represent the Client in relation to the Bank within the scope set forth by the power of attorney, or authorised to represent the Client under provisions of law or court decision.

"Rate" or **"Exchange Rate"** shall mean the exchange rate published by the Bank.

"Reference Rate" shall mean the short-term overnight reference rate for the respective currency, i.e. €STR for EUR, SOFR for USD etc., usually published by the central bank of the respective currency or by any similar financial authority. If the Reference Rate is less than zero (0), Reference Rate shall be deemed to be zero (0).

"Relevant period" shall mean, in relation to each repayment of the Credit, a period from the date of an early repayment (prepayment) of the Credit until

- (i) the Due Date of a single instalment of the Credit, if it occurs earlier than the events referred to in paragraphs (ii) or (iii);
- (ii) the end of validity of an agreed interest rate (for the Credits with a fixed interest rate);
- (iii) the next Interest Rate Update (for the Credits with a floating interest rate).

"Replacement Reference Rate" shall mean a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a reference rate by (i) the administrator of that reference rate, or (ii) any relevant administrative or regulatory body;
- (b) in the opinion of the Bank, generally accepted in the international or any relevant domestic loan markets as the appropriate successor to a reference rate; or
- (c) in the opinion of the Bank, an appropriate successor to a reference rate.

"Rules" shall mean the rules applied to the time order of the settlement (remittance) of receivables set by the Bank and governing the sequence of settling of the Client's due debts to the Bank in case that the Client has multiple due debts to the Bank at a certain moment, while the supply performed by him/her/it is insufficient to cover Client's all due debts to the Bank. The Bank shall publish the Rules at its points of sale and on its internet pages www.kb.cz. A change to the Rules shall become effective as soon as the updated version of the Rules is published at the Bank's point of sale and on its internet pages.

"Sanctions" shall mean any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following): (i) the United Nations, (ii) the United States of America, (iii) the European Union or any present or future member state thereof or (iv) the United Kingdom of Great Britain and Northern Ireland.

"Sanctioned Person" shall mean any person, whether or not having a legal personality: (i) listed on any list of designated persons in application of Sanctions; (ii) located in, or organised under the laws of, any country or territory that is subject to comprehensive Sanctions; (iii) directly or indirectly owned or controlled, as defined by the relevant Sanctions, by a person referred to in (i) or (ii) above; or (iv) which otherwise is, or will become with the expiry of any period of time, subject to Sanctions.

"SOFR" shall mean the secured overnight financing rate published by the Federal Reserve Bank of New York (FED) on the FED Website, about 8:00 (New York) of the relevant day. The Bank shall use such published rate for the relevant one-day period on the date of the Drawdown or on the date of the Interest Rate Update. In case that such date is not the Working Day, the Bank shall use the SOFR rate published by the Federal Reserve Bank of New York on the immediately preceding Working Day. If the SOFR rate is less than zero (0), SOFR shall be deemed to be zero (0).

"SONIA" shall mean the sterling overnight average rate published by the Bank of England (BOE) on BOE Website, usually by 9:00 (London) of the relevant day. The Bank shall use such published rate for the relevant one-day period on the date of the Drawdown or on the date of the Interest Rate Update. In case that such date is not the Working Day, the Bank shall use the SONIA rate published by the Bank of England in London on the immediately preceding Working Day. If the SONIA rate is less than zero (0), SONIA shall be deemed to be zero (0).

"Subject of Credit" shall mean movable asset or real property, a set of assets, or a right acquired by the Client due to the Credit.

"Tariff of Fees" shall mean a list of all charges as set down by the Bank, other fees and other payments for the Banking Services or those relating to the Services; the Tariff shall be issued and adjusted by the Bank. The Tariff of Fees is available at the points of sale of the Bank and, abbreviated, also on the Bank's internet pages.

"Term SOFR" shall mean the term reference rate administered by CME Group Benchmark Administration Limited (or any other person as a successor administrator of this rate) for the relevant period published by CME Group Benchmark Administration Limited (or any other person as a successor administrator of this rate). The Bank shall use the rate for the relevant period published 2 Working Days prior to the date of the Drawdown, its renewal or Interest Rate Update. If the Term SOFR rate is less than zero (0), Term SOFR shall be deemed to be zero (0).

"W" shall stand for week.

"Working Day" shall mean a day (with the exception of non-working days, which include Saturdays and Sundays) on which banks in Prague (and also, if the Credit Currency is other than CZK, in the city abroad where the central bank primarily governing the monetary policy for the said currency is located) are open for normal operations and on which the deposits in the relevant Credit Currency are traded on the inter-bank market.

18.2 **Interpretation of Terms.** Where a given Contract is governed by law effective prior to coming into the effect of the Civil Code, the following interpretation of terms shall apply:

"business enterprise" shall mean a business/enterprise;

"debt" shall mean an obligation or commitment to make a delivery (payment) under a given obligation;

"legal action" shall mean legal act;

"loan" (in Czech: "zápůjčka") shall mean loan (in Czech: "půjčka");

"maturity" (in Czech: "doba splatnosti") shall mean maturity (in Czech: "lhůta splatnosti");

"notice period" (in Czech: "výpovědní doba") shall mean notice period (in Czech: "výpovědní lhůta");

"rent of a business enterprise" shall mean lease of a business/enterprise;

"security of debts" shall mean securing of the Credit or of Bank's receivables in respect of the Client.

18.3 **Numbering.** If there is a reference in the Contract to an Article of the Credit Conditions marked with a Roman numeral, it shall mean an Article of these Credit Conditions marked with a single Arabic numeral. If there is a reference in the Contract to a paragraph of the Credit Conditions marked with a single or compound Arabic numeral, it shall mean a paragraph of these Credit Contract marked with a compound Arabic numeral.

19. Final Provisions

19.1 **Modifications to the Credit Conditions.** The Bank shall be entitled to amend these Credit Conditions from time to time in the manner set forth in the General Conditions.

19.2 **Replacing.** This Credit conditions shall cancel and replace the Credit Terms and Conditions for Natural Persons (Business) and Legal Persons effective as of ~~1 February 2023~~ January 2024.

19.3 **Effectiveness.** These Credit Conditions shall be effective as of ~~2 January 2024~~ 1 July 2024.