

**I. Introductory Provisions**

1. 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.
2. Capitalised terms used herein shall have the meaning as defined in Section XVIII of these Credit Conditions.

II. Forms of the Credit

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) Discount Credit;
 - g) Mortgage Credit;
 - h) Other forms described in a Contract.

III. Purpose of the Credit

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 he/she/it used the Credit, or has been still using such a Credit, for the purpose agreed in the Contract.

IV. Credit Facility

1. The Credit Facility (or Limit) has been agreed upon in the Contract.
2. The Client shall draw down the Credit in the Credit Currency.
3. The Client shall be entitled to draw down the Credit up to the Credit Facility (or, as the case may be, up to the Credit Limit).
4. Should the outstanding amount of the Credit be in excess of the Credit Facility (or the Limit) for any reason, the said part of the principal shall immediately become due and payable. The Bank shall be entitled to demand the Client to pay default interest for the said amount until he/she/it repays this part of the Credit principal. The amount of default interest shall be set forth in the relevant Notice on Interest Rates.

V. Drawdown of the Credit

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 he/she/it meets the Conditions Precedent to the Drawdown. The Client and the Bank may agree that the Credit may be draw down as early as 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 by piecemeal. The Overdraft Credit and Revolving Credit may be drawn down repeatedly. The Credit is considered released as soon as it is deducted from the Bank's funds and credited to the Client.
2. **Drawdown of the Overdraft Credit**
The Bank shall provide the Drawdown by making it possible for the Client to draw down authorised debit balance from the given Current Account under the condition that the Client has the Current Account denominated in the Credit Currency kept with the Bank.
3. **Drawdown of the Short-Term, Middle-Term, Long-Term, Revolving and Mortgage Long-Term Credit**
The Bank shall provide the Drawdown based on a submitted Application the specimen of which is annexed to the Contract or based on an Application sent to the Bank through 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. Once submitted, the 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 two Business Days of the delivery of the Application at the latest. The procedure of the Drawdown is set forth in the Contract.

4. Drawdown of the Discount Credit

The Bank shall provide the Drawdown of this credit under the conditions set forth in the Contract. The Bank shall not accept for discounting any drafts it has not approved under the Application. The Bank shall not be obliged to accept a draft for discounting if it fails to meet the conditions set forth in the Business Terms and Conditions of Komerční banka, a.s., governing the discount of domestic drafts, or, in the Business Terms and Conditions of Komerční banka, a.s., governing the discount of foreign drafts.

VI. Conditions Precedent to the Drawdown

1. The first Drawdown shall take place on the condition that:

- a) The Client has paid to the Bank the fee for accomplishment of the Credit or another fee for arranging the Credit as set out in the Contract;
- b) 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 that other persons or public administration authorities of relevant jurisdiction had authorised the Client to execute the Contract;
- c) The Client has proved to the Bank that the Client's debts arising under the Contract and in connection therewith, and from the Credit granted under the Contract have been secured;
- d) The Client has provided the Bank with other deeds as set down in the Contract,

all of the above in the form and contents satisfactory for the Bank, while any and all documents delivered to the Bank shall include the required requisites or shall adequately demonstrate relevant facts.

2. Each Drawdown shall take place on the condition that:

- a) The Client shall confirm for the Bank in writing, either in the Application for Drawdown or in another way, that all representations made by the Client in the Contract (together with the representations included in the Credit Conditions) are true, complete and not misleading as at the date of the Application delivery. 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;
- b) 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
- c) 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.

3. In connection with satisfaction of the Conditions Precedent to the Drawdown, the Bank shall not be obliged to accept any documents of which it has reasonable doubts concerning its authenticity or correctness.

VII. Compounding of Interest; Change of Currency

1. Compounding of Interest

Unless set out otherwise, interest arising from the Contract shall be calculated on the basis of the actual number of days elapsed and a 360 day year (Actual/360), 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/Actual day count shall be applied. The calculation of interest for a discount of drafts shall be calculated on the basis of the actual number of days elapsed and a 360 day year (Actual/360), including GBP, AUD and JPY. The Client shall be obliged to pay interest to the Bank from the date of release of the funds to the date of return of such provided funds. In case of the discount Credit, the Client shall pay interest for the period from the discount date to the payment date of the discounted draft. Interest shall be compounded on the actually drawn amounts.

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 PRIBOR/LIBOR/EURIBOR 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 0,00000001% p.a.

The market disruption shall mean such market situations that on relevant day the costs of the Bank for obtaining the sources (deposits) on inter-bank market exceed the relevant quoted value of PRIBOR/LIBOR/EURIBOR or the relevant value of PRIBOR/LIBOR/EURIBOR has been quoted as negative or the relevant value of PRIBOR/LIBOR/EURIBOR 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 PRIBOR/LIBOR/EURIBOR quoted for a shorter period is higher than any of values of PRIBOR/LIBOR/EURIBOR quoted for longer period.

The Bank shall be entitled to reverse the structure back to the original market rate after the market disruption defined above in this paragraph 2. has elapsed.

The Bank shall inform the Client in writing on a performed alteration without undue delay.

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. Throughout the period of an Overdraft Credit the computing method of actual number of days / actual number of days shall be valid for calculation of credit interest on the Current Account.

4. Interest on the Short-Term, Intermediate, and Long-Term 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. 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 RR KB (RS KB) rate for the Credit Currency, providing the rate has been arranged, with regard to the market rate development.

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, providing the rate has been arranged, with regard to the market rate development.

6. Discount of Drafts

The Bank shall credit the proceeds of a discount deal (i.e., the draft sum decreased by the discount commission and by interest agreed in the Contract) to the Client's Current Account. No claim to be reimbursed a proportionate amount of interest in the event of an early repayment of draft sums or all debts set out in the Contract shall arise for the Client. At discounting the drafts, currencies shall be converted using the Rate in accordance with the procedure under Article VIII(1) of these Credit Conditions.

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.

8. Interest Rate Reduction

The Bank shall be entitled to reduce the interest rate at its discretion, with immediate effect and for a period of time set forth by the Bank itself. The Bank shall be obliged to inform the Client about such reduction without delay by registered letter.

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 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 member state in question.

VIII. Repayment

1. Repayment Currency; Foreign-Exchange Risk; Institution of Insolvency Proceedings

The Client shall be obliged to repay the Credit at the dates and in the manner agreed upon in the Contract and in the currency in which the Credit has been rendered and without any reduction due to set-off, counterclaim or a legal action with similar effects. If the Bank makes it possible to the Client to repay the Credit in other currency than that in which the Credit has been provided, 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.

The Client and the Bank have agreed that 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.

2. Execution of Payments to the Debit of the Client's Account

The Client shall be obliged to ensure that sufficient funds are available in his/her/its accounts kept with the Bank at the due dates of relevant interest, principal, instalments/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 shall be entitled to encumber, without the Client's order (consent), the latter's accounts kept with the Bank by debiting to them payments set out in the foregoing sentence unless agreed otherwise. The Client shall not be released from his/her/its responsibility for his/her/its debts arising under the Contract nor shall be his/her/its debts arising under the Contract decreased should the Bank fail to execute the respective payment to the debit of some of the Client's accounts kept with the Bank at the relevant Due Date. A statement from the Bank's accounting ledgers shall be considered 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.

3. Order of Remittance of Debts

If the Client is obliged to satisfy several due debts arising under the Contract or due debts arising from another commitment relationships to the Bank at the same time and the rendered payment is insufficient to satisfy all of the Client's due debts to the Bank, the payment provided by the Client shall be used to settle the Client's debt to the Bank determined according to the Rules.

4. Deductions

Any payments made by the Client under the Contract must be void of any deductions. If the law requires the Client to perform deductions on 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 that it should obtain under the Contract.

5. Early or Late Repayment; Default Interest

The Client shall be entitled to repay the rendered funds to the Bank even prematurely (early) under the terms and conditions set forth herein and in the Contract.

If the Client makes default (falls behindhand) in repayment of the principal or its due portion, he/she/it shall be obliged, beginning with the first overdue day until the date of payoff, to pay default interest (interest on late payments) to the Bank for the amount with the repayment of which he/she/it shall be in default, at the amount equal to the difference between the default interest rate as set down in the relevant Notice on Interest Rates and the interest rate on the Credit. The Bank may require the default interest as per the relevant Notice on Interest Rates to be paid on the amounts with repayment of which the Client is in default, beginning with the first overdue day until the date of payoff of the due amount. If, during the period of the Client's being in default, the default interest rate should be changed as per 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 as per this provision shall also change, consequently, as of the effective date of change of the relevant interest rate. Paying up of the default interest shall be without prejudice to the Client's duty to compensate the Bank for a loss incurred as a result of the Client's being in default. In case that the Client repays the outstanding amount within 5 calendar days of its becoming due, his/her/its obligation to pay default interest to the Bank shall lapse.

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 his/her/its intention to repay the Revolving Credit wholly or in not later than 2 Business Days before the intended repayment. The aforesaid duty to



inform shall not be applied in case that the Client repays the Revolving Credit or any part thereof using electronic means of payment.

The Client shall 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.

7. Repayment of the Short-Term, Medium-Term, and Long-Term Mortgage Credit

The Client shall repay the short-term, medium-term, and long-term Mortgage Credit to the Bank as at the date(s) set forth in the Contract.

8. Repayment of the Discount Credit

The Discount Credit shall be repaid to the Bank by remittance of draft sums by the key debtor (acceptor, drawer of a promissory note) on payment days (due dates) of separate drafts. Should a draft be not paid by the acceptor or, in case of a promissory note, by its drawer, the Bank shall be entitled, in compliance with the General Terms and Conditions, to execute the draft amount remittance from the Client's Current Account. Should the outstanding draft, or its part, fail to be satisfied even using the funds in the Client's Current Account funds or in another way, the Bank shall become entitled to claim the Client to remit interest on late payments (on such outstanding amount) at the amount set down in the relevant Notice on Interest Rates, specifically for the period from the date following the due date of the draft to the date of the repayment of the outstanding sum. In this case, the Bank shall not surrender the draft(s) to the Client until the outstanding amount is settled by the Client. The Bank shall also be entitled to require, of the Client, the remittance for all expenses of the Bank related to the collection of the draft abroad, including the Bank's fee for collection of a foreign draft and expenses related to the sending of the foreign bill abroad.

9. Early Repayment (Prepayment) or Failure to Draw the Credit in Full

- 9.1 Unless agreed otherwise by the parties, the Client shall be obliged to pay to the Bank a compensation for early repayment (prepayment) in case of early repayment (prepayment) of the entire principal of the Credit or part thereof, which is agreed as an amount equal either to (a) zero (0) or (b) to the difference between the Present Value of the Original Credit and the Present Value of the New Credit, depending on which value is higher.

The Client shall be obliged to pay to the Bank the above compensation for early repayment (prepayment) also in the event 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.

- 9.2 Unless agreed otherwise by the parties, the Client shall be 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 either to (a) zero (0) or (b) to the difference between the Present Value of the Original Credit and the Present Value of the New Credit, depending on which value is higher.

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 require the Client to pay any compensation.

- 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 as at the date of the early repayment (prepayment) of the Credit or failure to draw the Credit in full as follows:

- PRIBID (Prague Inter-Bank Bid Rate) in case the Credit is denominated in the Czech currency,
 - IBOR (EURIBOR, LIBOR etc.) in case the Credit is denominated in a foreign currency,
- which shall be applicable throughout the duration of the particular Relevant Period, and effective 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.

If the particular 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 early repayment (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 Reuters page – with the priority of the quotation published at the page XXXIRS=ICAP (XXX according to ISO code of the relevant currency) at 13:00 hrs, 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.

**IX. Security**

1. In case that the Contract demands that Client's debts arising under the Contract related to the Credit should be secured, the Client shall be obliged to provide the Bank with the security for its debts whose form, amount, contents, and duration should correspond with the Bank's demands set forth in the Contract. The Client shall maintain the security for the duration of any of his/her/its debt to the Bank arising from the Contract.
2. If not set forth otherwise in the Contract or securing documents, the security shall secure any and all Client's debts to the Bank or Bank's receivables in respect of the Client that arose, or might arise, in connection with the Contract.
3. **Proving Existence of Security**
The Client shall be obliged, upon the Bank's request, to prove without unnecessary delay that the security continues to exist in the extent set forth in this Contract.
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 laid down in Article XIII(3) of these Credit Conditions, shall be entitled to demand that the Client should augment the security or replace such security with other adequate security within a set period of time that, however, shall not be shorter than 10 Business Days. Should the Client fail to comply with the Bank's demand by the set forth deadline, the Bank shall be entitled to proceed in accordance with Article XIII(3) of these Credit Conditions. The Client shall also be obliged to augment the security upon the Bank's request and 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 the foregoing sentence within the set forth period of time, the Bank shall be entitled to proceed in accordance with Article XIII(3) of these Credit Conditions.
5. In relation to the assets (subject of security) that secure the Client's debts to the Bank, the Client undertakes not to transfer, assign or dispose of such assets (subject of security), nor otherwise allow the acquisition of any title or rights thereto by a third party, nor put it into trust, nor provide it as collateral in favour of a third party other than the Bank, without prior written consent obtained from the Bank. The Client undertakes that the third party securing the Client's debts to the Bank shall not transfer, assign or dispose of such assets (subject of security), nor otherwise allow the acquisition of any title or rights thereto by a third party, nor put it into trust, nor provide it as collateral in favour of a third party other than the Bank, without prior written consent obtained from the Bank.

The secured debts shall not be transferred to the acquirer of the subject of security (assignee) without prior written consent obtained 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 a person providing 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 shall be entitled to express its opinion on such a written request within 30 calendar days of the delivery of such a written request at the address of the Client's Point of Sale.

X. Client's Duties

1. **Maintenance of the Current Account**
Over the period of the existence of any receivable of the Bank in respect of the Client under the Contract or a receivable relating to the Contract, the Client undertakes to keep a Current Account kept with the Bank that shall be used to remit 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. During the period, the Client shall give neither a notice of termination of the contract for opening and maintaining a Current Account, nor shall he/she/it cancel (withdraw from) such a contract or assign such a contract to a third party in accordance with the Civil Code. The Client shall not be entitled, without a prior written consent granted by the Bank, to pledge or otherwise encumber by third party's titles his/her/its receivables in respect of the Bank arising from the contract for opening and maintaining a Current Account or to assign such receivables to a third party, except for the assignment or pledge of such receivables in favour of the Bank.
2. **Payment Domiciliation**
Throughout the effective period of the Contract, the Client shall be obliged to direct to his/her/its accounts at the Bank his/her/its trade receivables, or, his/her/its other receivables, at the minimum proportion equal to the Bank's credit exposure to the Client compared to the overall credit exposure of all banks to the Client.
3. **Pari Passu Clause**
The Client hereby undertakes that his/her/its debts arising under the Contract shall be, until their full repayment, maintained at least at an equal rate (i.e., pari passu) as compared to any other of his/her/its existent and future



debts in terms of the quality and substance of security provided for such debts and the order of their satisfaction. The foregoing shall not apply to debts whose more favourable order ensues from mandatory provisions of applicable law.

4. **Negative Pledge**

The Client hereby undertakes that, over the effective period of the Contract, he/she/it, without prior written consent of the Bank, shall not provide as a guarantee or financial guarantee, nor shall he/she/it transfer, dispose assign, lease, rent, or provide as a security (or allow providing as a security) his/her/its assets or any part thereof to a third party (except for the Persons Controlled by SG), or dispose with his/her assets or its part with a similar legal effects, or encumber or allow encumbering of such assets by a third party's right (except for the Persons Controlled by SG), or put it into trust. The Client further undertakes not to accept or provide a credit or loan, or issue/avalise (co-accept) a promissory note (bill of exchange) or 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 hereby undertakes not to withhold its consent without serious reason.

The above limitations shall not be applied to (i) such a transfer, sale or assignment of the Client's assets or any part thereof which, in particular with respect to its quality, purpose, extent and volume, is customary for the regular activities directly following from the Client's conduct of business, provided that such activities are performed exclusively under the usual market terms and conditions, and (ii) establishment of a security over the Client's assets in order to secure Client's debts to the Bank.

5. **Information**

The Client undertakes to submit the financial statements set forth in the Contract to the Bank, and to do so by deadlines set forth in the Contract.

6. The Client shall be obliged to inform the Bank in writing and within the deadlines set forth in the Contract of his/her/its financial and economic circumstances and to provide the Bank, upon its request, with any additional information, in particular that concerning his/her/its activities, and to do so by deadlines set forth in the Contract. The Client shall be obliged to inform the Bank forthwith about any circumstances that have, or may have a negative impact on his/her/its business or may cause material changes in his/her/its activities, or that threaten or may threaten due performance of the Client's commitments and duties under the Contract.

The Client undertakes to inform the Bank immediately in writing on commencement, development or termination of the criminal prosecution conducted against the Client, on the final judgment on his/her 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 his/her previous conviction for any crime, unless he/she 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 his/her criminal prosecution. To the same extent, the Client shall inform the Bank immediately in writing in case 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.

7. The Client hereby undertakes to inform the Bank forthwith in writing of any facts establishing his/her/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.

8. The Client hereby undertakes to inform the Bank in writing that the Client's centre of main interest, as envisaged by the Regulation, has changed.

9. **Insurance**

The Client hereby undertakes to have his/her/its assets (or insurable assets) duly insured throughout the whole of effect of the Contract, and to present evidence documenting this fact upon the Bank's request.

10. **Assignment**

The Client hereby undertakes not to assign, transfer or encumber with third party's titles (rights) his/her/its own titles (rights) or receivables under the Contract, or assign the Contract in accordance with the Civil Code, without the prior written consent of the Bank. Any assignment or transfer of titles (rights) or receivables, or assignment of the Contract executed by the Client without the Bank's consent shall be void. The Client further undertakes not to transfer his/her/its duties or titles (rights) and debts arising under the Contract to a third party, or assign the Contract to such a third party in accordance with the Civil Code, without the prior written consent of the Bank. Any transfer of these duties or titles (rights) and debts or assignment of the Contract by the Client without Bank's consent shall be void.

**11. Destruction; Assignment of the Subject of Credit**

The Client shall be obliged to inform the Bank forthwith and in writing of the fact that the Subject of Credit has been destroyed or materially damaged. The Client shall also be obliged to inform the Bank in writing in advance about his/her/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 Credit shall become due and payable as at the signature date of the contract for assignment or transfer of the Subject of Credit.

XI. Other Provisions**1. Modifications to Terms and Conditions**

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 shall be 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 shall be entitled to proceed in accordance with Article XIII(3) of these Credit Conditions.

2. Enforceability Permission

The Client shall ensure, in cooperation with the Bank, that a notarial record is made containing the enforceability permission in accordance with applicable law, with regard to any receivables of the Bank in respect of the Client relating to the Contract, if he/she/it is so requested by the Bank. By the said record, the Client shall first and foremost agree that an execution of a ruling is enforced in case the Client fails to meet his/her/its duties arising from the Contract duly and timely. The Bank may require that such a relevant record also include as its part the acknowledgement of the Client's liabilities and debts to the Bank.

3. Conversion

Following the Final Due Date, the Bank shall be entitled to convert any outstanding Credit drawn in a foreign currency into CZK using the "deviza prodej" Bank's Rate (foreign currency sell rate – cashless) as published at the conversion date and to ask the Client to settle any such converted amount in CZK.

XII. Representations

1. By signing the Contract, the Client hereby makes the following representations as at the date of execution of the Contract and as at each subsequent date following the date of execution of the Contract until the complete repayment of Client's all debts arising under the Contract and in connection therewith.

2. Status

The Client is a duly formed and validly existent legal person existing in accordance with the laws of the place of his/her/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 in accordance with the legal provisions governing his/her/its formation and existence corresponds to the facts.

3. Permissions and Consents

Execution of the Contract as well as exercising of rights and fulfilling duties 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.

4. Conformity with Existing Commitments

By exercising his/her/its rights and obligations under the Contract, the Client shall not breach his/her/its legal obligations arising from law, contracts already signed by the Client, or Client's other actions, nor shall he/she/it infringe any proprietary, contractual or other rights and titles of the Client or of third parties.

5. Legal Disputes, Litigations

To the best of the Client's knowledge, no judicial, administrative or arbitration proceedings concerning the Client or his/her/its assets take place, which could affect the Client's ability to meet his/her/its obligations arising from the Contract or the Client's financial and/or business circumstances, nor are any such prosecution or proceedings imminent. Further, to the best of the Client's knowledge, no criminal prosecution is being conducted against the Client, persons who are members of his/her/its statutory body or other persons entitled to act on behalf of the Client, and such prosecution or proceedings are not imminent. Further, to the best of the Client's knowledge, no criminal prosecution is being conducted against persons performing managing or controlling activities or having decisive influence over the management of the Client or Client's employees and over the fulfilment of their working duties, if such offence can also be attributed to the Client, nor are any such prosecution or proceedings 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, he/she is regarded as not having been convicted.

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; no proceedings have been instituted based on the Client's petition seeking composition; nor have any other proceedings with similar legal consequences been instituted; nor has any execution of a ruling (distress) been ordered with respect of (i) a substantial portion of the Client's assets/property or assets/property of the person providing the security; or (ii) assets/property 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. During the past three years, the Client's assets/property have not been declared or adjudicated bankrupt; no ruling pronouncing the Client's bankruptcy or pending bankruptcy has been delivered; no petition for bankruptcy has been dismissed on the grounds of the Client's insufficient assets/property; nor has an already declared bankruptcy of the Client's assets/property been cancelled, composition confirmed, or another ruling delivered that can have similar legal consequences.
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 he/she/it would not have informed the Bank about in writing.
8. **Relationship to the Bank**
The Client is not a party with a special relation to the Bank as per Section 19, Art 1, Act No. 21/1992 Coll., On Banks, as amended.
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.
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 his/her/its duties arising under the Contract take place, nor are they imminent to the best of the Client's knowledge.
11. **Security**
All the securing documentation is effective, in force and enforceable.
12. **Client's Centre of Main Interest**
Client's centre of main interest, as envisaged by the Council Regulation (EC) No. 1346/2000 on Insolvency Proceeding, as amended, (hereinafter the "**Regulation**"), is located in the Czech Republic. The Client has been informed that if the institution of insolvency proceedings is ordered for his/her/its assets/property in another member country of the EU, the Bank shall abide by the law of the relevant country in accordance with the Regulation, irrespective of Czech law and provisions of the Contract.
13. **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 his/her/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.
14. Representations as per this Section XII, specifically under Article 2 (Status); Article 3 (Permissions and Consents), with respect of approvals within the Client's internal structure; Article 5 (Legal Disputes), with respect of prosecution of individuals who are members of the Client's statutory body; and Article 10 (Closing-Down), shall not apply if the Client is a natural person. Representations as per this Section XII, specifically under the second sentence of Article 2 (Status); Article 6 (Insolvency Proceedings or Other Proceedings with Similar Legal Consequences; Composition), except for representations relating to execution of ruling (distress); and Article 10 (Closing-Down), shall not apply if the Client is a municipality. If the Client's centre of main interest as envisaged by the Regulation is not located in the European Union, representations as per Article 12 (Client's Centre of Main Interest) shall not apply.

XIII. Events of Default



1. Any of the facts listed below in this Article XIII(1) shall be deemed an Event of Default:
 - 1.1 **Default in Payment**

The Client makes default in payment of any financial debt arising under the Contract or fails to ensure sufficient funds in his/her/its Current Account to settle a payment that has become due and payable under the Contract.
 - 1.2 **Inappropriate Purpose**

The Client uses the Credit for other purpose than that agreed in the Contract.
 - 1.3 **Failure to Perform Obligations**

The Client fails to perform any obligation imposed on him/her/it by the Contract, or the Client or the person providing the security fails to perform any obligation imposed by the contract by which the security is established as per the Contract entered into by the Client or provider of the security on the one hand and the Bank on the other, while this is not another Event of Default and the above breach is not remedied within the period of 10 calendar days from the date at which the Client or the provider of the security has been liable to perform the obligation.
 - 1.4 **Inaccurate, Incomplete, or Misleading Statement**

Any statement under the Contract or securing documents 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 his/her/its duties under the Contract.
 - 1.5 **Inaccurate, Incomplete, Invalid, or Misleading Statement, Confirmation, or 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, invalid or misleading, while this fact in the Bank's opinion affects or may affect the Client's ability to duly meet his/her/its duties under the Contract.
 - 1.6 **Breach of Duties in Respect of Other Creditors**

The Client breaches his/her/its contractual or other legal obligation in respect of any third party, or an obligation under another contract entered into by the Client and the Bank, while such a breach in the Bank's substantiated opinion affects or may affect the Client's ability to duly meet his/her/its duties to the Bank under the Contract.
 - 1.7 **Deterioration of Security**

Securing of the Client's debts as per the securing documents ceases to exist, deteriorates or becomes ineffective, or is declared as such by the Client or the provider of the security, or such security is disputed in any other way.
 - 1.8 **Unfavourable Development**

Unfavourable development has occurred in terms of the Client's economic or financial circumstances that, in the Bank's opinion, may affect the proper repayment of the Credit.
 - 1.9 **Winding-Up; Liquidation; Transformation**

The Client's controlling entity or entities is/are preparing, without a prior written consent of the Bank: winding-up of the Client with a subsequent liquidation; a transformation of the Client in accordance with one of the methods laid down by the Act on Transformations of Commercial Companies and Cooperatives¹; or a similar transformation pursuant to other legal provisions; transfer, lease or rent of the Client's whole business enterprise or its part or establishment of the pledge over the Client's whole business enterprise or its part; or, as the case may be, detachment of the Client's business enterprise or its part into a trust; or a transaction with similar effects; or a change in the controlling entity, partner or shareholder of the Client; or a decision has been taken to wind up and liquidate the Client.
 - 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 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.

¹ Act No. 125/2008 Coll., On Transformations of Commercial Companies and Cooperatives, as amended.

**1.11 Declaration of Bankruptcy**

The Client's assets have been declared bankrupt, a petition on insolvency proceedings has been dismissed due to insufficient assets of the Client as a debtor.

1.12 Insolvency

The Client is insolvent or declares in writing that he/she/it is unable to duly perform his/her/its duties.

1.13 Other Circumstances

The Client sells or otherwise treats all his/her/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 his/her/its income at the time of execution of the Contract, or discontinues his/her/its engagement in such activity to a larger extent.

1.14 Client's Death

The Client has died or has been pronounced dead.

1.15 Limitation of Legal Capacity

The Client has been limited in his/her legal capacity.

1.16 The auditor's report with a negative opinion, refused opinion or with a qualification

The Client, in accordance with the Agreement, 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.

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.

2. Events of Default as per this Section XIII, specifically under Article 1.9 (Winding-Up, Liquidation, Transformation) shall not apply if the Client is a natural person. Events of Default as per this Section XIII, specifically under Article 1.9 (Winding-Up, Liquidation, Transformation), Article 1.10 (Insolvency Proceedings or Other Proceedings with Similar Legal Consequences; Execution of a Ruling), except for a case of the execution of ruling (distress), and Article 1.11 (Declaration of Bankruptcy; Permission of Composition) shall not be applied if the Client is a municipality. Events of Default as per Article 1.14 (Client's Death) and Article 1.15 (Limitation of Legal Capacity) shall not be applied if the Client is a legal person.

3. If an Event of Default occurs, the Bank shall be entitled to:

- a) Cancel (withdraw from) the Contract;
- b) Declare all Client's debts (or any part thereof) arising under the Contract due and payable either immediately or by a deadline set forth by the Bank without withdrawing from the Contract at the same time, and to require their repayment;
- c) 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;
- d) 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;
- e) 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;
- f) Refrain from releasing the Client's funds in the account up to the amount of Client's all outstanding debts to the Bank;
- g) Increase the interest rate in a way agreed in the Contract;
- h) Reduce or cancel the Limit for the overdraft or revolving Credit;

The Bank shall be entitled to apply, at its discretion, one or multiple of the measures mentioned above, whether concurrently or in sequence.

**XIV. Contractual Penalty**

1. Should the Client breach his/her/its obligation under the Contract and secured against by a contractual penalty, he/she/it shall pay the contractual penalty at an agreed amount to the Bank.
2. The contractual penalty shall become due and payable on the 7th (seventh) Business Day after the call for paying the penalty has been delivered to the Client. Before lodging its claim to the contractual penalty, the Bank may set, once or repeatedly, a deadline by which the Client should rectify the breach in question.
3. 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 obligation in question and/or pay default interest (interest on late payment).

XV. Compensation for Costs and Expenses

1. 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.
2. **Foreign-Exchange Rate Risk**
The Client shall be 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 VIII(1) herein, the payment received by the Bank turns out lower than it was to be in the Credit Currency, the Client shall be obliged to pay a difference originated in this way to the Bank. At the same time, he/she/it shall be obliged to compensate the Bank for the costs relating to such a conversion.
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.
4. Any contingent cancellation or termination of the Contract, or the termination of further Drawdown, or the cancellation/reduction of the Limit shall be without prejudice to the Bank's titles and claims as per this Section XV. These claims shall survive even after the cessation of the Contract.

XVI. Offsetting

1. The Bank hereby undertakes to inform the Client in writing on offsets of mutual receivables, always stating to which receivables the offsetting pertains.
2. 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 shall be 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 VIII(1) of these Credit Conditions.

XVII. Further Provisions

1. Any and all disputes arising under the Contract or in connection therewith shall be decided with final validity either before the Arbitration Court attached to the Chamber of Commerce of the Czech Republic and Agrarian Chamber of the Czech Republic, in accordance with its rules of procedure by three arbitrators, or before general courts of the Czech Republic. The party filing the action or otherwise initiating the legal proceedings shall choose a manner how to solve the dispute in accordance with the foregoing sentence. Such choice shall be binding for both parties with respect to the given dispute.
2. 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 Article shall not prejudice the provisions of Article XI(1) hereof.

**XVIII. Definition of Terms**

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.

“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 XIII(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 Section VI 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.

“Drawdown Period” shall mean a period of time set forth in the Contract in the course of which the drawdown of the Credit is possible.

“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.

“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 valid at or around 11.00 a.m. (Brussels time) two 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 EURIBOR 01 or on a page 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 for the respective currency or the Overdraft Reference Rate of the Bank in CZK for the revolving or overdraft Credits in CZK or the relevant IBOR and (ii) a fixed variance.



“**IBOR**” shall refer to PRIBOR, LIBOR, EURIBOR collectively or to any of these rates separately.

“**Interest Period**” shall mean a period for which the PRIBOR/LIBOR/EURIBOR rate for a Credit has been determined.

“**Interest Rate Update**” shall mean an update of the PRIBOR/LIBOR/EURIBOR rate by the Bank in cases where the Final Due Date follows after the elapse of the Interest Period.

“**LIBOR**” is the “London Inter-Bank Offered Rate” (an inter-bank reference borrowing rate). The Bank shall use, for fixing of the interest rate, this rate valid at or around 11.00 a.m. (London time) 2 Working Days prior to the date of the Drawdown or, in the event of 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 LIBOR 01 or on a page replacing it. In case that the interest rate O/N LIBOR has been agreed for the Credit, the Bank shall use, for fixing of the interest rate, the respective current rate valid as of the date of the Drawdown or, in the event of the Overdraft Credit, the current rate valid as of the date of inception of the entitlement to Drawdown, its renewal or Interest Rate Update.

“**Limit**” shall mean the highest possible total amount of the Overdraft Credit principal or the Revolving Credit principal.

“**M**” shall stand for Month.

“**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 be an entity controlled by SG that, at the same time, either (i) has or shall acquire an ownership interest in an entity with the registered office on the territory of the Czech Republic consisting in a direct or indirect share in its registered capital, or (ii) has a registered office on the territory of the Czech Republic. If such entity is an FSKB Member, this entity is included in the list of FSKB Members.

“**Present Value of the New Credit**” shall mean the present value of all payments made under the Credit that the Bank shall receive after the early repayment (prepayment) of the Credit.

“**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**” shall mean Prague Inter-Bank Reference Credit Rate and shall be made public through the REUTERS system, page PRBO for the requested period, or at a page that substitutes it. The Bank shall use, for the determination of the interest rate, this rate in force 2 Working Days before the Drawdown date or, in case of an Overdraft, 2 Working Days before the date at which the right to Draw originates, is renewed or before the Update of the interest rate. 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 current rate valid as of the date of the Drawdown or, in the event of the Overdraft Credit, the current rate valid as of the date of inception of the entitlement to Drawdown, its renewal or Interest Rate Update.

“**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 of the Bank**” or “**RR KB (RS KB)**” shall mean the interest rate for Credits, published and adjusted by the Bank. Updates of the Reference Rate of the Bank are published in the relevant Notice on Interest Rates.

“**Regulation**” shall have the meaning defined in Article XII(12) of these Credit Conditions.

“**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).

“**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.

“**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.

“**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.

2. 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.

XIX. Final Provisions

1. The Bank shall be entitled to amend these Credit Conditions from time to time in the manner set forth in the General Conditions.
2. This Credit conditions shall repeal and replace the Credit conditions for Natural Persons and Legal Persons effective as of 1 January 2012.
3. These Credit Conditions come into effect as at 1 January 2014.