

## Introductory Provisions

1. These ČSOB Loan Business Terms and Conditions (“LBTC”) are issued by Československá obchodní banka, a. s., registered office Radlická 333/150, Prague 5, 150 57, Company Reg. No. 00001350, entered in the Commercial Register of the City Court in Prague, Section B XXXVI, File 46 (the “**Bank**”).
2. The LBTC form part of an agreement for provision of the relevant banking product (the “**Agreement**”), concluded between the Bank and the Client.
3. Unless otherwise defined by LBTC, the terms defined in the Agreement have the same meaning in LBTC; the bank guarantee, letter of credit and other payment or securing instrument are hereinafter referred to as the “**Instrument**”.

## Loan / Limit and Drawing

4. Under the LBTC, the general drawing conditions are fulfilled if:
  - a) The Agreement has been validly signed by the Client and the Bank has received all the contractually agreed materials and documents,
  - b) All the fees specified in the Agreement have been paid by the due dates, and
  - c) Establishment of security and rights *in rem* has been documented pursuant to the law and Agreement.
5. If drawing a Loan or Limit for a specified purpose is agreed in the Agreement, the Loan/Limit can only be drawn in accordance with the purpose specified in the Agreement. The Bank is entitled to assess the purpose of each partial drawing of the Loan and Limit and can reject any drawing that is not properly documented, or if there are any doubts about the purposefulness of the required (or any earlier) drawing under the Agreement.
6. If a Client – natural person who was granted a Loan/Limit dies, the Bank is entitled to cease drawing the Loan/Limit.

## Interest and Fees, Repayment

7. If a variable interest rate with temporary fixation, or with variable interest rate bearing interest on the basis of O/N \*IBOR, or €STR in case of drawing in EUR, cannot be determined under the Agreement because the reference interest rate is temporarily – short-term not available in the information media, an interest rate with a temporary fixation will apply, which consists of the average of quotations (identified by the Bank) on the interbank money market of at least three reference banks always 2 working days before the first day of the fixation period, or a partial loan period bearing interest on the basis of \*IBOR, or always on the relevant day when the Loan is drawn, bearing interest on the basis of O/N\*IBOR, or €STR in case of drawing in EUR (for non-working days when the quoted rate for the next previous working day will be used), and a fixed margin (surcharge) agreed in the Agreement. Even if this method cannot be used to determine the interest rate because of no quotations on the interbank money market, an interest rate with a temporary fixation, or variable rate consisting of the interest rate reflecting the Bank’s cost of Loan financing from any resources reasonably selected by the Bank, including the cost of hedging risks and the fixed margin as specified in the Agreement, will apply. The Client shall pay the interest rate set as above or to repay their debts from the granted Loan within 30 days of receiving the Bank’s notice of the determined interest rate (and if the Loan is repaid early, then the interest rate determined through the Bank’s quotation will apply to the period before the early payment occurs). Should the interest rate set in the above manner be lower than zero, the zero interest rate will be used to calculate the interest applied under the Agreement.
8. If it is not possible to determine a variable interest rate under the Agreement because (i) the reference interest rate specified in the Agreement (the “**Relevant Benchmark**”) ceases to be available on a permanent or long-term (indefinite) basis, (ii) it becomes illegal to use the Relevant

Benchmark, (iii) in the opinion of the benchmark administrator (as defined in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016), the methodology for calculating the Relevant Benchmark will change significantly and/or (iv) the central bank or another supervisory authority or an entity or working group nominated by them (the “**Competent Authority**”) notify that the Relevant Benchmark is no longer representative, for interest rate purposes the Relevant Benchmark will be replaced by a Substitute Benchmark (as defined below) and a variable interest rate will be used with temporary fixation, or variable interest rate with interest on the basis of O/N, which constitutes the sum of the Substitute Benchmark adjusted by a balancing derogation and the fixed margin specified in the stated Agreement, whereby the Client is obliged to pay the interest thus determined to the Bank or repay its debts from the provided Loan early, namely within 30 days from the date of delivery of the Bank’s notification of the amount of the interest rate thus determined (in the event of early repayment of the Loan, the interest rate thus determined shall apply for the period before the early repayment occurs). In the event that the interest rate determined in the agreed manner would be less than zero, the interest rate of zero shall be used for the calculation of interest under the Agreement. The Substitute Benchmark (“**Substitute Benchmark**”) is the reference interest rate (i) recommended by the Competent Authority to replace the Relevant Benchmark, or, (ii) if the Substitute Benchmark cannot be determined in this way, the value normally considered to be the successor or replacement of the Relevant Benchmark in accordance with prevailing or emerging market practice for comparable transactions in the same currency; or (iii) if the Substitute Benchmark cannot be determined in this way, the benchmark selected by the Bank as most comparable to the Relevant Benchmark. The Substitute Benchmark shall be adjusted by a possible balancing derogation with the aim of eliminating as far as practicable the occurrence of economic disadvantage or advantage of the Contracting Parties resulting from the replacement of the Relevant Benchmark by the Substitute Benchmark. This balancing derogation will constitute (i) the balancing derogation recommended by the Competent Authority, or (ii) if it cannot be thus determined, the balancing derogation normally used in accordance with prevailing or emerging market practice for comparable transactions in the same currency, or (iii) if it cannot be thus determined, the balancing derogation for derivative transactions. The Bank is entitled to make technical changes to the Agreement that will be necessary for the application of the Substitute Benchmark adjusted by the balancing derogation, including changes in the length of interest periods, time and frequency of determining interest rates or interest due dates, and shall notify the Client without undue delay along with the information, since when the Substitute Benchmark and any necessary changes to the Agreement will apply. The Substitute Benchmark and the stated technical changes to the Agreement will be automatically binding on the Contracting Parties without the Client having to express their express consent.

9. The Bank is entitled to collect any claim of the Bank under or relating to the Agreement from the Client’s account or accounts specified in the Agreement from its due date. The Client must ensure that there are sufficient funds for the collection in this account / these accounts. If the balance in this account / these accounts is not sufficient for the collection, the Bank is entitled to collect the due amount from any other account of the Client within the Bank.
10. If the Bank collects (or otherwise receives) any payment in connection with the Agreement, which is not sufficient to fully pay the due amount under the Agreement, the Bank will determine the due amount under the Agreement or parts thereof for which this payment is to be used.
11. The Client undertakes to pay the penalty interest on any due or unpaid amount under the Agreement (in addition to interest) to the Bank, at the rate specified in the Agreement. Overdue principal Loan instalments will continue to bear interest at the rate agreed in the Agreement and the penalty interest specified in the Agreement in addition to it. Claims arising from Limits and Instruments, fees and other amounts unpaid on the due dates will only bear the penalty interest. The interest on an overdue principal and penalty interest will be payable immediately.
12. Any interest under the Agreement (including the penalty interest) will be calculated by the Bank on the basis of a year of 360 days (365 days for GBP) and a month of the actual number of calendar days (30 days for annuity instalments).
13. If there is a reference to an \*IBOR rate in the provisions regarding interest of the Agreement (if the Agreement uses \*IBOR), it will be the reference interest rate on the interbank money market for the relevant currency (PRIBOR for CZK, EURIBOR for debts in EUR, or LIBOR for debts in USD, GBP,

CHF or other currencies) of the amount specified for the appropriate time in the REUTERS information network or other information media 2 working days before the first day of the relevant partial loan period, fixation period or other time period (as these periods are specified in the Agreement), bearing interest based on \*IBOR, or always on the relevant day when the Loan is drawn (for non-working days in the Czech Republic or in the relevant foreign market, the rate announced for the next previous working day will be used) with interest on the basis of O/N\*IBOR. The €STR rate stipulation in the Interest Agreement (if the Agreement uses the € STR) is the 1-day reference (O/N = overnight) interbank money market interest rate for EUR calculated by the European Central Bank ("ECB") (or any other entity), which took over the administration of this rate) in the amount specified in the REUTERS information network (on the relevant screen at the latest at 09:00 a.m. Central European Time), always on the relevant day when any part of the Credit Limit is exhausted (for non-working days in the Czech Republic and for non-banking days of the ECB the rate announced for the next previous business / banking day will be used).

14. Unless otherwise set out by the Agreement, the Client is only entitled to repay the funds from the Loan after a previous written agreement with the Bank and after payment of a fee agreed in the agreement, and any funds from the Loan that are repaid early cannot be re-drawn.
15. The Bank converts one currency to another according to its exchange rate valid on the day and time of the currency conversion.

### Obligations

16. From signing the Agreement till all existing, future or conditioned debts under the Agreement are repaid, the Client undertakes to:
  - a) Hold all statements, permits and other decisions needed to carry out the Client's activities, and take any necessary actions to ensure that these statements, permits and decisions will be valid and effective, and will not be violated,
  - b) Ensure that the Client's obligations under the Agreement are not inconsistent with other obligations of the Client, whether statutory or contractual,
  - c) Ensure that the information referred to in the Declaration on mutual relations with other entities and additional information, a copy of which is attached to the Agreement ("**Declaration**"), is true, current and complete, and notify the Bank in writing of any changes to the facts referred to in the Declaration without delay, but no later than within 14 days of such changes,
  - d) Ensure an equal and fair position for the Bank vis-a-vis its creditors, who do not have priority by law, especially not to make preferable payments to other creditors before paying debts to the Bank, and not to provide any creditor with better rights (including the collateral) than those provided to the Bank under the Agreement,
  - e) Use the funds drawn under the Agreement, or draw the Limit only for the purpose specified in the Agreement, but never for funding political parties, illegal or socially unacceptable activities (e.g. operating casinos, poker rooms, manufacturing or trafficking in narcotics and psychotropic substances, weapons, ammunition, military equipment and accessories and related technologies),
  - f) Notify the Bank in writing of pledging their assets or part thereof, or allowing any easement, option or another right of a third party, or that the Client has agreed a contractual stipulation which could lead to such encumbrance of their property, without delay but no later than within 14 days after such an act,
  - g) Keep their assets adequately insured,
  - h) Notify the Bank in writing without delay of any facts preventing the Client from fulfilling the Client's contractual obligations, in particular judicial, arbitration or other proceedings the results of which could negatively affect their financial and property situation or their ability to fulfil their payment obligations under the Agreement; and will notify the Bank in writing of any Change and any other change that can negatively affect their financial and property situation or their ability to duly perform the payment obligations under the Agreement, in advance, if the Client is aware of such change in advance; the Change ("**Change**") means a demerger of some organisational

parts of the Client, any transformation of the Client, decrease or increase of the Client's registered capital, transfer of the Client's plant or a part thereof, change of the type of interests in the Client, change of the type of ordinary notes or shares issued by the Client, change of the Client's business activities, closing the Client's business or a significant part thereof, loss of the Client's authorisation to carry on business,

- i) At the written request of the Bank, come to the relevant branch to produce an agreement (at the Client's expense) in the form of a notarial deed, acknowledging their debt towards the Bank under or in relation to the Agreement, with the Client's approval to recovery of the acknowledged debt, and
- j) If the legal regulations change in any manner (including the issuance of a new legal regulation) as a result of which (i) the Bank incurs additional or higher costs, (ii) the return on the funds provided under the Agreement decreases, or (iii) any amount due or owing under the Agreement has decreased in comparison with the amount as of the date of signing the Agreement, the Client will pay the respective amount to the Bank within 60 days from receipt of Bank's written request specifying these amounts, or in the case of a Loan, will pay all debts under or relating to the Agreement within the same period early.

## **Breaches**

### 17. A breach means:

- a) A breach or not adhering to the conditions of drawing the Loan or Limit, or opening or issuing an Instrument under the Agreement.
- b) Client delay with the payment of any debt to the Bank or performance of any obligation (under the Agreement or any other legal act) for more than 5 working days.
- c) The Client's statements in the Agreement or other legal act or document relating to the Agreement prove to be false, incomplete or inaccurate.
- d) A breach of any obligation under the Agreement (including the LBTC); if the obligation to submit documents and statements to the Bank is repeatedly breached, or a breach lasting for more than 20 days after the Bank sent a written request to perform this obligation.
- e) Commencement of distraint proceedings, or execution of a decision, or execution of any seizure of Client's assets.
- f) Commencement of insolvency proceedings or any other proceedings because of the unwillingness or inability to pay, or decision on winding up, against the Client, or person controlling the Client, or person controlled by the Client, or person whose debts are secured by the Client.
- g) Client delay with the performance of statutory or contractual obligations towards the state, health insurance company or any bank.
- h) If any or several facts occur which mean a material change to the conditions under which the Agreement was concluded, and which, in the justified opinion of the Bank, may have a significant unfavourable impact on the financial and property situation of the Client and their ability to perform the obligations under the Agreement.
- i) If a Change occurs, which may have a significant unfavourable impact on the financial and property situation of the Client and their ability to perform the obligations under the Agreement, without the Bank's prior written consent.
- j) The Client did not restore the collateral under the Agreement within a period determined by the Bank, and in the manner the Bank requires in accordance with the Agreement.
- k) Any transfer (including assignment to the Trust Fund) of a material part of the Client's assets to a third party (unless current assets are transferred under the conditions that are normal in business relations).
- l) Pledge and/or alienation of shareholding in the Client/Client's shares.

18. If a Breach (as defined in the Agreement) was committed, the Bank, after notifying the Client in writing, is entitled to:

- a) Restrict or stop the Loan/Limit drawings specified in the Agreement,
- b) Declare that all the Client's debts from the granted Loan or any part thereof are due on the date specified in the Bank's notice, by means of which they become due on this date, and the Client must pay them on this date,
- c) Even before the date that Client's debts are due, block all the Client's accounts with the Bank (in particular not to execute the Client's payment orders and not to pay cash) and to use the balance and incoming payments to settle the Client's debts and/or to establish a reserve in an internal account of the Bank as a financial security for the settlement of Client's amounts due in the future under or relating to the Agreement, and/or
- d) Charge a contractual penalty in the amount and in accordance with the conditions specified in the Agreement.

19. Delivery:

- a) Of a document delivered by the postal service provider shall be sent by the Bank to the Client to the address of residence or permanent residence or registered office specified in the Agreement, or to another agreed address; the agreed address cannot be the address of the Bank's branch and PO BOX. The Bank sends documents as ordinary mail, registered mail or registered letter with delivery receipt,
- b) If the postal service provider returns the document as undeliverable, the delivery shall take effect on the day on which the mail is returned to the Bank. Effects of delivery occur even if the Client refuses to accept the document,
- c) The Client, or persons specified by the Client in an authorization signed in front of the Bank's employee, or persons who can prove (authorization) by a power of attorney with the officially verified signature of the Client are entitled to pick up documents at the Bank intended for the Client, which are not delivered by the postal service provider,
- d) The Client's documents are delivered only if they have been delivered to the address of the Bank's branch specified in the Agreement.

### **Final Provisions**

20. Unless otherwise agreed by the Bank, any documents submitted to the Bank under or in relation to the Agreement must be in Czech or Slovak, or must be translated by a certified translator.

21. A power of attorney authorising any person to act with the Bank under the Agreement on behalf of the Client must (i) contain authenticated signatures, or must be signed before a Bank employee, and (ii) be delivered to the Bank branch at which the legal negotiations are to take place at least 5 working days before the date of these legal negotiations. The Bank is also entitled to refuse a (i) substitute power of attorney and/or (ii) power of attorney issued/signed on behalf of the Client by a person who has not yet been identified by the Bank and/or (iii) older than three months from the issuance thereof and/or (iv) general power of attorney, i.e., general power of attorney without specification of a specific legal act required.

22. The Bank is entitled to require official verification of signature on all written legal acts, which are not made in front of the Bank's employee.

23. These LBTC entered into effect on 01/07/2020.