

# PRODUCT BUSINESS TERMS AND CONDITIONS FOR CONCLUDING FORWARD TRANSACTIONS OF UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.

(hereinafter referred to as the “Product Business Terms and Conditions”)

Life is full of ups and downs.  
We're there for both.

Welcome to  
 **UniCredit Bank**

## 1. DEFINITION OF TERMS

“**Transaction**” means a forward transaction consisting of a purchase or sale of funds in a certain currency in exchange for funds in another currency at a fixed exchange rate that is agreed in advance and if the conversion occurs later than on the third working day after the day when the exchange rate was established. Any transaction secured with funds in the Collateral Account can be settled early. Each individually concluded Transaction is an agreement between the Bank and the Customer regarding the content and conditions of the given Transaction.

“**Agreement**” means the Framework Agreement on Forward Transactions.

“**Sold Currency**” is the freely exchangeable currency the Bank undertakes to sell to the Customer and that the Customer undertakes to acquire.

“**Purchased Currency**” is the freely exchangeable currency the Bank undertakes to purchase from the Customer and that the Customer undertakes to sell to the Bank.

“**Transaction Settlement**” or “**Settlement**” means the actual mutual exchange of the agreed amount of Sold and Purchased Currencies, i.e. the settlement of the actual mutual obligations between the Bank and the Customer relating to a given Transaction.

“**Transaction Settlement Date**” or “**Settlement Date**” means the agreed date when the transaction is to be settled.

“**Customer’s Account**” is the relevant account maintained by the Bank on behalf of the Customer and designated by the Customer as the account for Transaction Settlement when concluding an individual Transaction.

“**Collateral Account**” is a special account maintained by the Bank on behalf of the Customer in accordance with the provisions of the Product Business Terms and Conditions stated below and in accordance with the Collateral Account Agreement.

“**Collateral**” means funds on the Collateral Account (or Accounts).

An “**Open Position**” occurs in the case of a Transaction that has already been agreed but is not yet fully settled. The size of the open position means the nominal value of all Transactions concluded between the Bank and the Customer that have not yet been settled. The value of the Open Position is expressed in Czech crowns.

“**Early Settlement**” or “**Early Transaction Settlement**” (close out) means that the Settlement Day of a Transaction already agreed will be changed and its settlement will occur earlier than originally agreed at a newly agreed date or at a date determined by the Bank. A new exchange rate will be defined for the newly designated date. The new exchange rate is defined on the basis of the original rate and the actual interest differential. Early Transaction Settlement can occur at the Customer’s request or on the basis of the Bank’s decision, and in accordance with the Agreement and the Product Business Terms and Conditions. A forward Transaction cannot be settled early only in part.

“**Closing the Position**” means a concurrent, early or regular settlement of all the Customer’s Transactions still unsettled.

“**Signature Specimen**” means, unless stated otherwise, a special signature specimen by which the Customer may authorise other persons to conclude Transactions on his or her behalf and which is designated for the purposes of the Agreement and the Product Business Terms and Conditions.

“**Accumulated Loss**” means the sum of all losses from partial loss Transactions expressed in crowns.

“**The Bank**” means UniCredit Bank Czech Republic and Slovakia, a.s., having its registered office in Prague 4 Michle, Želetavská 1525/1, Post-code 140 92, Company ID: 64948242; entered in the commercial register maintained by the Municipal Court in Prague, Section B, file 3608.

“**Investment Questionnaire**” is the Bank’s document that is used for acquiring information about the Customer in accordance with legal regulations governing the conditions for provision of investment services for the purpose of informing the Customer of investment instruments that might not be adequate to him or her from the perspective of expert knowledge and investment experience.

“**General Business Terms and Conditions**” means the General Business Terms and Conditions of UniCredit Bank Czech Republic and Slovakia, a.s.

Unless specifically defined in the Product Business Terms and Conditions, terms written with initial capital letters have the same meaning as in the Agreement and in the General Business Terms and Conditions.

## 2. CONCLUDING A TRANSACTION

**2.1** Transactions concluded in accordance with the Agreement and the Product Business Terms and Conditions are governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code, and other generally binding legal regulations of the Czech Republic. Neither the Agreement nor any Transaction constitutes a commission contract or other contract of a similar purpose or subject, but is exclusively an agreement regarding direct purchase or sale of currencies concluded between the Bank and the Customer.

**2.2** The obligation of the Customer and the Bank to provide mutual fulfilment ensues from properly concluding a relevant Transaction between the Bank and the Customer. Transactions are concluded by telephone.

**2.3** In addition to regular reporting to the Customer by the Bank as stated in the Agreement, the Bank always provides the Customer with information on the currently concluded Transaction in accordance with the legal provisions and no later than on the second day from its conclusion or the day when it is informed of such conclusion from third parties. This information is available to the Customer at the Bank’s places of business.

**2.4** Signature Specimen.

**a)** For the purpose of concluding Transactions in accordance with the Agreement and the Product Business Terms and Conditions, the Customer issues the Signature Specimen by which he or she may authorise other persons to conclude these Transactions. By authorising other persons to conclude Transactions on his or her Account, the Customer also provides permission that the Transactions concluded by such authorised person will be settled from the Customer’s Account stated by this person in the Transaction instruction even in case that he or she is not an authorised person to dispose with the funds on the Customer’s Account according to the Signature Specimen valid for this Customer’s Account.

**b)** The Customer is entitled to authorise a person not stated in the Signature Specimen with a special written power of attorney for the conclusion of only a single Transaction. The signatures of the Customer and the authorised person on the issued power of attorney must be officially verified.

**2.5** After the conclusion of a Transaction, the Bank will issue an appropriate confirmation regarding the concluded Transaction and send it to the Customer. The confirmation must contain the requisites stated in Article 2.4 of the Product Business Terms and Conditions. Unless the Customer submits objections against the business terms and conditions of the Transaction stated on the confirmation sent by the Bank, no later than within 15 days after its sending by telephone and with a subsequent written confirmation, the Bank will consider the business terms and conditions of the Transaction as approved by the Customer (hereinafter referred to as the “**Business Terms and Conditions of the Transaction**”).

**2.6** In concluding each new Transaction, the Customer confirms that the following facts apply:

- a)** The Customer is aware of all risks, dangers and the nature of legal relationships relating to the agreed Transaction; and the Customer is authorised to properly conclude and comply with this Agreement.
- b)** The Customer agrees that the rights and obligations of the Bank and of the Customer are governed by the Agreement, the Product Business Terms and Conditions, and the General Business Terms and Conditions.
- c)** The Customer was informed by the Bank regarding important facts related to the Transaction and the possible risks.
- d)** The person concluding the Transaction on behalf of the Customer and as his or her representative is personally authorised to do so.

**2.7** Each proposal for concluding a Transaction or confirmation of concluding a Transaction in accordance with Article 2.3 of the Product Business Terms and Conditions must contain the following information required to be on the Bank's standard form:

- a)** designation of Transaction: forward Transaction with an option for Early Settlement;
- b)** subject of purchase / sale:
  - (I) types of currencies (Purchased / Sold Currency),
  - (II) number of currency units (agreed amount of the Purchased / Sold Currency);
- c)** information on Transaction Settlement:
  - (I) date of Transaction Settlement,
  - (II) exchange rate;
  - (III) Customer's Account numbers for Transaction Settlement; and
- d)** date and time of proposal's preparation.

**2.8** The Bank is not obliged to conclude any requested Transaction with the Customer, or to provide reasons for refusing to conclude a Transaction.

### **3. COLLATERAL**

**3.1** Collateral Account. All Transactions concluded on the basis of the Agreement shall be secured with a deposit to the Collateral Account by the Customer in accordance with the Agreement, the Product Business Terms and Conditions and the Collateral Account Agreement.

- a)** For the duration of the Agreement's validity, at least one Collateral Account shall be established. Collateral Accounts can only be established in currencies announced by the Bank. Closing of the last Collateral Account is only possible if the Customer has no Open Position and the Agreement's validity has also been terminated.
- b)** No other operations than payments against the accounts of the same Customer are permitted in the Collateral Account. The balance on the Collateral Account can be increased without limitations. The Customer's right to decrease the Collateral Account balance is limited by other provisions of the Collateral Account Agreement.
- c)** The balance on the Collateral Account is subject to the relevant current floating interest rate announced by the Bank for these purposes. Interest earned is credited to the Customer's account, unless agreed otherwise with the Customer.
- d)** The Bank establishes Collateral Accounts based on the Collateral Account Agreement concluded with the Customer. Unless stated otherwise in the Agreement or the Product Business Terms and

Conditions, the concluded Collateral Account Agreement and the appropriate Product Business Terms and Conditions of UniCredit Bank Czech Republic and Slovakia, a.s., apply to the legal relationships resulting from maintenance of the Collateral Accounts. In case of a conflict between the Product Business Terms and Conditions and the relevant Product Business Terms and Conditions of UniCredit Bank Czech Republic and Slovakia, a.s., the Product Business Terms and Conditions have precedence.

**3.2** Collateral. The Customer is obliged to maintain the overall balance in the Collateral Account at such amount so that the ratio between the total balance on the Collateral Account expressed in CZK less the Accumulated Loss of the Open Positions expressed in CZK and the Open Position (hereinafter referred to as "the Ratio") is at least 10%. The Bank can also request higher collateral, considering the nature of the Transaction. The Customer is obliged to maintain the total balance on the Collateral Account in such amount so that the total Accumulated Loss of the Open Positions does not surpass 60% of the balance on the Collateral Account.

- a)** In case that the Ratio should fall to below this defined value, the Bank is entitled immediately to instruct the Customer (by telephone, fax or e-mail) to increase the Collateral Account balance to achieve the defined Ratio. The Customer is then obliged to increase the balance in the Collateral Account or to instruct the Bank to carry out Early Transactions Settlement so that the required Business Terms and Conditions of the Transactions are fulfilled.
- b)** If the Customer cannot be notified, or if the Customer does not increase the balance in the Collateral Account in accordance with the previous paragraph within the stated period, and if the Customer gives no instruction for Early Settlement of Transactions, the Bank is entitled to settle all or only certain Transactions of the Customer on its own initiative.

**3.3** Persons stated in the Signature Specimen issued for the purpose of the Agreement are authorised to dispose with the funds on the Collateral Accounts.

### **4. TRANSACTION SETTLEMENT**

**4.1** The Bank will perform regular Transaction Settlement on the agreed day under the assumption that on the day of settlement there is such balance on the relevant Customer's Account that will enable the Bank to execute the payment of the Customer to the Bank by direct debit of such payment from the relevant Customer's Account.

**4.2** If the Customer properly fulfils all obligations ensuing from this Agreement and the concluded Transaction, the Bank will transfer the agreed amount of the sold currency to the relevant Customer's Account on the agreed day.

**4.3** Early Settlement.

- a)** The Customer is entitled to request the Bank to make Early Settlement of a Transaction at any time from its conclusion to the agreed Settlement Date.
- b)** Similar provisions as for concluding the Transaction shall be used in concluding Early Settlement. In concluding Early Settlement, it is necessary to precisely specify the Transaction for which the Early Settlement is requested.
- c)** The Bank is entitled to carry out Early Settlement of all or certain of the Customer's Transactions on its own Initiative only in accordance with Article 3.2 point b) of the Product Business Terms and Conditions or if this possibility is presumed by the Agreement and the Product Business Terms and Conditions.
- d)** If the Bank determines in accordance with Article 3.2 point b) of the Product Business Terms and Conditions that it is not necessary to

close the Customer's entire position and concludes with the Customer an agreement on Early Settlement for only certain Transactions, and which the Customer will confirm to the Bank in writing, then the Bank will perform Early Settlement only for such agreed Transactions. If such an agreement is not concluded with the Customer, the Bank is entitled to decide on its own, while considering the risk, which Transactions will be settled early.

- e) The Customer is obliged to reimburse to the Bank any potential loss from the closing of the Customer's position or from Early Settlement of individual Transactions. The Bank is entitled to satisfying its account receivable from the Customer primarily from the Collateral Account or from any other account maintained in the Customer's name at the Bank.

## 5. COMMON PROVISIONS

- 5.1 The Bank will only perform settlement of any Transaction on work days. If a Settlement Date happens to be, or according to the Agreement, the Product Business Terms and Conditions, the General Business Terms and Conditions or the agreed Terms and Conditions of the Transaction could happen to be, on other than a work day, then the Transaction will be settled on the earliest subsequent work day.
- 5.2 In case of monetary fulfilment of the Customer in accordance with the Agreement, the Product Business Terms and Conditions and the General Business Terms and Conditions, the Bank is entitled to transfer the appropriate amount from the Customer's Account to the Bank's account, and without a special instruction of the Customer, but only based upon the provisions of the Business Terms and Conditions agreed for the Transaction (primarily from the Customer's Account maintained in the currency of such fulfilment).
- 5.3 All payments in relation to any Transaction will be executed without any deductions of any current or future taxes, unless the Bank is obliged according to the relevant legal regulations valid at that time to perform such deductions. In such case, the Bank shall not be obliged to perform any additional payments to the Customer in relation to the pertinent deduction, or as a replacement or settlement for it.
- 5.4 In case of a breach of obligations ensuing from the Agreement or the Product Business Terms and Conditions, the Customer is obliged to reimburse the Bank for all damage incurred, as well as for all losses and outlays resulting from this breach of the Agreement or of the Product Business Terms and Conditions.

## 6. FINAL PROVISIONS

- 6.1 The Bank is entitled to amend the Product Terms and Conditions or add new provisions thereto, in particular concerning the definition of terms, conclusion of a Transaction, Collateral, Transaction Settlement and payment conditions, the scope of changes to the Product Terms and Conditions and the rules for implementing such changes. The Bank is entitled to amend the Product Terms and Conditions or to add new provisions thereto if a reasonable need for such changes or amendments arises, such as a need to change or newly and explicitly adjust certain rights and obligations of the parties in connection with a change in legal regulations, available technologies, a situation on financial markets, or the Bank's business policy. The Bank will send the wording of the changes and amendments, or the complete wording of such amended Product Terms and Conditions, to the Customer at least 2 months prior to the proposed effective date of such amendment by any means agreed for communication between the Bank and Customer under the relevant contractual relationship. If the Customer does not agree with the proposed amendment to the Product Terms and Conditions, he or she is thereby entitled to terminate the respective contractual

relationship by providing to the Bank written notice of termination that is effective as of the day immediately preceding the effective date of the proposed amendment, or, if the law establishes such right for the Customer, with immediate effect. If the Customer does not reject the Bank's proposal, then the new wording of the Product Terms and Conditions becomes binding upon the concluded contractual relationship as a change in the originally agreed conditions of the contractual relationship, effective as from the date stated in the given amendment to the Product Terms and Conditions as the date upon which the new wording of the Product Terms and Conditions becomes valid.

- 6.2 Should the parties' rights and obligations governed by the Product Terms and Conditions change as a direct result of a change in legal regulations that cannot be contractually circumvented, the provisions of paragraph 6.1 shall not apply. The Bank will inform the Customer of any such change.
- 6.3 The provisions of the General Terms and Conditions shall apply to relationships not governed by the Agreement or the Product Business Terms and Conditions.
- 6.4 The Product Business Terms and Conditions may be translated into other languages. If there exists any contradiction between various language versions, the Czech version is the definitive version for interpreting relevant provisions.
- 6.5 The Product Terms and Conditions cancel and replace the Business Terms and Conditions for Concluding Forward Transactions of UniCredit Bank Czech Republic, a.s., valid since 1 December 2008.
- 6.6 The Product Terms and Conditions are valid from 1 January 2014.