

PRODUCT BUSINESS TERMS
AND CONDITIONS FOR
LOANS OF
UNICREDIT BANK
CZECH REPUBLIC
AND SLOVAKIA, A.S.

Life is full of ups and downs.
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Welcome to
 **UniCredit Bank**

PRODUCT BUSINESS TERMS AND CONDITIONS FOR LOANS OF UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.

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I. COMMON PROVISIONS

1. SCOPE AND VALIDITY OF THE PRODUCT BUSINESS TERMS AND CONDITIONS FOR LOANS, DEFINITION OF TERMS

1.1 These Product Business Terms and Conditions for Loans of UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter referred to as the "Product Business Terms and Conditions" and "the Bank") are valid for all contractual relationships between the Bank as one party and individuals, legal entities and other subjects of law (hereinafter referred to as the "Client") as the other party, concerning the provision of loans and other transactions included into bank credit exposure (in particular various types of guarantees, letters of credit and so-called treasury lines), if this is defined in a corresponding contract between the Bank and the Client. These terms and conditions do not apply for contractual relationships concerning the provision of credit by means of credit cards.

1.2 Unless otherwise agreed, the Product Business Terms and Conditions are valid from such time as they become part of a relevant contract between the Bank and the Client and until the complete settlement of all obligations occurred between the Bank and the Client. The relevant Product Business Terms and Conditions are those in the wording valid at the time of the contractual relationship's origination, unless they are changed in accordance with Article 2 of the Product Business Terms and Conditions.

1.3 "General Business Terms and Conditions" are understood to be the Bank's General Business Terms and Conditions in the wording valid at the time of the contractual relationship's origination, unless these are changed in accordance with Article 3 of these General Business Terms and Conditions.

"Price List" is understood to comprise the Tariff of Fees for Providing Banking Services in the wording valid at the time of the origin of the contractual relationship between the Bank and the Client, unless this is changed in accordance with Article 8.3 of the General Business Terms and Conditions.

1.4 The Product Business Terms and Conditions are valid from 1 January 2014.

2. CHANGES TO THE PRODUCT BUSINESS TERMS AND CONDITIONS

2.1 The Bank is entitled to amend the Product Business Terms and Conditions or add new provisions thereto, in particular concerning the scope of changes to the Product Business Terms and Conditions and the rules for implementing such changes, the charging of interest and repayment of a loan, serious breaches of a loan contract and other serious matters, as well as the consequences of a serious breach of the loan contract and other serious matters. The Bank is entitled to amend the Product Business 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 Business 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 Business 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. If the Customer does not terminate the contractual relationship in such manner, then the new wording of the Product Business 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 Business Terms and Conditions as the date upon which the new wording of the Product Terms and Conditions becomes valid.

2.2 Should the parties' rights and obligations governed by the Product Business Terms and Conditions change as a direct result of a change in legal regulations that cannot be contractually circumvented, then paragraph 2.1 of the Product Business Terms and Conditions shall not apply. The Bank will inform the Customer of any such change.

II. LOAN PROVISION

3. BASIC PROVISIONS

The Bank provides Clients with loans in the Czech as well as foreign currencies on the basis of a contract. The Bank and Client may agree on the Bank's providing several interconnected banking products under conditions established in a particular contract (known as a credit or multi-purpose line).

4. LOAN DRAWING

4.1 Conditions for drawing a loan are defined in a loan contract. The Bank is entitled to assess whether those conditions are met, while the Client is obliged to provide the Bank with the necessary cooperation for the purpose of its examining the correctness of all submitted documents evidencing the fulfilment of conditions for drawing a loan.

4.2 Should the Client fail to fulfil the conditions for drawing a loan in a due and timely manner (at latest by the last day of the period for fulfilment of conditions for drawing a loan) or if the Client does not draw a loan for another reason, then the Client is obliged to pay all fees and costs related to the undrawn loan after receiving notification from the Bank.

4.3 If a loan is not drawn, or is drawn only in part, the Bank is also entitled to charge a fee determined by the Bank (hereinafter referred to as a "compensation fee"). Unless the amount of the compensation fee can be determined from the Price List, the Bank establishes it according to the amount of the refinancing loss it incurred by not being able to place the funds it has unexpectedly available (e.g. due to not drawing or early repayment of the loan) into the financial market under the same conditions.

4.4 If the Client is provided with an overdraft debit (i.e. a credit facility in connection with an account), the funds are drawn repeatedly from the current account by the so-called revolving drawing method in a manner agreed for transacting with funds on that account.

4.5 Except for cases in which the revolving method of drawing a loan has been agreed, the Client is not entitled to draw again parts of a loan that already have been repaid.

4.6 If it is agreed that a loan is to be drawn for a specific purpose, then such funds may not be used for other than the agreed purpose. The Bank is entitled to examine at any time during the term of the credit relationship whether the loan is being used for the agreed purpose, and the Client is obliged to submit to the Bank at its request and at any time documents evidencing that the loan funds have been used solely for the agreed purpose.

5. LOAN INTEREST AND LOAN-RELATED FEES

- 5.1** The Client is obliged to pay interest on the drawn loan funds for the period from the first day of drawing the loan until the day that the loan is fully repaid. The interest is charged according to an interest rate agreed in the loan contract.
- 5.2** If a variable interest rate is agreed, then its current level as at the day of concluding the contract is specified in the contract, or the method of its definition is so specified, if it is derived from a rate announced by the Bank on its website. A variable interest rate can change over the duration of a loan depending upon the development of interest rates announced by the CNB and considering developments on financial markets, the Bank's business policy, and the procedures in managing financial risks. The Bank always notifies the Client in an appropriate and transparent manner of any change in a variable interest rate.
- 5.3** If an interest rate is derived from a reference rate (e.g. PRIBOR), the loan contract specifies the length of the interest rate's validity period (hereinafter referred to as the "period") or the method for determining the period and the method for calculating the interest rate for each period. If the actual length of the period does not equal the period for which the interest rate is quoted on the respective financial market, then the Bank shall use the interest rate quoted for a period of an approximately corresponding length. Unless the loan contract specifies otherwise, the Bank is entitled to adjust unilaterally the agreed length of a particular period depending on the drawing date of a loan or its part, the date set to complete drawing the loan, and the due date of the first repayment instalment, or as a result of technical problems in establishing the interest rate in relation to a quotation on the respective financial market, and the like. The Bank is obliged to inform the Client in writing of the procedure used. Typically, the Bank specifies the interest rate for each period two work days prior to the first day of the period and notifies the Client in an appropriate and transparent manner. For defining the beginning and end of the period, it applies that the last day of a period is also the first day of the following period. The interest rate always applies from the first day of a period until one day prior to the period's end (inclusive).
- 5.4** If a fixed interest rate is agreed, then the loan contract specifies the length of the validity period of the interest rate and its level or else the method and conditions for establishing these. Unless the loan contract specifies another method for establishing the fixed interest rate, the Bank shall offer the Client for the following period an interest rate determined according to the Bank's rules, and in particular depending on the length of its validity period, the unpaid amount of the loan, and the situation on the financial markets where the Bank refinances. Unless another manner for determining the length of the validity period of the interest rate is agreed, the Client is obliged to agree with the Bank on the length of the following validity period and the amount of the interest rate at latest five work days before the end of the current period. The principle for determining the beginning and end of the validity period for a fixed interest rate is that the first day of a period is the last day of the preceding period. The interest rate always applies from the first day of a period until one day prior to the period's end (inclusive).
- 5.5** The Client is continuously obliged to pay interest on a loan for the period specified in the loan contract (hereinafter just the "interest period"). Depending on the drawing of a loan, the first interest period may be established as an irregular period; the first day of the first interest period is the day of drawing the loan. Depending on the loan's due date, the last interest period may be specified as an irregular period but always ending on the loan's due date. The principle for determining the beginning and end of the interest period is that the last day of a period is also the first day of the following period.
- 5.6** Interest accrued for an interest period from the first day until one day prior to the interest period's ending (inclusive) is payable on the final day of the respective interest period.
- 5.7** Interest on a loan is calculated based on a calendar year consisting of 360 days and the actual number of days in the interest period.
- 5.8** PRIBOR, EURIBOR and LIBOR interest rates are defined as follow:
- a)** PRIBOR (Prague Interbank Offered Rate) is a reference value encompassing interest rates on the interbank deposit market in CZK that is fixed each banking day at 11 a.m. (Prague time) from the reference banks' quotations for the respective period. PRIBOR is fixed by a calculation agent for the Czech Forex Club. The PRBO page of the Reuters information system will be used as the priority information source.
 - b)** EURIBOR (Euro Interbank Offered Rate) is a reference value encompassing interest rates on the interbank deposit market in EUR that is fixed each banking day at 11 a.m. (CET) from the quotations of the reference banks for the respective period. EURIBOR is published by the European Banking Federation. The EURIBOR page of the Reuters information system will be used as the priority information source.
 - c)** LIBOR (London Interbank Offered Rate) is a reference value encompassing interest rates on the interbank deposit market in the respective currency (USD, GBP, JPY, CHF, EUR) that is fixed each banking day at 11 a.m. (London time) from the quotations of the reference banks for the respective period. LIBOR is published by the British Banking Association. The LIBOR01 and LIBOR02 pages of the Reuters information system will be used as the priority information source.
- 5.9** If the interest rate for a loan should be established based on PRIBOR, EURIBOR or LIBOR and such situation occurs on the interbank market that
- a)** the Bank's costs for obtaining refinancing sources for a respective period exceed the relevant PRIBOR, EURIBOR or LIBOR interest rate quoted for the given period, or
 - b)** refinancing sources cannot be obtained on the interbank market for the respective period, or
 - c)** the relevant PRIBOR, EURIBOR or LIBOR rate will not be published and at the same time the contract does not define an alternative method of its establishing,
- then the interest rate for the loan will be established based on the Bank's actual costs from any sources it selects for financing the loan, and the Bank will endeavour in all circumstances to select sources for financing the loan such that this does not burden the Client more than is absolutely necessary.
- If the appropriate PRIBOR, EURIBOR OR LIBOR rate is quoted with a negative value, the Bank shall instead use the interest rate of 0.01% p.a., unless the Bank's costs for acquiring refinancing sources exceed this rate. In such case, the Bank would proceed in the same manner as in those cases stated in points a) to c) of this Article. The Bank shall notify the Client in an appropriate and transparent manner of any alternative method of establishing the interest rate and the start of its effectiveness.
- 5.10** The Client is also obliged to pay fees or other charges agreed in the loan contract or as specified in the Price List.

6. LOAN REPAYMENT

- 6.1** The Client is obliged to repay a loan in the currency in which the loan is maintained. The Client is obliged to pay the interest in the same currency. The loan can be paid either by separate repayment

of the loan's principal and payment of interest or in the form of a so-called annuity payment whereby the loan principal and interest are paid at the same time.

- 6.2** Repayment of a loan and the payment of interest and other charges payable under the loan contract are made by debiting the appropriate amounts from the Client's account specified in the loan contract. In concluding the loan contract, the Client agrees with payment of the amounts as stated in the previous sentence and their debiting from the account defined in the loan contract and undertakes not to terminate the contract for the particular account until the financial obligations in relation to the loan are fully paid.
- 6.3** Should the available balance on the Client's relevant account be insufficient to cover the Bank's amount receivable due as at the established day, the Bank is entitled to debit any of the Client's accounts kept at the Bank and containing the Client's funds in the amount of the receivable due. In concluding the loan contract, the Client agrees with such debiting of any of his or her accounts.
- 6.4** The amount and timing of loan payments are established by the loan contract, or, as applicable, by the schedule of loan payments established by the Bank in accordance with the loan contract. An overdraft debit is paid intermittently and is payable to the account from which it was drawn.
- 6.5** In case of a change to any circumstance decisive for establishing the amount of an annuity payment, the Bank is entitled to adjust the schedule of instalments or other conditions of repayment relative to such change. The Bank will notify the Client in writing of such change.
- 6.6** The fact that the Client did not draw a loan in its full amount or that the amount drawn from the loan decreased for other reasons shall not affect the Client's obligation to pay instalments until the entire loan is repaid in the originally agreed terms and amounts while applying a shortened repayment period for the loan, with the exception of loans repaid by annuity payments. For such loans, unless otherwise agreed, the Bank shall change the amount of the regular annuity payments while maintaining their number and the final term of the loan as originally agreed.
- 6.7** If the due date for any payment under a loan contract falls upon other than a work day, the Client's account is debited with the corresponding amount on the following work day. Nevertheless, this shall not affect the Client's obligation to have sufficient funds available on the respective account as at the due date. The aforementioned rule does not apply in cases where the day of debiting the relevant amount falls in another calendar month than is that of the payment date; in such case the Client's account is debited already on the work day preceding the due date and the Client is obliged to ensure sufficient funds are available on the account as early as that day. This fact shall not affect the length of the interest period.
- 6.8** The provisions 6.1 to 6.7 do not affect Article 9 of the General Business Terms and Conditions.

7. EARLY LOAN REPAYMENTS

- 7.1** Loan payments may only be made at the times and in the amounts agreed in the loan contract. Any other payments of the loan or its part may be made only upon the Bank's prior consent and under conditions agreed with the Bank and established in the provisions of the Product Business Terms and Conditions.
- 7.2** The Bank will permit the Client to make an early loan repayment if the Client submits a written request at least 21 days prior to the requested early repayment date. The Bank is entitled to refuse the early repayment or to adjust its amount, or, in some cases, to request in connection with it the payment of a compensation fee. The Client is obliged to make the agreed early repayment and to pay the relating charges due on the specified day. If there are not

sufficient disposable funds in the Client's account on the specified day, then the payment will not be executed. Provision 6.7 of the Product Business Terms and Conditions shall be used accordingly.

- 7.3** After making the early repayment, the Client is obliged, unless otherwise agreed, to continue making payments with no interruption in the terms and amounts originally agreed in the loan contract. The payment made of the loan's principal will be set off against the most-distant loan payments and the overall term of the loan and amount of the final payment will be reduced accordingly.
- 7.4** If a loan is repaid by means of annuity payments and the Client makes an early repayment, the Bank shall change the amount of the regular annuity payments while maintaining their agreed number and final due date of the loan, unless otherwise agreed.

8. CERTAIN OTHER OBLIGATIONS OF THE CLIENT AND CONTROL OVER FULFILMENT OF LOAN CONDITIONS

- 8.1** The Client is obliged to inform the Bank without undue delay of any changes in any facts provided to the Bank during negotiations on concluding the loan contract or later in the life of the credit relationship. In this connection, the Client is obliged to submit to the Bank the necessary documents as well as other documents required by the Bank. The Client is obliged to inform the Bank at its request of his or her accounts maintained at other banks.
- 8.2** In concluding a loan contract, the Client undertakes to inform the Bank reasonably in advance of his or her intention to:
- a)** transfer a substantial part of his or her property to a third party or encumber it with a pledge or easement or similar right or otherwise to substantially debase the value of his or her property in fact or under terms of law, even if to do so would be only temporary;
 - b)** transfer to a third party, lease or dispose of through any other legal act a part of his or her business (enterprise) that is significant in terms of volume or revenues, or to otherwise substantially devalue the enterprise or its profitability in fact or under terms of law, even if to do so would be only temporary;
 - c)** draw a loan or enter into another obligation with another financial institution that could give rise to his or her having a pecuniary obligation;
 - d)** provide a loan, a guarantee or any other loan security to a third party or parties or by another manner outside of customary business practice enter into any other contractual relationship that could give rise to his or her having a pecuniary obligation;
 - e)** enter into a commercial relationship or participate in a business transaction that could involve business risk for the Client greater than is usual in his or her field of business; or
 - f)** take any other action that could adversely affect repayment of the loan or the security provided for such loan.

If it will be the Bank's opinion that carrying out the Client's intention could threaten the Client's ability to meet his or her obligations or otherwise threaten the repayment of funds under the loan, the Bank is entitled to express its disagreement. In concluding the loan contract, the Client undertakes to respect the Bank's disagreement that is expressed in writing and to refrain from carrying out such intention.

- 8.3** The Client is obliged to duly care for his or her property and, in particular, for the things of value acquired using the funds provided by the Bank or using funds the repayment of which the Bank guarantees. The Client is obliged to duly insure his or her property, or, if required by the Bank, to arrange liability insurance for consequences of his or her activities, and to provide the Bank with the required information and documents relating to such insurance contract.

8.4 The Bank is entitled to control and evaluate the fulfilment of conditions established in the Product Business Terms and Conditions, the loan contract and related contracts in the timing and manner that the Bank deems appropriate. The Bank is entitled to verify the Client's creditworthiness as well as other circumstances that could jeopardise repayment of the loan.

8.5 So that the Bank can exercise its control and verification rights, the Client is obliged to provide the Bank with his or her co-operation in accordance with the Bank's requirements and needs. For that purpose, the Client is in particular obliged to create conditions at his or her own expense so that the Bank may exercise its entitlements to control fulfilment of the agreed conditions, including to allow the Bank to enter the Client's facilities or premises that are owned by the Client or used to carry out the Client's business activities, to make available all accounting and other documents and materials, to ensure the co-operation of the relevant experts, etc.

9. SERIOUS BREACH OF THE LOAN CONTRACT AND OTHER SERIOUS MATTERS

9.1 A serious breach of the loan contract and other serious matters, regardless of the cause of their origin, are considered, in particular, to be the following:

- a)** the Client did not provide the Bank with true or complete information essential for deciding upon provision of the loan or that is required during the term of the credit relationship or the Client's declarations made to the Bank do not, in whole or in part, correspond to reality;
- b)** the Client is in delay with payment of loan instalments, interest or any other amount that the Client is obliged to pay to the Bank;
- c)** if a collateral has been agreed for securing the Client's financial obligations to the Bank and the Client fails to provide it or does not ensure its provision in a sufficient extent, or the Client does not provide additional collateral for the financial obligations as required by the Bank in the amount, quality and manner determined by the Bank, or, despite the Bank's explicit request for co-operation, the Client prevents the due origination of collateral for the financial obligations by his or her inactivity, or the Client does not meet the specified conditions for provision of security in any other manner;
- d)** if a collateral has been agreed for securing the Client's financial obligations to the Bank and the collateral for the Client's fulfilment of obligations loses its value, ceases to exist or becomes ineffective or unenforceable;
- e)** the Client does not use the funds from the loan for the agreed purpose;
- f)** the Client or a person or entity providing the Bank with collateral was judged bankrupt or is the subject of a court, distraint or criminal procedure;
- g)** the Client terminates his or her business activities or substantially changes their orientation or scope, the relevant body decides on winding-up of the Client or on its abolition in any other way, the Client's business or a part thereof is transferred, the Client loses his or her business licence or similar entitlement or a part thereof, or the Client's employment or any other income-generating activity is changed or terminated, and if in the Bank's opinion, any of the aforementioned circumstances could have negative impact on the Client's ability to fulfil his or her financial obligations to the Bank;
- h)** the financial or property situation of the Client or of a person or entity providing the Bank with the security deteriorates, such person or entity's capital assets decrease or indebtedness increases;

i) in contradiction of the Product Business Terms and Conditions, the Client transfers a substantial part of his or her assets in any way or encumbers it with a pledge or easement or similar right, or the Client otherwise substantially debases the value of his or assets in fact or under terms of law, even if doing so only temporarily;

j) a legitimate lien or lien ensuing from a decision of a state authority is imposed upon any part of the Client's property or assets that are used as collateral for the Client's financial obligations to the Bank;

k) the Client does not co-operate with the Bank in exercising its control and verification rights;

l) the Client breaches the information obligation to the Bank as defined in the General Business Terms and Conditions, the Product Business Terms and Conditions or in the loan contract;

m) the Client breaches any other obligation arising under the Product Business Terms and Conditions, the General Business Terms and Conditions, the loan contract and the collateral documentation or other related provisions, or, as the case may be, for any other reason does not satisfy any other condition established in these documents, and if the Client does not remedy this breach to the Bank's satisfaction and within the period specified by the Bank;

n) a person or entity who provides collateral for the Client's financial obligations under the loan or a bill of exchange that ensures the fulfilment of these financial obligations to the Bank, for example, a pledger, guarantor or a backer of a bill, breaches any of his or her obligations or fails to meet any of the conditions agreed in the respective contractual provision or resulting from the relevant legal act, and such default will not be remedied to the Bank's satisfaction and in the period defined by the Bank;

o) any other circumstance occurs which could negatively affect the extent and condition of the assets or the financial or business situation of the Client, if such circumstance could in the opinion of the Bank negatively affect the Client's ability and likelihood to meet his or her financial obligations under the loan contract.

10. CONSEQUENCES OF A SERIOUS BREACH OF THE LOAN CONTRACT AND OF OTHER SERIOUS MATTERS

10.1 In case of a serious breach of a loan contract or another serious matter under Article 9 of the Product Business Terms and Conditions, the Bank is entitled to pursue any one or more of the following measures while considering the seriousness of the circumstances:

a) to require that additional security for the obligations be provided in a manner and amount specified by the Bank;

b) to suspend drawing of a loan and, as the case may be, to require an early one-time repayment of the amount of the loan already drawn, inclusive of appurtenances, and reimbursement of costs incurred by the Bank due to its exercising this extraordinary measure;

c) to terminate the loan contract with future effectiveness while stipulating that all outstanding amounts are due and payable with immediate effect, or to declare all or certain outstanding amounts to be immediately due and payable without terminating the loan contract;

d) to realise any collateral that was provided to the Bank, if the preconditions that are defined in the loan and collateral documentation are met;

e) to increase the interest rate on the loan or, as the case may be, other repeating payments agreed under the loan contract.

- 10.2** Should the loan or its part be declared due and payable based on the Bank's decision, the Client is obliged to repay the loan or its payable part, including its appurtenances, within the specified period. Should the Client fail to do so, the Bank is also entitled to charge a penalty rate of interest.
- 10.3** Should the loan or its part be declared due and payable based on the Bank's decision and the due date falls upon a date other than that when the agreed period or the validity period of the fixed interest rate ends, then the Bank is entitled to require that the Client pay a compensation fee.
- 10.4** Unless otherwise explicitly agreed or established by the Bank, employment of the aforementioned measures does not in any way affect the Client's obligation to meet the financial obligations specified in the Product Business Terms and Conditions and in the loan contract. All the Client's obligations to the Bank remain valid until such time as the Client fully pays all outstanding amounts.

11. OTHER PROVISIONS

- 11.1** If a loan contract is concluded with several entities on the Client's side, all those persons or entities are bound to fulfil the ensuing obligations jointly and severally.
- 11.2** For purposes of risk diversification, optimising its share capital and refinancing its assets, the Bank is entitled to enable other financial institutions to participate in a loan provided to the Client.
- 11.3** If the legal regulations or their generally acknowledged interpretation in practice change or some other unforeseeable event occurs after a loan contract has been signed and as a result of this by continuing the credit relationship the Bank's refinancing costs for the particular loan or the particular loan category increase and the Bank's capital adequacy, liquidity or credit exposure are negatively affected, then the Bank is entitled to request the Client compensate those costs in the form of additional payments and the Client shall be obliged to make such payments. If required by the generally binding regulations or by regulations binding upon the Bank (in particular, directives and measures issued by the CNB), then the Client is also obliged to co-operate with the Bank in harmonising the credit relationship with these regulations.
- 13.3** If the instructions provided by the Client are incomplete, the Bank may issue an indirect guarantee if the Bank deems it necessary to do so due to the given circumstances and in order to protect the Client's interests. If the Client does not specify which Bank should issue the guarantee, then the Bank is entitled to select it. The Bank is not liable for delays, misinterpretation or other deficiencies caused by the other bank, and neither does the Bank assume any liability or responsibility if the instructions that the Bank provided to the other bank were not carried out by that bank.
- 13.4** The Client is obliged to pay fees and commissions agreed for the provision of a bank guarantee or letter of undertaking to provide a bank guarantee. Calculation of the guarantee commission is based on a calendar year consisting of 360 days with regard to the duration of the bank guarantee issued or letter of undertaking to provide a bank guarantee issued and their current amounts. The payment due date for the guarantee commission is established by the relevant contract. If, however, the due date falls on other than a work day, then the commission is debited from the Client's account on the preceding work day.
- 13.5** The Client is also obliged to pay to the Bank all costs incurred by the Bank in connection with the Client's request to provide a bank guarantee or a letter of undertaking to provide a bank guarantee, including the costs of court or out-of-court proceedings, in the Czech Republic or abroad, or costs ensuing from foreign legal regulation and international practice. These costs are payable in accordance with the third party's instructions.
- 13.6** If the Bank is notified to make payment based on the bank guarantee, then the Bank shall immediately inform the Client. Furthermore, the Bank shall verify whether all documents that are required in the letter of guarantee have been duly submitted (including the request for performance under the bank guarantee), manifestly correspond to the conditions required in the letter of guarantee and are not manifestly in mutual contradiction. If the documents are submitted through an authenticated or coded data transfer, not in originals, then the Bank shall regard these as originals.
- 13.7** The Bank is obliged to make payment if the request for performance under a bank guarantee submitted by the beneficiary and/or other bank meets the conditions of the bank guarantee and is delivered to the Bank before termination of the bank guarantee's validity.
- 13.8** The Bank reserves the right at its discretion to reject the beneficiary's request for extension of the validity period of a bank guarantee as an alternative to requesting performance under the bank guarantee.
- 13.9** The Client undertakes to provide the Bank for the entire valid term of each bank guarantee or letter of undertaking to provide a bank guarantee with the necessary co-operation in providing documents, deeds and information relating to the bank guarantees or letters of undertaking to provide bank guarantees provided and to provide on time any instructions concerning bank guarantees or letters of undertaking to provide bank guarantees issued. Furthermore, the Client undertakes to cooperate as requested to remedy the Bank's obligation to perform under a bank guarantee. If the Client and the Bank agree that the Client will take over a letter of guarantee or letter of undertaking to provide a bank guarantee from the Bank, then the Client is obliged duly to hand over this document to the beneficiary and to inform the Bank in case that it is not so handed over.

III. OTHER TRANSACTIONS INCLUDED IN BANK CREDIT EXPOSURE

12. BASIC PROVISIONS

- 12.1** Provisions of Part II of the Product Business Terms and Conditions shall also be used to a reasonable extent for relationships between the Bank and the Client regarding other bank transactions included into bank credit exposure.

13. BANK GUARANTEES

- 13.1** The Bank provides Clients with bank guarantees or with letters of undertaking to provide bank guarantees on the basis of contracts. The Client is obliged to submit to the Bank documents evidencing the existence of the underlying transaction related to a bank guarantee that is to be provided.
- 13.2** A bank guarantee will be issued either by the Bank itself (direct guarantee) or the Bank will authorise another bank to issue the guarantee based on the Bank's counter-guarantee (indirect guarantee). An indirect guarantee will be issued by the Bank in the form and with the particulars, including the period of its validity, as required in the beneficiary's country.