

PRODUCT TERMS AND CONDITIONS OF EQUA BANK A.S. FOR PROVISION OF BUSINESS LOANS

INTRODUCTORY PROVISIONS

The Product Terms and Conditions of Equa bank a.s. for the Provision of Business Loans (hereinafter “**Terms and Conditions**”) shall govern the rules for the provision of business loans pursuant to a Loan Agreement concluded between the Customer and the Bank, based on which the Bank shall provide a loan product (hereinafter “**Agreement**”), the Price List, the Interest Rate List, and the Business Terms and Conditions of Equa bank a.s. for Individual Entrepreneurs and Legal Entities (hereinafter “**BTC**”). The Terms and Conditions shall be an integral part of the Agreement and complementary to the BTC, the Price List, and the Interest Rate List. The Customer shall be obliged to be informed of the Terms and Conditions, the BTC, the Price List, and the Interest Rate List or other documents related to the provision of a product of the Bank, and to adhere to these.

Should the liabilities of the Customer towards the Bank, arising from the Agreement, be secured by a third party (hereinafter “**Person Providing Security**”), the Terms and Conditions shall also apply to legal relationships between the Bank and the Person Providing Security, arising from the provided security and constituting a part of the agreement on the provision of the security, concluded between the Bank and the Person Providing Security.

Capitalised terms or phrases of the Terms and Conditions shall have the meaning defined in Article 14 of the Terms and Conditions or a meaning specified in the individual provisions of the Terms and Conditions or in the BTC. The definition shall be applied uniformly both to the singular and plural form.

In the case of a conflict, the meaning assigned to a certain expression in the Agreement shall prevail. Matters not covered by the Terms and Conditions or the Agreement shall be governed by a provision in the BTC. Should such a provision not exist, a general rule shall apply. By signing the Agreement, the Customer confirms having received one copy of the BTC along with one copy of the Terms and Conditions.

1. AGREEMENT; DECLARATIONS AND GUARANTEES OF CUSTOMER

- 1.1. The Bank shall provide a Loan to the Customer based on a written Agreement, which is signed by a statutory body or a person or persons authorised by the statutory body on behalf of the Bank and the Customer or his/her statutory body or a person or persons authorised by the statutory body on behalf of the Customer. In the case of a Bank Guarantee, an Agreement, pursuant to the Terms and Conditions, shall be an Agreement, concluding terms and conditions for the provision of a Bank Guarantee, a payment resulting from a guarantee document, and terms and conditions for the return of funds, provided to the Bank by the Customer, pursuant to a guarantee document. Should the Customer be contractually represented, the granted Power of Attorney presented to the Bank by the representative must contain i.a. a specific definition of the scope of representation, and the signatures on the Power of Attorney must always be certified or superlegalised pursuant to the valid law. In the case of doubt, the Bank shall be entitled to reject the conclusion of the Contractual Document based on the Power of Attorney.
- 1.2. Based on a mutual agreement with the Customer, the Bank shall be obliged to provide the Customer with funds in a certain amount, for an agreed purpose, and within an agreed time period under the Terms and Conditions concluded in the Agreement. The Customer shall be obliged to use these funds pursuant to the concluded Agreement or exclusively for the purpose stipulated by the Agreement and to return the provided funds to the Bank within the agreed time period and to pay the interest and fees stipulated by the Agreement or by the valid Price List, as well as to make other agreed payments and to comply with other Terms and Conditions concluded by the Agreement. Should the Agreement or Contractual Documents, concluded between the Bank and the Customer to Secure the granted Loan, contain a provision on the mutual relationship between the Bank and the Customer which differs from a provision contained in the Terms and Conditions, the provision contained in the Agreement or Contractual Documents, concluded between the Bank and the Customer to Secure the Loan, shall prevail.
- 1.3. The Customer shall be obliged to use the Loan exclusively for the purpose concluded in the Agreement. The Bank shall be authorised to evaluate the purpose of every partial drawing of the Loan and may reject any withdrawal which is not duly documented or where doubt about the purpose of the requested (or any earlier) withdrawal arises. The Customer shall be obliged to prove upon the request of the Bank at any time that he/she has used or is using the Loan for the purpose concluded in the Agreement.
- 1.4. Should the effectiveness of the Agreement be bound to a consent of an administrative or other body or should the Agreement be subject to registration or publishing, the Agreement shall become effective when such obligation has been fulfilled or consent granted.
- 1.5. Should the Bank, having granted a Loan, breach a binding decision by a Court or another administrative body or any other generally binding legal rule (in particular Act No. 253/2008 Coll., on Some Measures Against Legitimation of Proceeds of Crime and Financing of Terrorism, as amended) and/or a measure of the Czech National Bank, stipulating the obligations of the Bank or having any other impact on the management or the legal position of the Bank, resulting in the fact that the Bank would act in an unlawful way if it were to fulfil any of its contractual obligations or to finance any Loan pursuant to the Agreement, the Bank shall inform the Customer of such fact and the Customer shall be obliged immediately to redeem all his/her liabilities towards the Bank, while all liabilities undue up to such point shall become due.

1.6. Declarations and Guarantees

By signing the Agreement, the Customer shall provide declarations and guarantees towards the Bank within the scope specified herein below in Section 1.6 and the Agreement. Should a Person Providing Security exist, the Person Providing Security shall provide declarations and guarantees towards the Bank by signing the respective Contractual Documents within the scope specified herein below in Section 1.6 and the Contractual Documents. The Customer (and the Person Providing Security, if relevant) shall demonstrate beyond any doubt that the specified declarations and guarantees shall be valid as of the day of signature of the Agreement or the Contractual Document and shall remain valid for the entire duration of the contractual relationship between the Customer and the Bank, established by the Agreement.

1.6.1. Legal Status of Entrepreneur

- a) The Customer (and the Person Providing Security, if relevant) shall be a business corporation, duly established and registered, pursuant to the valid law; and/or
- b) The Customer (and the Person Providing Security, if relevant) shall be an individual entrepreneur, holding relevant authorisations hereto, as requested by the respective general binding law; and/or
- c) The Customer (and the Person Providing Security, if relevant) shall have the full and unrestricted right to own his/her assets and to dispose of them to fulfil all obligations set out by the Agreement or the Contractual Documents.

Neither the Customer nor the Person Providing Security shall have decided upon a liquidation nor shall they be in liquidation nor shall there be a threat that a liquidation would be decided upon.

1.6.2. Permissions and Consents

The Customer (and the Person Providing Security, if relevant) shall hold all permissions and consents necessary to conclude any Contractual Document, to which he/she is a contractual party, to meet obligations arising herefrom and to undertake all necessary or desirable steps to be able to perform all acts foreseen by or related to the document. All such consents shall be obtained as set out by legal rules or internal rules of the Customer (and the Person Providing Security, if relevant) or the Statute, and such consents shall continue to be valid and effective.

1.6.3. Binding Legal Force

The Customer (and the Person Providing Security, if relevant) shall be obliged to safeguard that, based on every Contractual Document to which the Customer (and the Person Providing Security, if relevant) is or shall be a legal party, a legally binding document, enforceable on the Customer (and the Person Providing Security, if relevant) shall be created by signature, pursuant to the Terms and Conditions stipulated herein.

1.6.4. Compliance with Existing Obligations

Conclusion of any Contractual Document, fulfilment of obligations and transactions foreseen by it, is not and shall not be:

- a) In conflict with any legal rule, regulatory measure or individual legal act; or
- b) In conflict with any agreement, obligation, constitutive or any other document, which is legally binding for the Customer, the Person Providing Security or any member of the Group of the Customer, should such member be concerned.

1.6.5. Non-Existence of Event of Infringement

- a) There is no existing or impending Event of Infringement, which would not be entirely remedied or which could arise by concluding the Agreement or the Contractual Document; or
- b) To the best knowledge of the Customer, there is no other fact that would constitute an Event of Infringement pursuant to any document which is legally binding for the Customer (and the Person Providing Security, if relevant) and any member of the Group of the Customer or which could impact on any substantial part of their assets, possibly having a significant negative impact on business or financial situation or the ability to meet the obligations pursuant to the Contractual Documents on the part of the Customer, the Group or the Person Providing Security, if relevant.

1.6.6. Accounting

With regard to the Customer (and the Person Providing Security, if relevant) or the Group of the Customer, the accounts (audited or non-audited, as relevant) or the audited consolidated accounts of the Group of the Customer, which were delivered to the Bank:

- a) Were prepared pursuant to the accounting principles, which are stipulated by relevant legal rules and generally accepted in the Czech Republic;
- b) Represent a truthful, complete, and accurate picture of the financial standing of the Customer (and the Person Providing Security, if relevant) and the Group of the Customer as of the date on which they were prepared; and from the day as of which the accounts were prepared, there have been no substantial negative changes in the financial standing of the Customer (and the Person Providing Security, if relevant) and the Group of the Customer.

1.6.7. Disputes

At present, the Customer (and the Person Providing Security, if relevant) and any member of the Group of the Customer are not involved in any Court dispute, arbitration procedure, administrative procedure or investigation, which could have a negative

impact on the business or financial standing of the Customer (and the Person Providing Security, if relevant) or a member of the Group of the Customer (should the respective decision be unfavourable to them), or the ability of any of them to meet the obligations pursuant to the Contractual Documents or which could impact on the validity or enforceability of any Contractual Document. To the best knowledge of the Customer (and the Person Providing Security, if relevant), such Court dispute, arbitration procedure or administrative procedure is not imminent.

1.6.8. Information

All information which the Customer (and the Person Providing Security, if relevant) has transmitted or provided to the Bank in connection with the provision of a Loan or in connection with negotiating or concluding an Agreement shall be truthful, accurate, and complete, being in no respect misleading, as of the date of provision or as of a date as of which it shall apply.

1.6.9. Security

A Security established in favour of the Bank shall be valid, effective, and enforceable, pursuant to the Terms and Conditions of the respective Contractual Document. To provide a Security, consents were granted pursuant to valid provisions of the Act on Business Corporations or pursuant to other documents binding for the Customer; the provided Security shall not be in conflict with valid law and other rules and documents binding for the Customer or the Group of the Customer or the Person Providing Security.

1.6.10. Bankruptcy

The Customer, any member of the Group of the Customer or any of the Persons Providing Security shall not be over-indebted or insolvent, and they shall not be in an actual or imminent bankruptcy; an insolvency procedure has not been initiated, and there is no ongoing bankruptcy procedure concerning their property or another method of insolvency resolution pursuant to the valid or earlier law. To the best knowledge of the Customer, the Group of the Customer or the Person Providing Security, none of the above listed is imminent.

1.6.11. Equal Standing

The Agreement shall contain in all respects unconditional and non-subordinated obligations of the Customer to be covered in at least the same order along with all current as well as future unconditional and non-subordinated obligations of the Customer.

1.6.12. Non-Existence of Rights in Rem and Rights of Third Parties

With the exception of the rights existing and communicated to the Bank by the Customer in writing as of the day of conclusion of the Agreement, the property of the Customer (and the Person Providing Security, if relevant) shall not be subject to any other Security or rights of third parties, limiting the disposal of this property. The Customer (and the Person Providing Security, if relevant) shall not be obliged to establish any Security on a contractual or another basis; there are no circumstances based on which a Security or a right of a third party may be established, based on law or a decision of a public body.

1.6.13. Non-Existence of Arrears

All taxes, payments of insurance premiums or other payments due on the part of the Customer (and the Person Providing Security, if relevant) have been duly and timely paid to the respective public administration body. The Customer (and the Person Providing Security, if relevant) shall duly collect all of his/her (tax) claims.

1.6.14. Non-Existence of Significant Adverse Change

Since the date of the last accounts of the Group of the Customer, there has been no significant adverse change to the financial standing, business or ability of the Customer (and the Person Providing Security, if relevant) or the Group of the Customer to meet his/her obligations pursuant to the Contractual Document.

1.6.15. Tax Residence

Unless the Customer otherwise informs the Bank in writing before the conclusion of the Agreement, the Customer shall be deemed a tax resident of the country with which the Czech Republic has concluded the Double Taxation Convention (unless the Customer is a tax resident of the Czech Republic), based on which the interest payments shall not be subject to a withholding tax or subject to a lower rate of the withholding tax than the rate set out by the Czech legal system.

1.7. Obligations of Customer

Obligations specified in Article 1.7 of the Terms and Conditions and any other obligations (should there be any) pursuant to the Agreement shall remain valid and effective from the date of signature of the Agreement for the entire period during which any amount shall be due pursuant to the Agreement or the Contractual Document or should the Loan be drawn pursuant to the Agreement.

1.7.1. Permissions, Memoranda, and Decisions

The Customer shall be obliged to have available all permissions, memoranda, and other decisions which are necessary to run the business of the Customer; all such permissions, decisions, and memoranda must be valid, effective, and must not be breached and there must not be a reasonable concern that some of these permissions, decisions, and memoranda will be legally challenged or that they will be breached, changed, revoked or cancelled.

1.7.2. Preserving the Nature of Business and Legal Status

The Customer (and the Person Providing Security, if relevant) shall be obliged to ensure that there will be no changes to the nature of his/her business and the business of the persons controlled by the Customer or to its scope compared to the status as of the date of the signature of the Agreement.

The Customer (and the Person Providing Security, if relevant) shall be obliged to do everything necessary to maintain the existence and the right to run his business pursuant to the valid law.

1.7.3. Account Maintenance with the Bank

For the duration of any claim of the Bank on the Customer, arising from the Agreement or in connection with the Agreement, the Customer shall be obliged to maintain one or several Accounts with the Bank, from which repayments of the principal, interest on the Loan, prices, fees, and other debt of the Customer towards the Bank shall be paid, incurred as a result of the provision of a Loan pursuant to the Agreement. All liabilities in the Accounts of the Customer shall be pledged in favour of the Bank for the entire duration of the contractual relationship.

1.7.4. Information Obligation

The Customer shall be obliged to submit to the Bank the financial statements defined by the Agreement within the time periods set out by the Agreement. The Customer shall be obliged to provide the information within the following minimum scope:

- a) Audited or non-audited annual Accounts no later than sixty (60) days from the end of the respective accounting period, unless otherwise contractually stipulated;
- b) Quarterly Accounts no later than thirty (30) days from the end of every quarter of the financial year, unless otherwise contractually stipulated;
- c) Income Tax Return, including annexes for the respective accounting year, with a stamp of the submission point of the respective Inland Revenue or with attached confirmation of an electronic submission or a confirmation of a submission using a data box no later than thirty (30) days from the submission to the respective Inland Revenue, unless otherwise contractually stipulated;
- d) Tax Return for another tax which the Customer shall be obliged to pay in connection with the fulfilment of the Loan purpose set out in the Agreement, at least with a stamp of the submission point of the respective Inland Revenue or with attached confirmation of an electronic submission or a confirmation of a submission using a data box no later than thirty (30) days from the submission to the respective Inland Revenue, unless otherwise contractually stipulated;
- e) All other information concerning the business activity of the Customer, upon the request of the Bank, at any time;
- f) The Customer shall immediately inform the Bank of all circumstances which have or might have a negative impact on his/her business or might cause significant changes in his/her activity or threaten or may threaten the due fulfilment of obligations and duties of the Customer arising from the Agreement;
- g) The Customer shall immediately inform the Bank of any facts linking him/her to other persons in a group of connected customers and of the change to such status.

1.7.5. Equal Standing

The Customer shall undertake that his/her obligations arising from the Agreement shall be at least equal (in terms of the quality and the scope of the provided security for such debt and the order of its payment) to all other existing and future obligations of the Customer until their full redemption.

1.7.6. Failure to Provide Security and Use of Assets

The Customer (and the Person Providing Security, if relevant) shall be obliged to keep, secure, and protect all assets, to maintain them in good condition, to dispose of them prudently and diligently so as not to impact on the ability of the Customer to meet his/her obligations or to limit or to reduce possible coverage from the provided Security.

The Customer shall be obliged not to provide a guarantee or financial guarantee, not to transfer, steal, assign, let, rent or provide his/her assets or any of their part as a security to a third party and not to dispose of his/her assets or their part with similar legal effects or not to burden his/her assets or not to enable burdening of his/her assets with another right of a third party or not to allocate them to a trust fund or registered capital of a third party, without the prior written consent of the Bank for the duration of the Agreement.

Furthermore, the Customer shall be obliged not to accept or provide a credit or loan or not to issue or guarantee a payment of a note, not to conclude agreements on a purchase of a rented item, lease agreements or agricultural lease in which he/she will act as a lessee or lessor, without the prior written consent of the Bank. The Bank shall be obliged not to withdraw its consent without serious reasons.

The restrictions above shall not apply to (i) such transfer, sale or assignment of the assets or their part of the Customer which is usual, in particular with respect to its nature, purpose, scope, and volume, for the performance of a usual activity directly resulting from his/her scope of business, if occurring under usual market conditions, and (ii) burdening of the assets of the Customer in connection with securing the liabilities of the Customer to the Bank.

1.7.7. Mergers and Acquisitions

Without a prior written consent of the Bank, the Customer may not initiate steps resulting in a merger, division, change to another legal form or a different management, having the same or similar effect.

1.7.8. Provision and Acceptance of Loans

Without a prior written consent of the Bank, the Customer (and the Person Providing Security, if relevant) shall be obliged:

- a) Neither to provide nor to oblige himself/herself to provide any credits, loans, guarantees or Securities in favour of third parties,
- b) Not to assume or accede to any liability of third parties (including an issuance of a pledge of compensation in their favour),
- c) Not to undertake anything else that would or could have the effect of any fact given above,
- d) Not to enter any loan or similar relationship with any other bank or third party, in which he/she would act as a debtor receiving funds.

1.7.9. Transfer

Without a prior written consent of the Bank, the Customer shall be obliged not to assign, transfer or burden with rights of third parties his/her rights or liabilities arising from the Agreement and not to assign the Agreement as an Agreement pursuant to the Civil Code. Any assignment or transfer of rights or liabilities or assignment of the Agreement by the Customer without consent of the Bank shall be invalid. Furthermore, the Customer shall be obliged not to transfer his/her obligations or rights or liabilities arising from the Agreement to a third party and not to assign the Agreement to such third party as an Agreement pursuant to the Civil Code without a prior written consent of the Bank. Any transfer of these obligations or rights or liabilities or assignment of the Agreement by the Customer without consent of the Bank shall be invalid.

1.7.10. Derivatives

Without a prior written consent of the Bank, the Customer (and the Person Providing Security, if relevant) shall be obliged not to conclude any Agreement or transaction concerning financial, commodity or other derivatives except for those whose provable, direct, and sole purpose is to provide a security against an interest, commodity, currency or another risk in connection with the Loan or his/her business.

1.7.11. Payment of Dividends/Share in Profits

The Customer (and the Person Providing Security, if relevant) shall be obliged to safeguard that dividends or shares in profits shall be paid out without a written consent of the Bank (unless otherwise stipulated by the Agreement) only if there is no actual or imminent bankruptcy as of the day of payment, no actual or imminent Event of Infringement, and, at the same time, the payment is not hindered by any provision concerning the Security.

1.7.12. Other Information Obligations

The Customer (and the Person Providing Security, if relevant) shall be obliged, based on an earlier request of the Bank, to immediately grant the Bank access to all accounting documents, accounting protocols, and accounting books of the Customer (and the Person Providing Security, if relevant) at the premises of the Customer (and the Person Providing Security, if relevant).

Furthermore, upon the request of the Bank, the Customer shall be obliged immediately to provide such information, concerning the business and financial situation of the Customer or the Group of the Customer which the Bank may reasonably request. The Bank shall be authorised to verify the credibility of the provided documents directly at the premises of the Customer (for which the Customer shall be obliged to provide assistance) or at the premises of third parties, including the respective Tax Administration, Social Security Administration, and Public Insurance Administration, for which the Customer hereby grants his/her express consent to the Bank.

The Customer shall be obliged to inform the Bank in writing in advance should the definition of the marketing year not coincide with the calendar year pursuant to his/her Instruments of Incorporation and to inform the Bank of the fact that he/she submits an Income Tax Return through his/her Tax Advisor, submitting a copy of the respective notification to the Inland Revenue.

The Bank shall be entitled to have the provided documents scrutinised by an auditor, expert, accountant, a tax or legal representative of its choosing. In such case, the Customer shall be obliged to cover the costs incurred by the Bank upon the request of the Bank.

1.7.13. Notarial Deed

Upon the request of the Bank, the Customer shall be obliged, at any time during the validity period of the Agreement, in particular should an Event of Infringement occur on the part of the Customer, to conclude with the Bank a Notarial Deed or a similar instrument allowed by the valid legislation, containing an Agreement of the Bank and the Customer in recognition of an obligation of the Customer to the Bank and consent of the Customer to a direct enforceability and execution of the decision pursuant to the provision in Section 274 (1)e of Act 99/1963 Coll., Code of Civil Procedure, as amended, and to perform changes of the Agreement related hereto, should such changes be necessary with respect to the current version of the Agreement.

2. DRAWING OF LOAN

2.1. The size of the Loan or the Limit of Drawing shall be concluded by the Agreement. The drawing of the Loan (unless otherwise resulting from the Agreement) shall be conditioned by a delivery of a written request for disbursement with a signature of a person or persons authorised by the Customer to an authorised representative of the Bank (in the case of signature in his/her presence) or with a certified signature.

The Customer shall be authorised to draw the Loan up to the amount of the Loan or Limit concluded by the Agreement provided that he/she fulfils the following conditions precedent, unless otherwise stipulated by the Agreement:

- a) The Agreement was lawfully signed by the Customer and the Bank received all contractually agreed, factually and formally correct materials and documents; and
- b) All fees set out by the Agreement were paid on the agreed due days; and
- c) There has not been any Event of Infringement of obligations or there has not occurred any fact specified in Article 6 of these Terms and Conditions and/or in the Agreement or a change of circumstances on the part of the Customer, due to which the Bank would have a reasonable doubt based on a professional judgement that the Customer would be able to meet his/her obligations arising from the Agreement; and
- d) The Security and Rights in Rem have been documented pursuant to the Law and the Agreement; and
- e) Other specific conditions for the drawing of the Loan or the Limit concluded in the Agreement have been fulfilled.

The Customer shall be authorised to draw the Loan no sooner than on the following Working Day after the last of the suspensive conditions for the drawing of the Loan has been fulfilled. The Customer and the Bank may decide that the Loan may be drawn already on the Working Day on which the Customer has fulfilled all the suspensive conditions for the drawing pursuant to the Agreement. The Loan may be drawn in a single step or successively. In the case of a successive drawing, the Customer shall be authorised to request the drawing once a month at most, unless the Bank otherwise agrees with the Customer. In the case of an Account Overdraft and a Revolving Loan, the Loan may also be drawn repeatedly. The Loan shall be considered provided by debiting the respective sum from the Account of the Bank in favour of the Customer.

2.2. The drawing of the Loan shall furthermore be conditioned by fulfilling further suspensive conditions, namely:

- a) On the day of delivery of a request for drawing or a written notification (should the request for drawing not be required pursuant to the Agreement) and as of the date of drawing, concerning the respective withdrawal of funds:
 - i. All declarations and guarantees provided by the Customer in the Agreement, the BTC, and the Terms and Conditions, as well as declarations and guarantees repeatedly made subsequently pursuant to the Agreement or the Terms and Conditions are truthful and they will obviously also be truthful in an immediately foreseeable future, following the drawing of the Loan,
 - ii. No actual or imminent Event of Infringement results from the withdrawal of the funds,
 - iii. The latest deadline to terminate the drawing, specified in the Agreement, has not passed ineffectively.
- b) The Bank received the original or certified copy of all other documents, statements, certificates, approvals, and assurances (as concluded by the Agreement), which may reasonably be requested in connection with the withdrawal of funds. At its discretion, the Bank shall make photocopies of the submitted documents, certified according to the internal rules of the Bank, returning the originals to the Customer, to document the fulfilment of the condition for drawing, and shall be entitled to keep such originals at its discretion.

2.3. The Bank may reject the drawing of the Loan or suspend further drawing of the Loan, should the Bank establish that an Event of Infringement has occurred. However, this shall not restrict the right of the Bank to inform the Customer at any time that the Loan is no longer available for drawing, should there be a reasonable concern that declarations and/or guarantees of the Customer vis à vis the Bank within the scope specified in Article 1. hereof or in the Agreement are not truthful or complete, and/or that based on a thorough evaluation by the Bank there is a reasonable concern that the Customer will not be able to fulfil his/her obligations pursuant to the Agreement, and/or that by enabling the Loan to be drawn, the Bank would be in conflict with Article 1., Section 1.5. hereof.

2.4. The Bank shall enable the Customer to draw the Loan in a cashless manner from a Loan Account, maintained by the Bank for the needs of the accounts of the Loan, to the Account or Accounts concluded by the Agreement and pursuant to the Terms and Conditions of the Agreement, in particular to a Current Account of the Customer, maintained by the Bank, or to an Account of the Customer, maintained by another bank in the Czech Republic, or to an Account or Accounts of third parties concluded by the Agreement or another Contractual Document. The Account Overdraft may be drawn continuously based on Payment Orders of the Customer or Payment Transactions by card from the Account of the Customer, given in the Agreement, up to the amount of the approved limit of the Account Overdraft or Limit of Drawing.

2.5. In the case of a Bank Guarantee, the moment of request for drawing of the Loan by the Customer shall be the moment when the Bank is requested to make the payment by a person authorised to do so pursuant to the Bank Guarantee, pursuant to the Terms and Conditions of the Bank Guarantee, also repeatedly up to the amount of the total value of the Bank Guarantee.

2.6. Period of Drawing of Loan

The Customer shall be authorised to draw the Loan only during the period of drawing, stipulated by the Agreement or by the Guarantee Deed in the case of a Bank Guarantee. The deadline for the end of withdrawal of the Loan shall be given in the Agreement. Unless otherwise stipulated in the Agreement, the period of withdrawal shall be thirty (30) days from the day on which the Agreement takes effect. Should the Customer request a change of the period of withdrawal, such period shall be evaluated as a request to change the contractual conditions by the Bank. The request for change shall be subject to a Fee pursuant to the respective Price List.

2.7. Request for Drawing

The request to draw the Loan or its part shall be binding for the Customer when it has been delivered to the Bank and the Customer shall not be entitled to withdraw, change or amend it without the prior written consent of the Bank. Unless otherwise stipulated by the Agreement, the Customer shall be obliged to submit to the Bank the request for drawing using a form of the Bank, which is an Annex to the Agreement. The Annex to the request to draw the Loan or its parts shall furthermore consist of all documents set out in the Agreement, certifying that by making a payment, the Bank has fulfilled the purpose of the Loan, set out in the Agreement.

The Customer shall acknowledge that the request to withdraw shall be a binding instruction to withdraw the Loan and the Bank shall be obliged to adhere to it. The Bank shall be authorised to reject the request to withdraw the Loan, unless it fulfils the formalities given above, or if it should be a request in conflict with the Agreement.

Should the Bank not meet the request for withdrawal or should it meet such request only partially, the Bank shall send the Customer a notification of failure to withdraw or a notification of partial withdrawal to IB.

2.8. Failure to Fully Draw the Loan

Should the Customer fail to draw or not intend to draw the Loan in the full amount during the period of drawing, he/she shall be obliged to:

- a) Submit to the Bank a request to terminate the drawing at least ten (10) Working Days prior to the end date of the withdrawal,
- b) Redeem the Loan in instalments newly set by the Bank; the Bank shall inform the Customer of this fact in writing in good time. Failure to draw the entire Loan shall not impact on the size of the Fee for the Loan provision, unless the contractual parties otherwise agree. Should the Customer request a termination of withdrawing, the Bank shall evaluate this as a request to change the contractual conditions. Such request for a change shall be subject to a Fee pursuant to the respective Price List,
- c) Pay the Bank a Fee for the failure to fully withdraw the Loan pursuant to the valid Price List.

Should the Customer not even start withdrawal of the Loan by the agreed deadline for withdrawal, the Customer shall be requested by the Bank to pay a fee for failure to fully withdraw the loan pursuant to the Price List and to terminate the contractual relationship. After all fees are paid, the Security of the Loan shall be terminated as well.

Failure to withdraw the Loan shall not exempt the Customer from the obligation to cover all fees and to make all payments associated with the Loan and conclusion of the Agreement, unless the Contractual Parties otherwise agree.

3. INTEREST ACCRUAL

3.1. Unless otherwise agreed, interest shall accrue on the Loan pursuant to an interest rate concluded by the Agreement from the day of withdrawing until the day of complete redemption. The Agreement shall stipulate the type, the validity period, and the size of the interest rate or the method for its calculation.

3.2. Should the interest rate be set with reference to a publicly announced rate, the duration of the Interest Period shall be identical with the duration of the period to which the announced rate refers (e.g. 1M PRIBOR corresponds to the Interest Period of 1 month, 3M PRIBOR to the Interest Period of 3 months, 6M PRIBOR to the Interest Period of 6 months, 1Y PRIBOR to the Interest Period of 1 year). In such a case, the Bank shall change the Interest Rate always after the end of the Validity Period of the interest rate, ending on the last day of the respective Interest Period (calendar month, quarter, first half of the year, and calendar year). Should the new respective Interest Period (month / quarter / first half of the year / year) not be a Working Day, the Bank shall set the validity of the new rate as of the first Working Day of the respective Interest Period. The size of the publicly announced rate shall be stipulated based on the principles specified in this Article, paragraphs 3.11 and 3.12 of the Terms and Conditions.

3.3. Should the specific size of the fixed Interest Rate not be set out in the Agreement for the next Validity Period of Interest Rate or should the provisions in the paragraph above not apply, the Bank shall notify the Customer of the new size of Interest Rate in writing at least thirty (30) days before the end of the ongoing Validity Period of the Interest Rate. Should the Customer fail to

deliver to the Bank a written notification without undue delay no later than fourteen (14) days before the end date of the current Validity Period of the Interest Rate, after the delivery of the notification by the Bank, that he/she rejects the announced size of the fixed Interest Rate, the Customer shall be deemed to have accepted the announced size. Should the Customer have rejected the size of the fixed Interest Rate in the given manner, the Bank shall be authorised to proceed pursuant to Article 4 of these Terms and Conditions and the Customer shall be authorised to use his/her right to cancel the Agreement pursuant to Article 4, paragraph 4.5 of the Terms and Conditions.

- 3.4. Both the interest and default interest shall be calculated and charged in the case of Account Overdrafts based on a year of 365 days and a month of the actual number of days; in the case of other Loans based on a year of 365 days and a month of the actual number of days, except for the month of February where 28 days shall always be used.
- 3.5. Unless otherwise stipulated in the Agreement, the Customer shall be obliged to pay interest for the Period of Interest Accrual always as of the same day as of which the principal shall be paid, i.e. the agreed Payment Day.
- 3.6. The first Interest Period shall start as of the date of withdrawing the Loan and shall end as of the day concluded by the Agreement or pursuant to the rules for setting the Interest Rate, given in Article 3.3 of the Terms and Conditions. Every other Interest Period shall start on the first day following the end of the previous Interest Period.
- 3.7. The interest on the loan shall be charged daily from the day of drawing the Loan (inclusive) until the day preceding the day of Loan redemption (inclusive). The first Interest Accrual Period shall start on the day of the first drawing of the Loan and shall end on the last calendar day preceding the nearest Payment Day. The interest for the first Interest Accrual Period shall be due on the Payment Day, preceded by the respective Interest Accrual Period.
- 3.8. The Bank shall be authorised to set a Commitment Fee (as defined in the Price List) from the unused part of the Loan (in particular in the case of the Account Overdraft/Revolving Loan), the size of which and the frequency of payment shall be set in the Price List (unless individually set out in the Agreement).
- 3.9. The Bank shall be authorised to set a Commitment Fee (as defined in the Price List) from the size of unused issued Bank Guarantee and a Reservation Fee of the unused Framework of Bank Guarantee (as defined in the Price List) pursuant to the Agreement on Provision of Bank Guarantees. The size of these fees shall be set out in the Price List (unless individually stipulated in the Agreement).
- 3.10. Should the Customer (or Persons Providing Security, if relevant), fail to cover any outstanding amount pursuant to the Agreement as of the Payment Day or should he/she overdraw the allowed framework of the Account Overdraft/Revolving Loan, the Bank shall also have the right to request a payment of default interest in addition to regular interest. In such a case, the Customer shall be obliged to pay the Bank default interest on the entire amount, due to which the Customer is in default, from the date following the due date of the outstanding amount until payment, in the amount of default interest, which the Bank publishes in the Interest Rate List (as is defined in the BTC) or which is set out by the Agreement (unless the size of the default interest is stipulated by the Bank or agreed by the Agreement, the Customer shall pay default interest at the statutory rate set out by the Regulation of the Government No. 351/2013 Coll., as amended); this, similarly, applies also to overdrawn the Account Overdraft. Regular interest on the overdue principal and default interest shall always be due as of the last day of a month following the Payment Day. Should the Payment Day be on the day of public holiday, such fact shall not have any impact on the due date of such liability. In such a case, the Customer must safeguard sufficient funds in the Repayment Account to repay Interest on the last Working Day before the due date.
- 3.11. Should the Interest Rate be set based on the reference Interest Rate *IBOR (PRIBOR, LIBOR or EURIBOR) and should a market situation not make it possible to use the reference rate or should the costs of the Bank to obtain refinancing resources exceed the reference Interest Rate *IBOR, a temporary fixed Interest Rate set by the Bank shall be used:
 - a) Based on average quotes established by the Bank on an interbank money market, or
 - b) Based on costs of Loan financing expressed by the Bank.
- 3.12. In the interbank market, should the reference *IBOR rates fall below 0.1% or become negative, the Bank shall be authorised to fix a part of the Interest Rate derived from the respective publicly announced rate for the respective Interest Period for the already used Loan amount to the value of 0.1% p.a. until the end of the Interest Period in which the value has been increased over 0.1% p.a.
- 3.13. Payment of Interest in Notarial Deed

Should debt recognition with exequatur be agreed to secure claims from the Loan in a Notarial Deed and should the Interest Rate be set as floating, the Bank and the Customer shall agree a fixed Interest Rate in the Agreement to calculate the interest when exequatur shall be applied.

4. LOAN REDEMPTION; PAYMENTS AND TAXES

- 4.1. The Customer shall be obliged to repay the Loan as of the dates and in the manner concluded by the Agreement and in the currency in which the Loan was provided to the Account given in the Agreement, always as of the Payment Day concluded by the Agreement, unless otherwise stipulated in the Agreement. For a due repayment, the Customer shall be obliged to safeguard

a sufficient amount of funds in the Account designated for repayment, set by the Agreement, no later than as of the Payment Day; from such Account repayments of the principal, the fees or interest shall be made. The due amount of Loan repayment (principal, fees, and interest) shall be kept track of in the respective Loan Account. Should the Payment Day be on the day of a public holiday, such fact shall not have any impact on the due date of the liability. In such a case, the Customer must safeguard sufficient funds in the Repayment Account to make the repayment on the last Working Day before the due date of the liability. The repayment shall be deemed made in time when credited to the Loan Account as of the Payment Day.

- 4.2. The repayments of the Account Overdraft or Revolving Loan shall be deemed performed when the used Limit of Drawing has been covered as of the agreed final due date of these Loans. In the case of the Account Overdraft, the due interest shall always be credited to the used amount. Should the drawn amount, due interest, and fees exceed the Limit of Drawing, such amount shall be kept track of as an overdue amount or unauthorised overdraft, for which the Customer shall pay default interest to the Bank.
- 4.3. Should the Customer fulfil several obligations to the Bank, arising from the Agreement, and should the provided payment not suffice to meet all the obligations, the incoming payment shall be settled, unless otherwise stipulated by the Agreement or unless otherwise decided by the Bank pursuant to the Terms and Conditions, always against the oldest claim on record in the order pursuant to Article 4, paragraph 4.9 of the Terms and Conditions, also should the Bank use funds obtained from the Security.
- 4.4. The Customer shall be entitled to make an individual repayment as of the Payment Day in addition to the redemption method agreed in the Agreement or to redeem the Loan before the final due date set out in the Agreement (hereinafter "**Extraordinary Repayment**"). At least fourteen (14) days prior to the planned repayment, the Customer shall inform the Bank of his/her intention to make an Extraordinary Repayment. The Extraordinary Repayment shall be made under conditions set out by the Bank; the Bank shall have the opportunity to reject the Extraordinary Repayment on important grounds, of which the Bank shall inform the Customer in writing. The Bank shall be authorised to charge the Customer a fee for an Extraordinary Repayment pursuant to the valid Price List, unless otherwise stipulated by the Agreement; the fee shall be due along with the Extraordinary Repayment. Should the announced Extraordinary Repayment not be performed, the Bank shall be authorised to charge a fee for the Extraordinary Repayment not made pursuant to the valid Price List.

Should there be any overdue amount or a lack of funds in the account intended to perform the Extraordinary Repayment, hindering the performance of the Extraordinary Repayment in the required amount, the Bank shall be authorised to reject the performance of the Extraordinary Repayment; unless otherwise agreed by the Bank and the Customer, the Extraordinary Repayment shall not be made even partially.

Should the Bank issue a consent to establishing a lien or other rights in rem respectively, or a consent to the sale of the real estate, constituting the Security, and should the loan not be redeemed, the Customer shall be obliged to restore the original status of the Security, i.e. the burden on the Security established as a result of the consent must be deleted.

- 4.5. Early Redemption as a Result of Rejection of New Interest Rate

Should the Customer reject the size of the fixed Interest Rate set by the Bank in writing pursuant to Article 3, paragraph 3.3 of the Terms and Conditions, while such rejection must be delivered to the Bank immediately after receiving a notification of the new size of Interest Rate, but not later than fourteen (14) calendar days prior to the end of the Interest Period, and unless there is another effective agreement, no later than by the last day of the ongoing Interest Period, such procedure of the Customer shall be considered a cancellation of the Agreement, of which the Customer must be notified in the announcement of the new Interest Rate, and the right of the Customer to withdraw the Loan shall cease with immediate effect. The Bank shall be obliged to calculate the size of its claim to the Customer and to communicate it to the Customer in a written notification. The Customer shall be obliged to redeem all the claims from the Loan as of the last Payment Day of the calendar month following the month in which the Agreement was cancelled, unless the contractual parties otherwise agree. The Bank shall be authorised to charge a fee for early redemption pursuant to the valid Price List.

- 4.6. Currency of Payments

Amounts to be paid in connection with the costs, expenses, taxes, and similar purposes shall be due in the same currency in which such items arose, unless otherwise stipulated by the Agreement. Any other payments pursuant to the Agreement shall be due in the currency of the Loan except for cases when the Agreement or such Terms and Conditions or the Price List otherwise stipulate. The mutual liabilities of the Bank and the Customer shall be due in the agreed currency. Should such currency cease to exist, such liabilities shall be settled in the currency replacing it, and should there be none, in the statutory currency of the Czech Republic or a currency replacing it.

- 4.7. Any payments made by the Customer pursuant to the Agreement or another Contractual Document must be made without any deductions or discounts as a result of taxes or similar payments except for cases when the Customer shall be legally obliged to perform such discount or deduction. Should any amount be discounted or deducted in this manner, the Customer shall pay the Bank such amount which corresponds to the net amount the Bank would receive, should such payment not be subject to tax or another similar payment.
- 4.8. The Customer shall cover upon the request of the Bank all effectively incurred costs, including all fees, which arose in connection with the conclusion, performance, change, termination or breach of the Agreement or another Contractual Document or due to

recovery of a liability arising from the Agreement or another Contractual Document, including agreements setting out a Security for the debt of the Customer, arising from the Agreement as well as all costs incurred to value the Object of Security.

- 4.9. Should the Bank have claims against the Customer on the Agreement, the Bank shall be entitled to use funds in a current account or in any other account of the Customer maintained by the Bank to cover its due claims on any Agreement in the order set out by the Bank. In the case of an Extraordinary Repayment of Loan, the funds shall be used to cover overdue claims of the Bank against the Customer, and to cover claims which are not due yet. Unless the Bank otherwise stipulates in an individual case, the Bank shall be authorised to offset the funds of the Customer, maintained in the accounts of the Bank, against due claims of the Bank in the following order:
- Fees pursuant to the Price List.
 - Loan interest (both due and overdue).
 - Default interest and contractual fines.
 - Loan principal.
 - Other claims arising from the Agreement (fee for loan acceleration / notarial deed etc.).

The Customer and the Bank have agreed that the provision in Sections 1932 and 1933 of the Civil Code shall not be applied.

- 4.10. Should the Bank ask the Customer to immediately redeem all or some of the liabilities of the Customer to the Bank pursuant to Article 6 of the Terms and Conditions as a result of an Event of Infringement (hereinafter "**Acceleration**"), the Customer shall lose the benefit of instalments and shall be obliged to pay the calculated amount of the accelerated liability by the date defined by the Bank. Should the payment not be made, the Bank shall be authorised to charge the latest known Interest Rate on the principal of the accelerated liability until it is redeemed. Furthermore, the Bank shall be authorised to charge a default interest. The Bank shall also be authorised to terminate the interest on the accelerated liability at any time, in particular should the circumstances of recovery make it obvious that the claim of the Bank will not be covered fully. In the recovery procedure of the Bank, the Customer shall be notified of such authorisation of the Bank before the actual Acceleration.

5. LOAN SECURITY

- 5.1. The due repayment of debt, the interest and fees, and other amounts, arising from the Agreement (including any amendments to the Agreement) shall be secured in a manner concluded by the Agreement. The scope of the agreed Security or a Loan without a Security shall not rule out that the Bank may at any time in future ask the Customer and/or any member of the Group of the Customer to provide a Security or an additional Security, in particular should the Customer and/or any member of the Group of the Customer cease to meet his/her obligations to the Bank or should he/she be in default.
- 5.2. The Customer (and the Person Providing Security, if relevant) shall be obliged to take care of the Object of Security to prevent its depreciation and loss of its value as well as to abide by his/her rights and obligations to conserve the Object of Security (i.e. to maintain and apply his/her rights to the liability which constitutes the Object of Security to prevent limitation of the liability due to failure to act etc.). Should the Security cease to exist or should its value deteriorate, the Customer shall be obliged to replenish the Security upon the request of the Bank to the original scope by the deadline stipulated by the Bank.

The cessation to exist or deterioration of value of the Security shall mean the following:

- The Security provided by the Customer or a third party is or shall become invalid, ineffective, unenforceable or irrecoverable;
 - The Security was provided based on inaccurate, incomplete or false data;
 - The establishment of lien, security rights, right of first refusal or other rights to the Object of Security in favour of a third party, including a preference (and its entry into the respective public register) for the Rights in Rem to the Object of Security in favour of a third party;
 - The Customer or Person Providing Security, if relevant, shall be subject to enforcement or insolvency procedure or any other procedure due to unwillingness to pay, insolvency or over-indebtedness.
- 5.3. The Customer (and the Person Providing Security, if relevant) shall undertake to provide a valuation of the Object of Security or an updated valuation of the Object of Security upon the request of the Bank through an expert approved by the Bank at his/her own costs. Unless an Event of Infringement occurs pursuant to these Terms and Conditions, the BTC, the Agreement or the Contractual Document or unless otherwise specified in the Agreement, the Bank shall be authorised to request that the Customer fulfil the obligation specified in the previous sentence not more than once a year.
- 5.4. The Customer (and the Person Providing Security, if relevant) shall be obliged to insure the Object of Security against damage, destruction or any other damage incurred as a result of human activity, natural forces or any other reason, with a Czech insurance company with the respective authorisation to provide insurance services; the insurance payment shall correspond to the replacement value (new price) of the Security at the time of Agreement conclusion. The Customer shall be obliged to ensure that such insurance be valid for the entire duration of the Agreement. As requested by the Bank, the entire insurance payment scheme shall be transferred to or pledged in favour of the Bank. The Customer shall be obliged to submit a copy of the insurance agreement, covering the risks above and a document on transferring or pledging the insurance payments in favour of the Bank, unless otherwise agreed by a Contractual Document, within fourteen (14) days from the conclusion of the Agreement, and to submit upon request a document evidencing a valid insurance and payment of insurance premium for the respective period to the Bank at any time pursuant to this provision. Should there be a change of the insurance agreement (e.g. conclusion of an insurance agreement with another insurance company), the Customer shall be obliged to provide the Bank with the new

insurance agreement pursuant to the previous sentence; at the same time, where a lien on claims from insurance payments constitutes a Security, the Customer shall be obliged to cooperate with the Bank to enable the lien on payments from this new insurance agreement. The provision of this paragraph shall apply similarly to the insurance of assets of the Person Providing Security, which constitute the Object of Security and which can be insured.

- 5.5. The Bank shall be authorised to check the Object of Security as part of Evaluation and Check of Conditions (as defined below). Upon the request of the Bank, the Customer shall enable inspection of the Object of Security by a representative of the Bank or a contractual expert of the Bank. The inspection shall establish the condition of the Object of Security. During the inspection, the Bank shall be authorised to take photographs of the condition of the Object of Security and to request additional documents from the Customer or the Person Providing Security to perform the inspection.

6. BREACH OF CONTRACTUAL CONDITIONS

- 6.1. The Bank shall continuously evaluate the economic and financial situation of the Customer and the Group of the Customer (hereinafter "Evaluation") and shall check the fulfilment of the terms and conditions of the Agreement (hereinafter "Check of Conditions"). Should any significant fact occur, which, according to the expert knowledge of the Bank, could result in a breach of the conditions of the Agreement, the Bank shall notify the Customer of the established deficiencies in writing, announcing a deadline for their removal and suggesting any adequate remedial measures ("Remedial Measures"). This shall be without prejudice to the authorisations of the Bank given in the Agreement or in the Terms and Conditions. Any costs associated with the Evaluation or Check of Conditions shall be borne by the Customer.

6.2. Any of the following events shall constitute an Event of Infringement:

6.2.1. Default

- a) The Customer and/or another person, who is a party to the Contractual Document, fails to make any financial payment in time, at the given place of payment, and in the respective currency pursuant to the Contractual Document or fails to meet any non-financial obligation, arising from the Terms and Conditions, the Agreement or another Contractual Document, within a defined time frame.
- b) The Customer and/or any member of the Group of the Customer is behind with the fulfilment of any obligation to a third party, including another member of the Group of the Customer, in particular if an enforcement or insolvency procedure has been initiated.

6.2.2. Failure to provide assistance during Evaluation or Check of Conditions

The Customer and/or any member of the Group of the Customer and/or the Person Providing Security fails to provide assistance to the Bank during the Evaluation or Check of Conditions.

6.2.3. Breach of Other Obligations and Duties

The Customer (or the Person Providing Security, if relevant) fails to comply with any obligation arising from the Terms and Conditions, the Agreement or another Contractual Document or fails to remove the identified deficiencies within the deadline stipulated for remedy or fails to take Remedial Measures suggested by the Bank pursuant to Article 6.1 of the Terms and Conditions.

6.2.4. Untrue, Incomplete or Misleading Declarations

Any declaration made pursuant to the Agreement or pursuant to the Contractual Document is or shall become untrue, incomplete or misleading to a significant degree at the moment when it was made or at a moment when it was considered repeated.

6.2.5. Untrue, Incomplete, Misleading Declaration, Confirmation, Document of a Third Party

Any document, confirmation or any declaration of a third party, including the Person Providing Security, made or issued in connection with the Agreement, is or shall become untrue, incomplete or misleading, and the Bank believes that this fact has or may have an impact on the ability of the Customer to duly meet the obligations arising from the Agreement.

6.2.6. Breach of Other Obligations ("Cross Default")

- a) A member of the Group of the Customer is in default with the fulfilment of any of his/her Financial Obligations, including the failure to fulfil any Financial Obligation arising from a final Court or arbitration decision; or
- b) An Event of Infringement occurs, however it may be defined, pursuant to any document, relating to the Financial Obligation of a member of the Group of the Customer; or
- c) Any Financial Obligation of a member of the Group of the Customer shall become prematurely due or must be fulfilled upon delivery of a notification as a result of any breach pursuant to any document relating to Financial Obligations; or
- d) Any obligation or pledge concerning a Financial Obligation of a member of the Group of the Customer is cancelled or suspended as a result of an Event of Infringement (however it may be defined) pursuant to a document relating to such a Financial Obligation; or
- e) Any Security securing a Financial Obligation of a member of the Group of the Customer shall become due.

6.2.7. Bankruptcy, Insolvency or another Procedure with similar Legal Effects, Declaration of Bankruptcy, Enforcement of Decision

An insolvency or another procedure with similar legal effects shall be initiated in Court or an enforcement of decision (distrain) shall be ordered, concerning (i) a significant part of the assets of the Customer or Person Providing Security, or (ii) the assets of the Customer or Person Providing Security, which is the Object of Security of the liabilities of the Customer from the Agreement or its parts, or (iii) if an insolvency procedure has been imposed on the assets of the Customer or an insolvency proposal has been rejected by the court due to the shortage of assets of the Customer as debtor or the Customer is bankrupt or has declared in writing that he/she is not capable of duly meeting his/her obligations.

6.2.8. Suspension of Business and other Facts

The Customer or any member of the Group of the Customer suspends or announces suspension of a significant part of his/her business activity or sells or otherwise disposes of his/her entire assets, loses authorisation to a business activity which, at the time of the signature of the Agreement, constituted a significant part of his/her income or stops doing a predominant part of such activity.

6.2.9. Deterioration of Security

The Security of obligations of the Customer, based on the Agreement or Security documents, shall expire, deteriorate, be invalid or ineffective or declared to be so by the Customer or Person Providing Security or such Security shall be challenged in any other way.

6.2.10. Controlling and Controlled Persons

Without any previous written consent, the Customer has made any change of his/her business activity or in the Group of the Customer, having ceased to be the controlling or controlled person and/or having become the controlling or controlled person compared to the status that had existed both legally and factually at the time of Loan approval and provision.

6.2.11. Negative Development

The economic or financial situation of the Customer has developed negatively, which, based on a reasoned opinion of the Bank, may influence the due redemption of the Loan.

6.3. Consequences of the Event of Infringement

The Bank shall be authorised to accept some of the following consequences upon the evaluation of the severity of the Event of Infringement; the acceptance of the consequence of the Event of Infringement shall not rule out the right of the Bank to enforce a claim on payment of a contractual fine, if it is specified in the Agreement or the Contractual Document, or on damage compensation. The Bank shall notify the Customer or Person Providing Security of the possible acceptance of a consequence of the Event of Infringement in a notification to remedy the Event of Infringement. The Bank shall notify the Customer of the acceptance of the consequence of the Event of Infringement in writing.

6.3.1. Early Redemption

Should any of the facts defined as the Event of Infringement be established, the Bank, by delivering a notification to the Customer, shall have the right:

- a) To terminate all its obligations to the Customer pursuant to the Agreement; and/or
- b) To request an immediate redemption of all or some liabilities of the Customer to the Bank (Acceleration) pursuant to the Agreement or another Contractual Document and/or to request that such liabilities be paid (fully or partially) upon the request of the Bank; and/or
- c) To declare that a cash payment shall be immediately due by the Customer in favour of the Bank in the same amount and currency or an equivalent in another currency to the overall maximum amount (set by the Bank) according to every letter of credit and/or Bank Guarantee issued by the Bank pursuant to the Agreement.

Should the Bank accelerate the Loan for the reasons above, the Bank shall notify the Customer of such fact in writing, specifying in the notification the Account in which the due amount is recorded by the Bank and the Account to which payment shall be made.

6.3.2. Change of Interest Rate

Should any of the facts defined as an Event of Infringement occur, the Bank shall have the right to increase the Interest Rate concluded by the Agreement up to double the amount of the interest rate concluded by the Agreement. The increase shall be applied over the duration of the Event of Infringement or until the end of the nearest following end of the Validity Period of the Interest Rate agreed as floating (fixed to the *IBOR rate). The Bank shall inform the Customer of the change of the Interest Rate within ten (10) Working Days from the day of acceptance of such consequence of the Event of Infringement. The Customer shall be obliged to pay interest in the new size from the date specified in the announcement of such change. The Bank shall not be authorised to accept such consequence of the Event of Infringement should another sanction in the form of an increase in the Interest Rate be stipulated in the Agreement. In such a case, a provision of the Agreement shall apply.

6.3.3. Suspension of Provision of Products or Services

Should any of the facts defined as the Event of Infringement occur, the Bank shall be entitled to suspend the entire or a part of the withdrawing of the Loan and provision of products or services to the Customer and/or to reduce or to lower the allowed limit of the Account Overdraft or Revolving Loan and to keep track of a claim in a newly opened Account.

6.3.4. Termination of Contractual Relationship

Should any of the facts defined as the Event of Infringement occur, the Bank shall be entitled to terminate contractual relationship/s with the Customer using a notice with a notice period of one month, which starts running on the first day of the month following the delivery of the notice to the Customer; the delivery shall be governed by the provisions of the BTC, unless otherwise agreed by the parties.

6.4. Other Adverse Facts

6.4.1. Death of Customer

Customer (individual) dies or is declared to be dead.

6.4.2. Limitation of legal capacity

Customer (individual) has a limited legal capacity.

6.4.3. Criminal Prosecution, Conviction of the Customer

Criminal prosecution has been initiated or is ongoing against the Customer or members of his/her statutory body, the Customer has been finally convicted for crime or has been imposed a penalty or a protective measure.

6.4.4. Consequences of other Adverse Facts

Should another Adverse Fact occur, the Bank shall be entitled, with respect to its severity and other circumstances, to take any of the following measures at its own discretion (besides other authorisations resulting for the Bank in particular from the Agreement including the BTC or the Contractual Document):

- a) To request a renewal or replenishment of the Security, including drafting of a notarial deed stipulating enforceability, in particular should enforceability of the right to a payment from the agreed Security be reduced or ruled out by another Adverse Fact;
- b) To suspend or reject withdrawing of a Loan;
- c) To declare the Loan and all other unpaid claims from the Loan or their part to be immediately due.

7. FEES

7.1. The Customer shall be obliged to pay the Bank fees stipulated by the Price List and/or the Agreement and/or another Contractual Document. Unless otherwise stipulated by the Agreement and/or the Price List and/or another Contractual Document, any fees connected with the conclusion of the Agreement shall be due as of the first date of the first withdrawal of the Loan. Unless the due date of a fee is set out in the Price List, the Agreement or another Contractual Document, the fee shall be due within the time frame stipulated in a written notification by the Bank.

8. COSTS

8.1. The Customer shall be obliged to cover, upon the request of the Bank, all effectively incurred costs and expenses (including the costs for legal representation), generated in connection with:

- a) Negotiating, drafting, executing, and signing:
 - i. Any documents to which the Agreement refers to as an obligation of the Customer (Person Providing Security, if relevant), which are not a standard Contractual Document executed by the Bank, in particular notarial deeds;
 - ii. Any Contractual Document signed after the Agreement has been signed, beyond the framework of the standard documents, used by the Bank at the given time;
- b) Any change or waiving of right, consent to or suspension of entitlement (or a proposal of such acts), required by the Customer, the Person Providing Security or on his/her behalf and relating to the Contractual Document or a document to which the Contractual Document refers;
- c) Any other matter (excluding normal administrative matters) in relation the Agreement or Contractual Document;
- d) Costs connected with an Evaluation and Check of Conditions as well as collection of an outstanding payment of the Customer or the Person Providing Security to the Bank.

9. COMPENSATIONS

9.1. Exchange Rate Risk

The Customer shall be obliged to compensate damage to the Bank within the scope of any material damage resulting from the conversion of the payment to another currency, should the Bank receive any payment in relation to the liabilities of the Customer or the Person Providing Security pursuant to the Agreement, the Contractual Document or another document in connection with the Agreement or should any such liability be settled for any reason in a currency other than the contractual currency of the Loan. Should the payment received by the Bank be lower after conversion to the contractual currency using a generally available market rate lower than the respective payment in the contractual currency, the Customer or the Person Providing Security shall be obliged to cover such Bank payment in the contractual currency equal to the respective difference.

9.2. Compensation of Damage

The Customer shall be obliged to cover the Bank's damages (including the factual damage and lost income) incurred by the Bank in connection with the Agreement and/or transactions made based on the Agreement, including the costs for its recovery.

10. RECOGNITION; RECORDS, OTHER PROVISIONS

10.1. The Bank shall be entitled to offset any of its due claims to the Customer against any claims of the Customer or the Person Providing Security to the Bank at any time regardless of the due date of his/her claims and furthermore regardless of the currency in which they are denominated and the legal relationship from which they arise. The Bank and the Customer have also expressly agreed to the Bank being authorised to recognise any unpaid claims of the Bank on the Customer. The Parties to the Agreement shall furthermore rule out a recognition performed by the Customer or the Person Providing Security.

10.2. The Bank shall be authorised to use the funds in any Account of the Customer (and the Person Providing Security, if relevant), maintained by the Bank, at any time to cover any of its due claims to the Customer (and the Person Providing Security, if relevant), regardless of the due date of the claim of the Customer (and the Person Providing Security, if relevant), in order to pay funds from the respective Account and regardless of the instructions of the Customer (and the Person Providing Security, if relevant) regarding the disposal of the funds in the Account. The funds shall be debited from the Account by the Bank also without prior notice to the Customer (and the Person Providing Security, if relevant). The Bank shall inform the Customer (and the Person Providing Security, if relevant) of the use of the funds in the Account in a written notification.

10.3. The Bank shall be authorised to unilaterally change the number of the Loan Account, in which the loan claim is kept on record. The Bank shall inform the Customer of such fact in writing, specifying the Account to which the payment shall be made and the form of the payment.

10.4. Concerning all obligations between the Customer or the Person Providing Security and the Bank based on the Agreement, the application of provision in Section 1985 of the Civil Code shall be precluded.

10.5. The accounting records, maintained by the Bank in connection with the Agreement, shall be acknowledged by both parties as a primary document in relation to all the matters they relate to. Any confirmation or calculation performed by the Bank in relation to any rate or amount pursuant to the Agreement shall be acknowledged by the parties (except for any obvious errors) as a primary and final document on the matters they relate to.

10.6. Unless otherwise specified by the Agreement, the Customer shall be provided with Loan Account statements in Internet Banking always after the end of the calendar month in which a transaction in the Loan Account was performed. To generate a statement, a transaction in the Loan Account shall be a transaction which:

- Changes the size of the claim (withdrawal, repayment, claim – e.g. as a result of a fee due) or
- Changes the structure of the claim (e.g. acceleration of (a part of) a principal and its entry as an overdue principal).

The Customer shall be authorised to change the frequency as well as the method of provision of statements in Internet Banking.

11. INFORMATION PROTECTION

11.1. The contractual parties shall be obliged to maintain confidentiality pursuant to Section 1730 (2) of the Civil Code.

11.2. By signing the Agreement, the Customer shall acknowledge and agree to the Bank being entitled to use all data and information concerning this provision and associated provisions should the Customer breach obligations arising from the Agreement, which would result in submitting a proposal to launch a Court or arbitration procedure or a proposal to enforce a decision (distrain) or an assignment of a claim, arising from the Agreement and associated agreements.

11.3. The Customer shall agree to the Bank providing information on his/her creditworthiness, trustworthiness, obligations, economic and financial situation in the matters subject to bank secrecy pursuant to Section 38 (1) of the Act on Banks for the needs of other banks.

- 11.4. The Bank shall be authorised to provide the Associated Person of the Bank or any other person with whom it intends to conclude or has already concluded an agreement on any transfer, participation or other arrangement in relation to the Agreement, with the following:
- A copy of any Contractual Document;
 - Any piece of information which the Bank obtained in connection with any Contractual Document.
- 11.5. Should any of the facts defined as an Event of Infringement occur, the Customer shall grant the Bank consent to provide information of such Event of Infringement to the Person Providing Security and/or any person that provided Security for the obligations of the Customer pursuant to the Agreement or the Contractual Document, should the Bank have been asked by such person to do so.

12. DISPUTE RESOLUTION

- 12.1. All disputes which the parties to the Agreement are not able to resolve amicably shall be submitted to a Court that is competent to rule on the subject matter and the particular area.

13. FINAL PROVISIONS

- 13.1. The Bank shall reserve the right to amend the Terms and Conditions, by analogy with the respective article of the BTC, always in connection with the changes to the valid law or as a consequence of significant organisational or business changes of the Bank. The Bank shall publish the amended Terms and Conditions. The Bank shall inform the Customer of the amendment to the Terms and Conditions and the manner of their publication in writing, usually using a notification in the text of the Account statement or on the Homepage of the Bank at least one (1) month prior to the date of their effect. The Customer shall be entitled to be informed of the amended Terms and Conditions. The Customer shall be authorised to reject the amendment no later than one (1) month from the publication of the amended wording of the Terms and Conditions and to cancel the Agreement with a period of notice of one (1) month from the day of delivery of the notice to the Bank, unless a shorter period of notice is stipulated by general law binding for the Bank. Should the Customer fail to show in writing that he/she disagrees, within one (1) month from the publication of the amended version of the Terms and Conditions by the Bank, to the amended Terms and Conditions and should the Customer continue to use the services provided by the Bank, the new wording of the Terms and Conditions shall become binding for the concluded contractual relationship, being a change to the originally approved Terms and Conditions with effect from the day stipulated in the respective amendment to the Terms and Conditions. Should the Customer deliver to the Bank a written rejection of the amended Terms and Conditions within the deadline for rejection of amendment to the Terms and Conditions, such rejection, unless otherwise agreed by the contractual parties, shall be considered to be a cancellation of the Agreement by the Customer, and steps shall be taken pursuant to Article 4, paragraph 4.5 of the Terms and Conditions. This provision shall be without prejudice to the right of the Bank to publish the respective changes or amendments to any information or data connected with or referring to the Terms and Conditions, without amending the Terms and Conditions.
- 13.2. The Customer shall be entitled to terminate the Agreement by a notice (except for Article 4, paragraph 4.5 and Article 13, paragraph 13.1 of the Terms and Conditions) before the date of Loan withdrawal, and the period of notice shall be governed by the valid BTC. The cancellation of the Agreement, made by the Customer after the withdrawal of the Loan has commenced (except for Article 13, paragraph 13.1 of the Terms and Conditions), shall be considered a request for an early Loan redemption. Another termination of the Agreement by the Customer shall only be admissible for reasons set out by mandatory legal rules; other reasons for termination of the Agreement by the Customer shall be hereby precluded based on the agreement of the parties.
- 13.3. The Terms and Conditions shall be governed by the law of the Czech Republic and shall become effective as of 19 April 2021.

14. DEFINITION OF TERMS

Capitalised terms used in the Terms and Conditions shall have the following meaning:

“Account Overdraft” shall mean a loan product, maintained in a Current Account of the Customer; the Bank shall enable utilisation of funds in a Current Account of the Customer within the scope of the authorised overdraft without scrutinising the purpose of the Loan, unless otherwise agreed.

“Associated Person of the Bank” shall mean AnaCap Financial Partners LLP or any person which is directly or indirectly controlled by AnaCap Financial Partners LLP or any person that is directly or indirectly controlled by Equa bank a.s.

“Bank” shall mean Equa bank a.s., situated at Prague 8 – Karlín, Karolinska 661/4, Postcode 186 00, ID No. 47116102, entered in the Commercial Register, maintained by the Municipal Court in Prague, Section B, Insert 1830.

“Bank Guarantee” shall mean a loan product, enabling the Bank to provide the Customer with a guarantee to fulfil his/her obligations to a third party based on a declaration in a guarantee deed; unless something else is implied by the guarantee deed, the Bank shall act in accordance with the provided Bank Guarantee upon the request of a third party, in favour of which the Bank Guarantee has been issued by the Bank upon the request of the Customer.

“Business Corporations Act” shall mean Act No. 90/2012 Coll., on Business Corporations, as amended; where relevant, the earlier law shall apply as well.

“**Civil Code**” shall mean Act No. 89/2012 Coll., Civil Code, as amended; where relevant, the earlier law shall apply as well.

“**Contractual Document**” shall mean an Agreement, a document, establishing Security, or any other document connected with the relationship of the Customer and the Bank, established by an Agreement, or any other document designated as such by the Bank and the Customer or the Bank and the Person Providing Security.

“**Customer**” shall be an individual entrepreneur, an individual generating income pursuant to Section 9 of Act No. 586/1992 Coll., on Income Tax, as amended, or a legal person that has concluded an Agreement with the Bank, based on which the Bank provides a Loan to such person.

“**EURIBOR**” (Euro Interbank Offered Rate) shall be a reference value of interest rates in the market of interbank deposits, which is calculated daily based on quotes of reference banks in the interbank eurozone market for the sale of deposits. EURIBOR is used for loan business in EUR. To set an Interest Rate, 1, 3, 6, and 12 month EURIBOR Interest Rates shall be used by the Bank, and the selected period of Interest Rate shall correspond to the Interest Period. To set an Interest Rate, the Bank shall apply this rate announced (fixed) on the second Working Day prior to the beginning of the Interest Period. The values of the EURIBOR rates shall be made public immediately after the calculation procedure (fixing) has been concluded and made available e.g. in the information systems of Reuters and Bloomberg as well as in a manner enabling remote access (using the Internet). To set the respective rate, the Bank shall use the EURIBOR01 page of the Reuters information system.

“**Event of Infringement**” shall mean cases described in Article 6 of the Terms and Conditions and furthermore any fact defined in this manner in the Agreement, the Contractual Document or the BTC.

“**Financial Obligation**” shall mean any cash liabilities of the Customer or any member of the Group of the Customer regardless of the fact whether they are due or not, who the beneficiary of such liabilities is, and what their legal title is.

“**Framework of Bank Guarantee**” shall mean a Loan product, where the Bank provides the Customer with a Loan limit for issuance of individual Bank Guarantees.

“**Interest Period**” shall mean a period during which the agreed Interest Rate shall apply. The Interest Period shall also be designated as “Validity Period of Interest Rate” or “Rate Fixing”. In the case of transactions using a reference rate (PRIBOR / EURIBOR / USLIBOR), the length of the Interest Period shall be governed by the period for which the rate is set (e.g. for the 1M rate, one calendar month, for the 6M rate, 6 months, beginning on 1 January or 1 July). The beginning of the Interest Period shall always be set no later than the Working Day following day 1 of the respective calendar period.

“**LIBOR**” (London Interbank Offered Rate) shall be a reference value of Interest Rates in the market of interbank deposits, which is calculated daily based on quotes of reference banks in London for the sale of deposits. LIBOR (or “USLIBOR”) shall be used for Loans granted in USD. To set an Interest Rate, 1, 3, 6, and 12 month LIBOR Interest Rates are used by the Bank, and the selected period of Interest Rate shall correspond to the Interest Period. To set an Interest Rate, the Bank shall apply this rate announced (fixed) on the second Working Day prior to the beginning of the Interest Period. The values of the LIBOR rates shall be made public immediately after the calculation procedure (fixing) has been concluded and made available e.g. in the information systems of Reuters and Bloomberg as well as in a manner enabling remote access (using the Internet). To set the respective rate, the Bank shall use the LIBOR01 page of the Reuters information system.

“**Limit of Withdrawing**” shall mean a limitation to withdrawing of the Account Overdraft or a Revolving Loan depending on the fulfilment of contractual Terms and Conditions. The Limit of Withdrawing may be lower than or equal to the approved size of Loan framework.

“**Loan**” shall mean funds which the Bank has obliged itself to provide to the Customer and which the Customer has obliged himself/herself to return along with interest or any other agreed payments. The Loan shall also be an Account Overdraft and a Revolving Loan as well as issuance and fulfilment of a Bank Guarantee.

“**Loan Account**” shall mean an internal Account of the Bank pursuant to Article 3, paragraph 3.4 of the Terms and Conditions; in order to avoid doubt, the Loan Account shall not be an Account pursuant to the Civil Code.

“**Object of Security**” shall mean, in particular, an immovable asset for which a lien in favour of the Bank is established to secure the Loan. Pursuant to an individual Contractual Document, the Object of Security may also be another financial asset for which a lien is established (or another right with similar legal effects) to secure the Loan.

“**Payment Day**” shall mean a day on which the Customer shall be obliged to pay his/her liability, or part of it; as of this date, Loan interest, fees, and principal instalments shall be settled:

- In the case of Account Overdrafts, the Payment Day of Loan interest and fees shall be the last calendar day of the month; in the case of Loan principal, the Payment Day shall be the day concluded by the Agreement as the final due day of the Loan and furthermore every day as of which the Customer shall be obliged to have a credit balance in the Bank Account to which the Account Overdraft shall be linked pursuant to Contractual Documents;
- In the case of Revolving Loans, the Payment Day of Loan interest and fees for Loan administration shall be the day concluded by the Agreement, which may be from day 1 to 27 of a given month or as of the last day of the month, depending on the day stipulated in the Agreement as the final due day. In the case of a Loan principal, the Payment Day shall be the day concluded by the Agreement as the final due date of the Loan;
- In the case of other Loan types, the Payment Day shall be the day on which interest (including default interest), fees, and Loan principal concluded by the Agreement shall be due, which may either be as of the last day of a calendar month or as of a specific day of the month, from day 1 to day 27 of the month.

“Period of Interest Accrual” shall mean a period between the dates of interest payment, during which interest is accrued; usually, the period is 1 (one) calendar month. As a rule, this shall be a period of one month from the Payment Day until the day preceding the following Payment Day or a period from the beginning of withdrawal until the day preceding the first Payment Day. In the case of Account Overdrafts, the Period of Interest Accruals shall always start on day 1 of the month and shall end on the last calendar day of the given month.

“PRIBOR” (Prague Interbank Offered Rate) shall be a reference value of Interest Rates in the market of interbank deposits, which is calculated daily based on quotes of reference banks for the sale of deposits. PRIBOR shall be used for loan business in CZK. To set an interest rate, 1, 3, 6, and 12 month PRIBOR Interest Rates shall be used by the Bank, and the selected period of Interest Rate shall correspond to the Interest Period. To set an Interest Rate, the Bank shall apply this rate announced (fixed) on the second Working Day prior to the beginning of the Interest Period. The values of the PRIBOR rates shall be made public immediately after the calculation procedure (fixing) has been concluded and made available e.g. in the information systems of Reuters and Bloomberg as well as in a manner enabling remote access (using the Internet). To set the respective rate, the Bank shall use the PRBO page of the Reuters information system.

“Revolving Loan” shall mean a Loan product, where the Bank enables repeated withdrawal of funds from the Current Account of the Customer or another Account pursuant to the defined Loan purpose based on fulfilment of agreed conditions. A Revolving Loan shall be maintained in a separate Loan Account.

“Security” shall mean any guarantee for a Loan granted by the Bank to the Customer, lien, retention, assignment or any Security or any other arrangement or instrument, having the effect of Security or a similar effect.