

General Loan Terms and Conditions of Volksbank CZ, a.s. for Entrepreneurs

Effective as of June 1st, 2009

I. INTRODUCTORY PROVISIONS

- (1) These General Loan Terms and Conditions (hereinafter the "Loan Terms") set forth the binding rules for executions of all loan transactions between Volksbank CZ, a.s. (hereinafter the "Bank") and its clients, legal entities or natural persons who are entrepreneurs (hereinafter the "Client"), and they constitute an integral part of any loan contract.
- (2) If any provision of the loan contract concluded between the Bank and the Client is in conflict with a provision of the Loan Terms, the provision of the loan contract prevails.
- (3) Invalidity of particular provisions of the Loan Terms does not affect invalidity of the entire Loan Terms.
- (4) These Loan Terms are available in Czech and English, whereas the Czech version prevails.
- (5) These Loan Terms apply to the following types of loans:
 - (a) investment loans;
 - (b) revolving loans;
 - (c) overdraft loans;
 - (d) other forms of loans as described in the loan contract.

The provisions of these Loan Terms shall apply to all types of loans provided by the Bank unless the relevant provision applies only to a specific type of loan.

- (6) If the respective agreement concluded between the Bank and the Client explicitly refers on the Loan Terms, the provisions of these Loan Terms shall also apply to bank guarantees, letters of credit and other bank products provided by the Bank.

II. DRAWDOWN OF THE LOAN

- (1) The form of the drawdown is specified in the loan contract. The drawdown of the loan is possible upon fulfilling all conditions for drawdown in accordance with these Loan Terms and the loan contract.
- (2) The drawdown of the overdraft loan means executing debit transactions on a current account (as specified in the loan contract), i.e. by the cash withdrawals and payments executed from the current account, if the current account is in the debit or if the debit on the current account occurs as a result of the above debit transactions. The Client is entitled to repeatedly draw down an overdraft loan, up to the maximum specified amount. Persons who are entitled to dispose with the funds in the relevant current account are also entitled to draw an overdraft loan in the name and on behalf of the Client to the extent specified on the signature specimen established for the current account. The Client, as owner of the relevant current account, is obliged to acquaint these persons with the terms of the loan contract and is responsible for any breach of these terms made by these persons.
- (3) If the loan is drawn down by two or more recipients, they shall be liable for all obligations jointly and severally. Provisions of the Loan Terms shall apply to each recipient separately.
- (4) Client who wishes to draw down a loan is obliged to submit a duly signed and completed request for loan drawdown to the Bank within two working days before the requested date of drawdown, at the latest. Simultaneously, all terms of drawdown must be met. The request for loan drawdown must be submitted in the appropriate form, a sample of which is attached to the loan contract; the requested date of the drawdown must be a working day and the amount and the

currency of the draw down must correspond with the terms of the loan contract. This does not affect the drawdown of overdraft loan, of which the payments are made or draft of the cash to debit of the current account of the Client, up to the agreed amount of the loan.

- (5) The request for loan drawdown must be signed by authorised persons and in the form specified on the Client's signature specimen for the current account.
- (6) The request for loan drawdown is binding and irrevocable for the Client as of the moment of its delivery to the Bank.
- (7) Any communication concerning the drawdown shall be exclusively in writing. However, such communication can be made by electronic data exchange (e.g. fax, telex, SWIFT, e-mail with scans of signed applications). In such case, the message is deemed delivered at the time it was sent with confirmation of receipt printed by the transmitting device, unless proven otherwise. If the electronic data exchange is used, the Client is liable for incurred damages if misuse of electronic data exchange devices by unauthorised persons occurs.
- (8) In the case of investment loans, re-drawing of already paid amounts is possible only with the prior written consent of the Bank.
- (9) The Bank is at any time entitled to refuse drawdown of the loan without giving any reason.
- (10) If a market disruption as defined below occurs, the Bank is authorised, at its sole discretion, to take one or more of the following measures:
 - (a) to determine with immediate effect a new interest rate for the loan as well as a new interest period and interest rate (per annum) shall be determined as aggregate of:
 - (i) rate (per annum) expressing percentual rate of bank's costs of financing of the loan pursuant to the relevant loan contract; the bank is entitled to use as a basis for

such rate any relevant source chosen by the bank acting in good faith and regarding the current situation on the relevant market; and

- (ii) premium in the amount specified in the relevant loan contract;
- (b) to reduce or terminate drawdown of the loan for the period determined by the Bank;
 - (c) to cancel by written notice the loan in part which has not been drawn down by the Client yet, such cancellation shall be effective upon delivery of the relevant notice to the Client;
 - (d) to withdraw from the loan contract by written notice and declare loans, including appurtenances, provided to the client payable within term specified in the notice which shall not be shorter than 30 days.

"Market disruption" occurs if

- (a) at or around 11 am on the day the interest rate is to be updated under the loan contract or on the date on which the bank is to provide to the Client the drawdown of the loan under the loan contract, the reference rate under the loan contract to be used to calculate the interest rate under the loan contract is not available on the respective page of the Reuters system, or such other system that can replace this system;
- (b) the date on which the interest rate is to be updated under the loan contract or the date on which the bank is to provide to the Client the drawdown of the loan under the loan contract, the bank finds that its costs for obtaining the corresponding deposits in the relevant interbank market exceeds the level of the respective reference rate to be used under the agreement to calculate the interest rate under the loan contract.

(11) Upon request of the Client, the Bank may allow drawdown of the loan in a currency other than agreed in the loan contract. In such case, the Bank is, in order to reduce the risk arising from fluctuations of exchange rates, authorised to reduce the amount of the loan agreed in the loan contract by:

- (a) 5 % of agreed amount of a loan with a maturity up to 12 months,
- (b) 15 % of agreed amount of a loan with a maturity above 12 months.

If, during the period from drawdown to the maturity of the loan, the amount of the loan agreed in the loan contract (eventually reduced by the Bank under the first sentence of this paragraph) is exceeded due to the fluctuations of exchange rates, the loan becomes immediately due at the part of the loan exceeding agreed amount of the loan (eventually reduced by the Bank under the first sentence of this paragraph).

For the purposes of calculating the above limits, the bid-ask mid-point exchange rate of the Bank valid as of the day of the calculation, shall be used.

III. CLIENT COOPERATION, INFORMATION OBLIGATION, VERIFICATION

- (1) The Client is obliged to immediately notify the Bank of any planned organisational change (especially changes to the business name, first name, surname or name, residence, domicile, statutory bodies, the sale or lease of the enterprise or part of the business, etc.) concerning itself, guarantors, or persons who provided security for the loan.
- (2) The Client undertakes to inform the Bank during the entire duration of the loan contract and without undue delay in writing of any planned changes to its ownership structure, including changes to its controlling persons within the meaning of Section 66a of the Commercial Code, or any future restructuring under existing

legislation (such as mergers, divisions, change of legal form, etc.).

- (3) The Client undertakes to submit to the Bank information about its financial situation at any time upon request of the Bank, but at least once a year. Legal entities and natural person-entrepreneurs must submit an income tax return and related financial statements, including attachments created by Act No. 563/1991 Coll. on accounting, as amended, for the past financial year, within 15 days after the deadline for filing tax returns. The tax return must be accompanied by the stamp of the tax authority or any other documents sufficiently proving, in the opinion of the Bank, delivery of the tax return to the tax authority. The tax return must be accompanied by all legal annexes, in particular, the financial statements and audit reports if the Client is legally obliged to verify its accounts by the auditor. Upon the request of the Bank, the Client is also obliged to submit to the Bank without delay additional or the most recent information about its current financial situation.
- (4) The Client undertakes to provide Bank, upon its request, by the date of executing the loan contract at the latest and then at any time upon request of the Bank, with written confirmation from the relevant financial authority, social security authority and all health insurance companies to which Client is under the relevant legislation obliged to pay premiums for its employees stating the amount of its financial obligations to the State
- (5) If the loan is secured by pledge over real estate property, the Client must submit to the Bank by the date of execution of the loan contract, and then at any time upon request of the Bank, the current excerpt from the cadastral register.
- (6) Furthermore, the Client undertakes to submit to the Bank at any time upon request of the Bank and without undue delay other documents related to the loan or required for security of the loan. If the Client fails to do so, the Bank is authorised to get the necessary documents itself on behalf of the Client.

- (7) If the Client breaches the obligation/s under the loan contract, respectively if the Client's economic situation deteriorates, the Bank is authorised, after prior notice to the Client, to inspect Client's premises or Client's or third party's property provided to the Bank as a security, or to arrange such inspection by persons authorised by the Bank, and to inspect the accounting books and to control operations. The Client is obliged to provide all necessary cooperation without undue delay after the relevant notice.
- (8) The Client undertakes to notify the Bank without undue delay of any development and any facts that could have (even in future) a significant negative impact on its business and financial situation, particularly if they are likely to lead to an increase of the risk of failure to fulfil its obligations towards the Bank, such as deterioration of its financial situation, insolvency of the person providing security for the Client's obligations, the threat of bankruptcy or preparation of its liquidation, execution on its property or assets of the person providing security for the obligations of the Client, as well as any judicial or administrative proceedings in which the Client may be imposed substantial payment obligation.
- (9) If any event or fact occurs which, at the discretion of the Bank, impacts, or might affect negatively (i) the assets, business or financial situation of the Client or the person providing security for the obligations of the Client, or (ii) the Client's ability to fulfil its obligations under the loan contract, the Bank is authorised to stop or reduce drawdown of the loan and require the Client to provide additional security of the Client's obligations towards the Bank.
- (2) The Bank uses the following types of interest rates:
- (a) Reference interest rate – the interbank market bid rate published by Reuters valid as of the updating date of interest rate. The reference rate is updated quarterly / monthly always on the first working day of each calendar quarter / month on the basis of relevant interest rates (e.g. PRIBOR, EURIBOR, LIBOR, etc.). The reference rate for the first interest period shall be determined on the basis of the reference rate applicable on the first day of the calendar quarter / month in which the drawdown of the loan occurred. The updated interest rate (i.e. the reference interest rates and premium referred to in paragraph 1) of this Article) will be communicated to the Client on the basis of a notification sent through ordinary mail.
- (b) Floating interest rate – the current interest rate (PRIBOR, EURIBOR, LIBOR,), according to the loan contract, which is valid on the date of drawdown or the date of extension of the maturity of each tranche revolving loan.
- (c) Fixed interest rate IRS (interest rate swap) – interest rate for loans with maturities longer than 12 months, the Bank, in addition to the premium referred to in paragraph 1) of this article, adds to this the cost of funds.
- (3) The Bank reserves the right to adjust appropriately the interest on the loan, and depending on such adjustment also to adjust the amount of particular instalments, if there is a change in the conditions of the financial and capital markets. If the measures announced by the regulatory authorities in the field of monetary and credit policy will lead to changes in interest rates, the bank is entitled to adjust reasonably the interest rates for all other loans.
- (4) In the case of conversion of the draw down loan to another currency the interest rate

IV. INTERESTS

- (1) The provided loan shall be paid back with interest calculated based on the relevant interest rate and bank premium. The loan contract states the type of interest rate, increases and cost of refinancing.

corresponding to the currency (e.g. GBP = PRIBOR) shall apply, increased by premium as specified in the loan contract.

- (5) If the relevant interest rate will cease to exist as a result of currency reform during the term of a loan, rates equivalent to the interest rate applicable to the currency (e.g. EUR = EURIBOR) shall be used as the basis for adjusting interest.
- (6) Calculation of interests of the loan, interest on late payments and interest on the unauthorised debit is to be a "real number of days/360", unless specified otherwise.
- (7) If a change to the interest rate occurs on a non-work day or holiday, the Bank shall change the interest rate on the following business day. If a change to interest rates occurs on the last day of the month and this day is a non-work day or holiday, the Bank shall change the interest rate on the last business day of the relevant month.

V. CURRENCY FOR PAYMENT

- (1) If the loan has been granted in the foreign currency, the Bank is authorised to require from the Client repayment any payments (principal, interest, ancillary costs) in the currency in which the loan was granted. If the currency of the loan is replaced by the Euro as an official currency of the European Union, it is necessary to make such payments in Euro. This shift to another currency in any event shall not entitle the Client to unilaterally terminate or modify any contractual provisions.
- (2) The Bank is not obliged to inform the Client of the exchange rate risk and is not responsible for the consequences of the Client's decision and selected practices.
- (3) If the loan has been granted in a foreign currency and the customer is in delay with repayment of loan instalments for a period longer than 30 calendar days, the Bank is authorised without the consent of the Client to convert the loan to CZK. The Bank shall inform the Client in writing regarding such.

VI. REPAYMENT OF LOAN

- (1) Repayment of loan shall be made by transferring funds from the current account to a loan account (except in the case of overdraft loans, see below). Numbers of these accounts are specified in the loan contract. The Bank is authorised to make loan payment of principal, interest and fees in connection with the loan, in accordance with the terms of repayment set out in the loan contract, by transferring the amount from current account to the loan account without further consent of the Client. The Bank attributes the amounts in the currency in which the account is maintained. The loan account is not intended for payment transactions, but only to register the actual amount of the loan granted and repaid. Statements will be printed upon any movement in the loan account.
- (2) In the case of overdraft loans only one current account will be held, through which payment of interest and charges for services associated with the loan will be implemented. Overdraft loans are granted for an indefinite time period and are payable as of the date of termination of the loan contract. Payments of interest and fees for services associated with overdraft loans are made automatically from the current account for which the overdraft loan was granted.
- (3) The Client undertakes to conclude a contract with the Bank on current account in accordance with Section 708 et seq. Act No. 513/1991 Coll., the Commercial Code, as amended, before signing the loan contract. During the existence of any Bank claim against the Client arising from the loan contract or claims related to the loan contract, the Client is not entitled to terminate the contract on the current account or withdraw from such contract.
- (4) The Client shall ensure that sufficient funds are on due time on the current account to repay the principal, interest and/or charges. If there are not sufficient funds on the current account and if, as a result of the above payments, the current account is overdrawn, the account shall be

charged with interest on the unauthorised debit. The Bank, however, is entitled at any time and at its discretion to cancel such payments with the appropriate value to the debit of the loan account.

- (5) The loan relationship is terminated only when claims of the Bank arising therefrom are fully repaid. All securities of the loan provided by the Client shall be released only after settlement of any and all secured Bank claims from the loan relationship. Any overdraft of the current account resulting from non-payment of the above payments shall be deemed a claim arising from the loan relationship and must be completely repaid before termination of the loan relationship.
- (6) If instalment's maturity day falls on a non-work day or holiday, the Bank shall execute the instalment on the following work day. If a instalment maturity day falls on the last day of the month and this day is a non-work day or a holiday, the Bank shall execute the instalment on last work day of the month.
- (7) Unless otherwise agreed between the Bank and the Client, the payment of the Client shall, as Client's financial obligation towards the Bank, be set off against the Bank's expenses, charges, interest on late payments, interest on the loan and then against loan principal. If the Client is provided with several loans with maturity on the same day and if payment is not sufficient to cover all the loan, payment shall be set off at the Bank's discretion against the least secured loan.
- (8) If the loan is to be repaid in lump sum instalments and increase of the interest rate results in increase of the final instalment by at least 100% of the instalment specified in the loan contract, the Bank is authorised to recalculate the final instalment according to the current interest rate and notify the Client of such new amount. The Client is obliged to pay the instalment in the new amount as of the date specified in the notice. In the event that the interest rate is lowered to the extent that the final instalment is lower by more than 100% than the instalment

specified in the loan contract, the Client shall be notified in writing of the possibility to request the Bank to reduce amount of the instalment with regard to the new interest rate. The term of loan does not change.

- (9) The Client and the Bank agree that the Bank is entitled to set off all its outstanding claims arising from the loan contract or in connection with it against any (also non-mature) Client's claims against the Bank, particularly in respect of claims for any payment made by the Bank in favour of the Client, Client deposits with the Bank, any positive balances on any Client's account in any currency at the Bank or outstanding claims of the Client against the Bank arising from any title in any currency.

VII. COSTS AND REFUNDS

- (1) The Bank is entitled to charge the Client's current account intended for repayment of the loan, or current account to which the loan was granted, with other costs incurred in connection with establishment, maintenance or termination of the loan relationship, particularly fees according to the Fee Schedule of payment and commercial bank services (such as reminders, etc.), costs of surveys by experts, cost of legal representation, a execution fees, administrative fees, notary fees, including costs incurred in connection with the realization of securities, etc. In the event that the Client does not draw down the loan or repay it early, the costs of the Bank under the first sentence of this paragraph also includes costs incurred in connection with use of resources obtained in order to provide the loan in other ways, as well as costs associated with termination of the Bank's commitments relating to the refinancing or security (hedging) of open positions.
- (2) In the event that the Client repays the loan prior to the agreed repayment date, the Bank is authorised to charge the Client a fee in the amount of 3% of the amount of the loan being repaid early, respectively loan framework, unless stated otherwise.

This does not affect the Client's obligation to pay any Bank costs in accordance with the previous paragraph. The Bank authorised to charge Client a fee for premature repayment even in the case of premature repayment due to the Client's withdrawal from the loan contract. The fee for premature repayment of a loan under this paragraph shall not apply in the case of an overdraft loan or if the Bank refinances previously provided loan.

- (3) If on the basis of change to the statutory or other provisions or on the basis of changes of their interpretation by the competent authority, or on the basis of fulfilling any of the requirements of central banks or other supervising institutions, the costs to the Bank for providing, managing or otherwise refinancing of the loan increase, or if revenues received, or suppose to be received by the Bank in connection with this agreement have been reduced, the Client shall, upon the Bank's request, pay the amount that the Bank has expended as a result of increased costs, or that the Bank has lost as a result of reduced revenue.
- (4) Settlement of all charges will be made on a monthly / quarterly basis, always on the last day of the month / quarter, unless agreed otherwise.

VIII. RIGHTS AND OBLIGATIONS

- (1) The Client undertakes to ensure that the obligations arising from the loan contract are, as to their satisfaction, until their full repayment, at least equivalent to all other existing and future obligations of the Client. The Client also undertakes to ensure that security of its obligations arising from the loan contract provided to the Bank is until full repayment of these obligations at least of equal quality (in terms of kind and order of security provided) as security provided to other similar creditors of the Client. Security shall exist throughout the entire loan term based on contract concluded between the Bank and the Client until full settlement of all obligations of the Client towards the

Bank arisen in connection with the loan contract.

- (2) The Client undertakes that without prior written consent of the Bank:
 - (a) shall not accept any credit or loan in an amount of more than 10 % of the maximum amount of loan granted by the Bank to the Client under the loan contract,
 - (b) shall not conclude a leasing contract in which the Client undertakes for financial obligation of the total amount for the entire period of the leasing contract which exceeds 10% of the maximum amount of granted loan by the Bank to the Client under the loan contract,
 - (c) shall not conclude any factoring agreement.

The Bank undertakes not to refuse to grant such consent without a material reason.

- (3) The Client undertakes that for the period of effectiveness of the loan contract, the Client shall not without the prior written consent of the Bank burden nor allow any pledge to be established over the Client's property, nor provide the property to any other creditors as security for the Client's liability or obligation of a third party, nor burden his property or allow to encumber it with any other rights of third parties that would negatively affect the value of Client's assets. The Bank undertakes not to refuse to grant the consent without a material reason.
- (4) Within 1 month after conclusion of the loan contract, the Client is obliged to direct on his/her current accounts with the Bank repayment of the Client's domestic and foreign claims at least in proportion of the Bank loan exposures to the Client to other financial institutions credit exposures to the Client. The Client is obliged to keep payments through the Client's accounts with the Bank in the above scale for the entire duration of the loan contract.

IX. EVENTS OF DEFAULT

- (1) Event of default under these Loan Terms means any circumstance that could result in a substantial change of the conditions under which the loan contract was concluded and that may, in the Bank's view, threaten proper fulfilment of the Client's obligations towards the Bank, in particular the following circumstances:
- (a) the Client substantially breaches the provisions of the loan contract (e.g. uses the loan for other purpose than agreed) and no other event of default occurs;
 - (b) the Client breaches the provisions of loan contract in an unsubstantial way and does not cure such breach within 15 days as of notification by the Bank and there no other event of default occurs;
 - (c) the Client breaches any other contractual or other legal obligation against the Bank or third party, and the Client is in delay in fulfilment of such obligation for more than 15 days;
 - (d) there is a change to the ownership structure of the Client without the consent of the Bank, including any change to the controlling person within the meaning of Section 66a of the Commercial Code, or for any form of change in accordance with applicable laws (mergers, changes of legal status, distribution, etc);
 - (e) the person or entity providing security breaches any of the obligations pursuant to the agreement entered into between such person or entity by which the security is established as set forth by the loan contract, and;
 - (f) the provided security of the obligations of the Client arising from the loan contract ceases to exist, deteriorates, becomes ineffective or is declared as such by the Client or by the provider of the security, or if such security is otherwise challenged;
 - (g) the Bank finds circumstances that in its opinion may threaten the Client's ability to fulfil its obligations towards the Bank (including a substantial deterioration in the financial situation of the Client or person or entity providing security, insolvency of the person or entity providing security to the Client, impending bankruptcy or liquidation, etc.);
 - (h) the Client fails to inform the Bank of facts that could lead to an increase in the risk of the Client failing to fulfil the obligations under the loan contract, or if the Client reports to the bank are false, misleading or incomplete;
 - (i) the Client dies;
 - (j) the Client is deprived of legal capacity or the Client's legal capacity is limited;
 - (k) insolvency proceedings are commenced relating to the Client or the person or entity providing security, or if the property of the Client or the person or entity providing security is subject to execution and/or decision enforcement provided that the execution regards (i) a substantial part of the property of the Client or the person or entity providing the security, or (ii) the property of the Client or the person or entity provided as security for Client's obligations arising from the loan contract;
 - (l) the Client is bankrupt or declares in writing that he/she/it is unable to fulfil its liabilities;
 - (m) the Client is delayed with any payment for more than 14 days.
- (2) If the event of default occurs, the Bank is entitled to take within its sole discretion one or more of the following measures:
- (a) declare the outstanding amount of loans to the Bank, including appurtenances, disregarding of the agreed period of the loans and repayment, as due, in whole or in part, to the date specified in the declaration and the Client is obliged to the amount due, including appurtenances to pay within the period specified in declaration, or within 15 days of receipt of declarations;
 - (b) block financial resources of all Client's current and term (deposit) accounts;

- (c) require additional security;
 - (d) limit or pull up the drawdown of the account;
 - (e) withdraw from the loan contract;
 - (f) require a contractual penalty pursuant to Section 544 et seq. Civil Code in the amount of CZK 50,000 for each breach of contract, a claim for damages is not affected by this provision;
 - (g) realize the security;
 - (h) terminate the loan in untaken part of the loan; notice is effective as of the date of receipt by the Client;
 - (i) increase the interest on the loan as specified in the loan contract to the amount corresponding to the amount of interest on late payment announced by the Bank on the date when the event of default occurs;
 - (j) where appropriate, make other arrangements in accordance with the law.
- (3) In the event of a default of the repayment of the loan or of its part (or in the case of overdraft of loan framework), the Bank is authorized to charge interest on late payment (or interest on overdraft of loan framework) in the amount of the interest rate set for unauthorized overdraft as of the date of default to the date of the full repayment.

X. TERMINATION

- (1) A loan contract concluded for an indefinite time period can be terminated by both parties at any time without giving any reason. The notice period is 30 calendar days and shall begin the first day of the calendar month following the month in which written notice was delivered to the other party. The drawdown cannot be executed within the notice period.
- (2) A loan contract concluded for a definite time period of time can be terminated by both parties at any time without giving any reason. The notice period is 30 calendar days from the date of receipt of notice. The drawdown cannot be executed within the notice period.

- (3) Upon effective date of termination at the latest, respectively upon date of cancellation of the current account (or overdraft loans) with Volksbank CZ, the Client is obliged to compensate all its financial obligations towards the Bank incurred in connection with the granting of the loan, including interest, fees, contractual penalties and other costs.
- (4) Termination under this provision may be carried out exclusively in written form. General Business Terms & Conditions of Volksbank CZ applies on the delivery of the notice.
- (5) Agreement on overdraft loan shall expire also in case of cancellation of the current account to which this loan has been granted.

XI. FINAL PROVISIONS

- (1) Any changes or amendments of the loan contract shall be made exclusively in written form.
- (2) The Bank is authorized to amend the Loan Terms continuously. Full text of the amended Loan Terms shall be published in the Bank's premises in the Czech language. The Bank shall inform the Client about the change in Loan Terms prior to display in its premises and by publishing this information on the statement of the account. If the client does not inform the Bank within 30 days of the presentation of this announcement in the form of express written disagreement with the amended Loan Terms, the new version of Loan Terms become for the concluded contractual relationship binding with the effectiveness from the first day following the expiry of the above 30 day period.