

General Loan Terms and Conditions of Volksbank CZ, a.s. for Non-entrepreneurs

Effective as of 1 September 2009

I. INTRODUCTORY PROVISIONS

- (1) These general loan terms and conditions of Volksbank CZ, a.s. for non-entrepreneurs (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, individuals and legal entities – non-entrepreneurs (hereinafter the “**Client**”), and they constitute an integral part of any loan contract with such person or entity.
- (2) The provisions of the Loan Terms shall apply to all types of loans provided by the Bank unless it is obvious from the relevant provision that it applies only to a specific type of loan.
- (3) If the respective agreement concluded between the Bank and the Client explicitly refers to the Loan Terms, the provisions of the Loan Terms shall also apply to other bank products provided by the Bank to the Client.

II. DRAWDOWN OF THE LOAN

- (1) The form of the drawdown is specified in the loan contract. The Bank shall provide the amount of the Loan to the Client's account/accounts stated in the loan contract upon the Client's fulfilling all conditions for drawdown of the Loan. This shall not apply to drawdown of an overdraft loan.
- (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 contract is concluded by two or more persons, such persons shall be liable for all obligations jointly and severally. Provisions of the Loan Terms shall apply as appropriate to each person individually.
- (4) In the case of an investment loan, the 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. The request for loan drawdown must be submitted using the Bank's designated form. If a sample of such form is attached to the loan contract, it is obligatory in the material points. The requested date of the drawdown must be a working day and the amount and currency of the drawdown must

correspond with the terms of the loan contract. Simultaneously, all terms of drawdown must be met. 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. The request for loan drawdown is binding and irrevocable for the Client as of the time of its delivery to the Bank. Any communication concerning the drawdown shall be made 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 electronic data exchange is used, the Client is liable for incurred damages if misuse of electronic data exchange devices by unauthorised persons occurs.

- (5) 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 percentage 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.

- (6) 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 for a loan with a maturity up to 12 months,
 - (b) 15% of agreed amount of a loan for 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 change in data (especially changes to first name, surname, domicile, correspondence address, etc.) concerning itself, or its guarantors or persons who provided security for the loan.
- (2) The Client undertakes to provide the Bank, upon its request, with a written confirmation from the relevant financial authority, social security authority and its health insurance company stating the amount of its financial obligations to the state or the insurance company.
- (3) 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 in relation to the respective real estate.
- (4) 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.
- (5) 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 the Client's premises or the 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. The Client is obliged to provide all necessary cooperation without undue delay after the relevant notice.
- (6) 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 financial situation, particularly if these 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, filing of a proposal for bankruptcy proceeding, an order for 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.

IV. INTEREST

- (1) The provided loan shall be paid back with fixed interest or interest calculated based on the relevant interest rate and the Bank's premium. The loan contract states the type of interest rate, the amount of premium, if any, and cost of refinancing.
- (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 first working day of the month of updating the interest rate. The reference interest rate is determined by the Bank always for one quarter or one month and 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 working 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 consumer and mortgage loans, 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 rate and, depending on such adjustment, to also 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 of the Client.
- (4) In the case of conversion of the draw down loan to another currency the interest rate corresponding to the currency (e.g. CZK = 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 "actual number of days/360".
- (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, 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 of the loan contract.
- (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 one of the following methods:
 - (i) transferring funds from the Client's current account through a loan account. 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;
 - (ii) through a repayment account established by the Bank, in the case of consumers loans of persons who are not the Bank's clients (i.e., if they do not have current accounts established with the Bank);
 - (iii) 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. In the case that the overdraft loans are granted for an indefinite time period, they are payable in a single payment as of the date of termination of the loan

contract. If an overdraft loan is provided for a definite period, it is payable as at the date of termination of the loan contract. Payments of interest and fees for services associated with overdraft loans are made automatically by the Bank from the current account for which the overdraft loan was granted;

- (iv) in the case of mortgage loans, by debiting the Client's current account designated in the loan contract, which the Client authorises the Bank to do upon signing the loan contract.
- (2) If the Client has no current account established with the Bank, the Client undertakes to conclude, as at the date of signing the loan contract, a contract on a current account with the Bank in accordance with Section 708 et seq. of Act No. 513/1991 Coll., the Commercial Code, as amended. During the existence of any claim by the Bank in relation to the Client arising from or associated with the loan contract, the Client undertakes not to terminate the contract on the current account or to withdraw from such contract.
- (3) The Client shall ensure that sufficient funds are on due time on the current account or repayment account from which the loan is repaid, 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.
- (4) All security for 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.
- (5) 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 an 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.
- (6) 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 loans, payment shall be set off at the Bank's discretion against the least secured loan.
- (7) 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. The term of loan does not change.
- (8) 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.

- (9) In accordance with the provisions of Section 401 of the Commercial Code, the Bank and the Client have agreed to extend the period of limitation of the creditor's rights arising from the loan contract to 10 years.

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 valid List of Fees for Providing Financial and Business Services of Volksbank CZ, a.s (hereinafter just the "Price List"), costs of surveys by experts, cost of legal representation, execution fees, administrative fees, notary fees, including costs incurred in connection with the realisation of security, etc. In the event that the Client does not draw down the loan or repays it early, the costs of the Bank under the first sentence of this paragraph also include 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) The Client is entitled to repay the loan prior to the date designated in the loan contract. The Client is obliged to agree with the Bank on an extraordinary (early) repayment of the loan in writing at least 14 days in advance, because extraordinary (early) repayments are not processed automatically. Upon the Bank's request, the Client is obliged to pay to the Bank a fee for early repayment according to the Bank's Price List. Such fee is payable as at the date of early repayment.
- (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 the Czech National Bank or other supervising institutions, the costs to the Bank for providing, further maintaining or refinancing of the loan increase, or if revenues received, or supposed to be received, by the Bank in connection with the loan contract have been reduced, the Client shall, upon the Bank's request, pay the amounts 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 or quarterly basis, as agreed upon in the loan contract, and always on the last working day of the respective month / quarter, unless agreed otherwise.
- (5) In addition to the agreed interest rate, the Bank is entitled to charge the Client the statutory rate of late payment interest on any outstanding loan amount that was not repaid within the agreed period, beginning from the date of delay in repayment of such amount until the date of its full repayment.

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 to inform the Bank in writing of the following circumstances:
 - (a) the Client accepts 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) the Client concludes 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.
- (3) The Client undertakes to inform the Bank in writing if, for the period of effectiveness of the loan contract, the Client encumbers its property or allows establishing any pledge on its property, or the Client provides the property to another creditor as security for the Client's liability or an obligation of a third party, or the Client encumbers or allows encumbrance of its property with any right of a third party that would negatively affect the value of the Client's assets.
- (4) If, to secure the loan, the Client has concluded an agreement with the Bank concerning a direct execution of its obligation in the form of a notarial record and, for any reason, the amount of the fixed instalment of the loan is changed, the Client is obliged to conclude with the Bank at the Client's expense a new agreement on direct execution of its obligation in the form of a notarial record to secure the loan, unless agreed otherwise between the parties.

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) 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 the Bank;
 - (e) 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;
 - (f) 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.);
 - (g) 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;
 - (h) the Client dies or is declared dead;
 - (i) the Client is deprived of legal capacity or the Client's legal capacity is limited;
 - (j) 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;
 - (k) the Client is delayed with any payment due to the Bank for more than 14 days.
- (2) If any event of the aforementioned 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) transfer the existing positive balances on the Client's other accounts maintained by the Bank to the Client's current account that is designated for repayment of the loan;
 - (d) require additional security;
 - (e) limit or pull up the drawdown of the account;
 - (f) withdraw from the loan contract;
 - (g) terminate the contract with immediate effect;
 - (h) 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;
 - (i) realize the security;
 - (j) terminate the loan in untaken part of the loan; notice is effective as of the date of receipt by the Client;
 - (k) increase the interest on the loan as specified in the loan contract up 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;
- (l) where appropriate, make other arrangements in accordance with the law.
- (3) The Client declares that he or she is not a person with a special relation to the Bank. Pursuant to Section 19 of Act No. 21/1992 Coll., the Banking Act, as subsequently amended, such person is in particular a person close to members of a statutory body of the Bank, members of the Bank's Supervisory Board, the Bank's managers, members of the Bank Board of the Czech National Bank, and of entities controlled by the Bank. Pursuant to Section 116 of Act No. 40/1964 Coll., the Civil Code, as subsequently amended, a close person is a relative in the direct line of descent, a sibling and a spouse; other persons within a family or similar relationship shall be considered as close persons if a detriment suffered by one of them is reasonably felt by the other person as his own detriment.
 - (4) The Bank is obliged to state in the loan contract the annual percentage rate of costs for a consumer loan (APR). APR is understood to mean that percentage of the outstanding amount that the Client is obliged to pay to the Bank in one year's time. The annual percentage rate is stated in the loan contract as at the date of concluding the contract. The annual percentage rate can be changed on condition that the costs for the loan influencing the annual percentage rate change. The Bank is obliged to inform the Client of any changes in the APR.

X. TERMINATION, EXTINCTION OF A CONTRACT

- (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 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) No later than upon the date of extinction of a loan contract, 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) In the case of extinction of a contract on a current account for which an overdraft loan was provided, the overdraft loan is payable at the same date upon which the contract ceases to exist.
- (6) The Bank is entitled to terminate the drawdown of the loan at any time and without giving reasons. The termination notice takes effect upon its being delivered to the Client.

XI. FINAL PROVISIONS

- (1) Any changes or amendments of the loan contract shall be made exclusively in written form.
- (2) The Loan Terms apply also to all contractual relations entered into by an individual or legal entity not an entrepreneur as a debtor's party before the effectiveness of the Loan Terms.
- (3) The Bank is authorized to amend the Loan Terms continuously. Full text of the amended Loan Terms shall be published in the Czech language in the Bank's premises and on the Bank's web site. 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.
- (4) Should a provision of a loan contract concluded between the Bank and the Client be in contradiction to a provision in the Loan Terms, the provision of the loan contract shall take precedence.
- (5) Invalidity of individual provisions of the Loan Terms shall not be viewed as rendering the Loan Terms invalid in their entirety.
- (6) The Loan Terms have been drawn up in the Czech and English languages. The Czech-language version shall be decisive.