



## BUSINESS TERMS AND CONDITIONS FOR DERIVATIVE TRANSACTIONS (LEGAL ENTITIES)

This document constitutes the Business Terms and Conditions for Derivative Transactions (hereinafter “**Conditions**”) made between Všeobecná úverová banka, a.s. (hereinafter “**Bank**”) and its counterparty, a legal entity, (hereinafter “**Counterparty**”). The Conditions form an integral part of Agreement on Derivative Transactions (hereinafter “**Derivatives Agreement**”) made between the Bank and the Counterparty unless the Bank and the Counterparty expressly agree otherwise.

### 1. AUTHORISATION AND MODE OF TRANSACTION CONCLUSION

- (a) Only persons listed in the Authorisation Annex may conclude, modify, settle and terminate a Transaction in the name of each Party.
- (b) Each Party shall provide a list of all persons authorised to conclude, modify, settle and terminate Transactions in its name and the scope of a relevant authorisation in its Authorisation Annex. Each Party may modify the list of authorised persons at any time, whereas any changes shall become effective from the moment of the delivery of the modified Authorisation Annex to another Party. Should the Counterparty fail to notify the Bank of the changes in the list of authorised persons, the Counterparty shall be liable for any damage the Bank incurs in relation to late notification of the changes.
- (c) The Bank and the Counterparty may conclude Transactions in one of the following manners:
  - (i) via VUB Internet Dealing System for the Transaction such as Currency (FX) SPOT or Currency (FX) FORWARD and, at the same time, the Transaction performed between accounts of the Counterparty maintained with the Bank, or
  - (ii) by telephone, or
  - (iii) in any other manner expressly agreed between the Parties.
- (d) Transaction shall be concluded at the moment the Bank and the Counterparty agreed on terms and conditions of the Transaction in the course of (i) communication of a Bank employee with a person authorised to act on behalf of the Counterparty listed in the Authorisation Annex via VUB Internet Dealing System; or (ii) telephone conversation of a Bank employee with a person authorised to act on behalf of the Counterparty listed in the Authorisation Annex.
- (e) Technical and other conditions of performing Transactions via VUB Internet Dealing System are described in the valid version of *VUB’s Internet Dealing Manual* published at the Bank’s Internet website.”
- (f) The Counterparty may conclude the following Transactions:
  - (i) FX outright (before spot) D+0 without having to provide the Collateral to the Bank;

- (ii) FX outright (before spot) D+1 or FX spot D+2 provided only that it provides the Collateral to the Bank in form of cash as specified in the Article 2 below unless it has not been approved a treasury line under the Treasury Line Agreement;
- (iii) Any other Transaction than listed in the Paragraph (i) or (ii) provided only that the Bank approves of a treasury line to the Counterparty and the Parties enter into a relevant Treasury Line Agreement.

## **2. COLLATERAL**

- (a) Should the Counterparty not be approved the treasury line under the Treasury Line Agreement (irrespective of whether such agreement has or has not been entered into), the Counterparty is obliged to deposit on his/her current account kept with the Bank cash collateral securing such Transaction equalling 8% of a nominal value of the Transaction at least on a date of the Transaction, which is FX outright (before spot) D+1 or FX spot D+2.
- (b) Should any other amount relevant under the Article 2 be denominated in other currency than EUR, for calculation purposes under the Article 2, such amount shall be converted to EUR applying a valid market exchange rate of this currency and EUR set by the Bank for a relevant Business Day and working time.
- (c) The Counterparty is not entitled to dispose of the cash collateral deposited in connection with a relevant Transaction for the entire period from the date of deposit to the Maturity Date of the Transaction.
- (d) Should the Counterparty fail to perform any financial liability under the Agreement duly and timely, the Bank shall be entitled to use the cash collateral or its part (one-off or gradually) and set it off against such overdue liability of the Counterparty or its due part. The Counterparty shall inform the Bank of such use of the cash collateral without undue delay, whereas any remaining cash collateral shall be released by the Bank without undue delay in favour of the Counterparty, if not deposited as cash collateral securing other Transactions.
- (e) Without a prior written consent of the Bank, the Counterparty undertakes not to close any of his/her accounts, which the cash collateral has been deposited on, until such cash collateral is used under the Agreement.

## **3. PAYMENTS AND DELIVERIES**

- (a) All payments and deliveries shall be performed on the Maturity Date without any withholding or deduction, in the amount and currency indicated on the Confirmation or instruments specified in the Confirmation, in a manner usual for payments of such amounts or deliveries of such instruments and to an account or other place specified in the Confirmation. In no manner this paragraph shall restrict the Bank's right to charge the Counterparty fees for execution of payments and other banking services in compliance with other arrangements made between the Bank and the Counterparty or withhold Taxes or fees should the law required them.
- (b) Irrespective of the paragraph (a) above, should the both Parties be mutually obliged to pay any amounts on the same date, in the same currency and in connection with the same Transaction, this shall automatically give rise to a novation and mutual obligations of the both Parties shall cease to exist and be fully superseded by an obligation of the Party, which originally had to pay a higher amount, settle a difference between the two original payments payable to the Party, which originally had to pay a lower amount. Should the Counterparty be obliged to settle the difference between the two originally due

payments, the Bank shall notify the Counterparty in writing (by fax and subsequently also by mail) of its obligation to settle the difference specifying the due amount prior to the Maturity Date.

- (c) Irrespective of the paragraph (a) above, setting off receivables arising out of the Agreement is not possible with the exception of a special written arrangement of the Parties expressly stating otherwise or should any Breach of Agreement or Event of Termination occur when the Bank, even without a prior notification of the Counterparty, is entitled to set off its receivable against the Counterparty against any receivable of the Counterparty against it, irrespective whether these receivables are payable or not and in lapse or not at the time of set-off. Should the set-off receivables be denominated in different currencies, the Bank shall convert an amount denominated in a currency of any receivable to a currency of other receivable, whereas it shall use the exchange rate, which, acting bona fide, would allow the Bank to obtain the relevant amount in the relevant currency in form of a spot transaction on the free market on the conversion date. It is possible to exert the right arising out of this paragraph concurrently with any other rights and remedies the Bank could dispose of under the law or otherwise. For avoidance of any doubt, set-off under this paragraph shall only be applied to calculate the Termination Amount under the Article 7 below should any receivables, which qualify for set-off under this paragraph, remain between the Parties after the Termination Amount, which is not a set-off, has been calculated.
- (d) Should the agreed Maturity Date fall on a day other than Business Day, the Maturity Date shall fall on the following Business Day with the exception of a case when the Maturity Date falls on the following calendar month, the Maturity Date shall fall on the following preceding Business Day.
- (e) For avoidance of any doubt, provisions of the Paragraph (a) above shall not apply to the acts specified in the Article 6 herein.

#### **4. REPRESENTATIONS**

- (a) Each Party (unless expressly stated otherwise) confirms that each representation listed below is true and correct on the date of concluding the Derivatives Agreement and declares to another Party that:
  - (i) it is duly and validly established and validly existing under the laws of the country of its establishment, it is duly eligible to own its assets and has all licenses required to conduct its business as it is being conducted;
  - (ii) no steps have been taken, no petitions have been filed and no proceedings have commenced resulting in winding-up with or without liquidation, termination of activities, bankruptcy, restructuring, appointment of any trustee or any other proceedings having a similar effect, with the exception of a case when the relevant Party notified another Party in writing and demonstrated to another Party's full satisfaction that it is apparent under the law or substance that the relevant acts, steps, petitions or proceedings shall be rejected or terminated or that they cannot result in the proposed decision;
  - (iii) Unless the Bank expressly agrees otherwise, the Counterparty closes each Transaction to secure an underlying asset;
  - (iv) neither Breach of Agreement occurred nor any event that would represent Breach of Agreement after submitting a notification and/or lapse of time;
  - (v) Agreement and each document made in connection with it and also every obligation arising out of them shall be valid and binding on it and enforceable against it in compliance with its

conditions with the exception of cases that may arise out of the law governing bankruptcy, restructuring and similar proceedings affecting lenders' rights in general;

- (vi) each information submitted by the relevant Party or in its name to another Party is correct, true, full and not misleading in material respect on its date or on the date it was submitted, if not dated;
  - (vii) unless otherwise stated in Annex for Client, Counterparty means an authorised counterparty pursuant to the Article §73 o the Act on Securities and Counterparty agrees that it be treated as an authorised counterparty and it does not request the Bank to be treated as Client; and that
  - (viii) the Counterparty is not a person related to the Bank; to perform each payment under the Agreement and individual Transactions the Counterparty shall only use the funds owned by it and shall enter into the Agreement and perform individual Transactions in its own name and on its own account.
- (b) Each representation specified in the paragraph (a) above shall be deemed repeated on the date of performing each Transaction and on the date of settling each Transaction and a representation specified in the paragraph (a)(iii) above shall be deemed repeated on each day of continuing Transaction. Every time when it appears that the Party repeats the representation, the relevant Party shall confirm to another Party that the representation is true and correct and valid under circumstances existing at the time it is repeated.
- (c) Should the Party learn that any representation specified in Article 3 is or can become untrue, it shall notify another Party of this providing full details without undue delay.

## **5. BREACHES OF AGREEMENT AND EVENTS OF TERMINATON**

- (a) Occurrence of any of the events specified in this paragraph (a) in connection with the relevant Party shall constitute Breach of Agreement:
- (i) The Party fails to settle the amount payable under the Agreement or Treasury Line Agreement or fails to deliver the instrument it shall deliver under the Agreement on the relevant Maturity Date with the exception of a case when it demonstrates to another Party's full satisfaction that the Breach of Agreement occurred solely due to technical or administrative error and, simultaneously, it performs its outstanding liability within two Business Days since the Maturity Date;
  - (ii) The Party fails to perform any other obligation arising out of the Agreement with the exception of a case when it demonstrates to another Party's full satisfaction that it is possible to remedy such breach and simultaneously that it shall remedy such breach within ten Business Days since the earlier day out of the following: (A) the date on which the non-breaching Party notified the breaching Party of the breach by fax and subsequently by mail; or (B) the date on which the breaching Party learned about the breach;
  - (iii) Any of the representations that was made or deemed repeated appears to be incorrect or misleading in any respect on its date or on the date it is deemed repeated;

- (iv) The Party fails to perform any other obligation against another Party or a third person on a due date or during an additional period of time agreed with another Party or with the third person or should any financial liability of the Party against another Party or third persons be declared (or occur otherwise) payable earlier with the exception of a case when the individual or aggregate amount of such liability or liabilities do(es) not exceed the threshold amount specified in the Article 2(a)(i) of the Derivatives Agreement;
  - (v) The Party or any third person files a petition for declaration of bankruptcy over its assets, permission for restructuring or commencement of any other similar proceedings against this Party or statutory body or other body of the Party decides about its liquidation with the exception of a case when the Party notifies another Party in writing within two Business Days since the date it learned about occurrence of any of such events and subsequently demonstrates to another Party's full satisfaction that it is apparent from the law or circumstances that the acts, steps, petitions or proceedings shall be rejected or terminated or that they cannot result in the proposed decision;
  - (vi) Public Authority decides to withdraw or revoke the permission issued to the Party to conduct its core business activity;
  - (vii) A petition for distraintment, execution of decision or similar proceedings to enforce the valid decision by ordering collection of a receivable from account(s) has been filed against the Party with the exception of a case when the individual or aggregate amount(s) do(es) not exceed the threshold amount specified in the Article 2(a)(ii) of the Derivatives Agreement;
  - (viii) Without a prior agreement with the Bank the Counterparty closes its last current account kept with the Bank in the currency relevant for settlement of any Transaction.
- (b) Occurrence of any of the events specified in this paragraph (b) in connection with the relevant Party shall constitute Event of Termination of Agreement:
- (i) Should a change in the ownership share on the registered capital and/or voting rights of the Counterparty equalling (i) min. 50% stake in form of one or several transactions (interrelated or not), or (ii) a lower stake in form of one or several transactions (interrelated or not) occur that results in a status in which any person other than the existing Controlling Person (if existing) would become the Controlling Person with the exception of a case when the Bank grants its prior written consent to it;
  - (ii) Should such changes or circumstances in economic, political or other conditions in the Slovak Republic or other country occur, which in the Bank's justified view could have an adverse material effect on the financial markets in the Slovak Republic or in a country whose legal tender is a currency used in connection with any Transaction or whose financial market in the Bank's justified view has a decisive impact on calculation of any reference value used in connection with any Transaction, on any Transaction or ability of the affected Party to perform its obligations arising out of the Agreement;
  - (iii) Counterparty, which is an authorised counterparty pursuant to the Article 73u of the Act on Securities, shall request the Bank to be treated as Client; for avoidance of any doubt, for purposes of this Event of Termination of agreement, the Bank shall be deemed an unaffected Party;

- (iv) Counterparty, which is Client assigned to professional client category, shall request the Bank to be treated as Client assigned to non-professional client category; for purposes of this Event of Termination of agreement, the Bank shall be deemed an unaffected Party; or
- (v) Performance of liabilities arising out of the Agreement by the Party contravenes the law.

## 6. CONSEQUENCES OF TERMINATION

- (a) After termination of the Affected Transactions:
  - (i) All obligations of the Parties to perform any other payments or delivered in connection with the Affected Transactions shall cease to exist; and
  - (ii) The Party specified under the Article 7 below shall be obliged to pay to another Party the Termination Amount in connection with the Affected Transactions calculated under the Article 7 below.
- (b) For avoidance of any doubt, any Security Interest the Counterparty provided to the Bank in connection with the Agreement shall also secure the Bank's receivable to perform the Counterparty's obligations that arose in connection with termination of the Agreement and/or Affected Transactions including the Counterparty's obligation to settle the Termination Account.

## 7. TERMINATION AMOUNT

- (a) After termination of the Affected Transactions in compliance with the Agreement, the Bank shall calculate the amount payable in the Currency of Termination in connection with the Affected Transactions (**Termination Amount**) pursuant to the Article 7 as soon as practically possible.
- (b) The following formula is applied to calculate the Termination Amount:

$$T = S + A - B$$

where:

**T** means Termination Amount;

**S** means Settlement Amount;

**A** means a sum of: (i) a total amount of all amounts already payable or owed to the Bank by the Counterparty in connection with the relevant Affected Transactions (including interests) that were not settled on the date of early termination of the relevant Affected Transactions; and (ii) a total amount of usual market values of all instruments that should have already been delivered in connection with the relevant Affected Transactions, but which have not been delivered on the date of early termination of the relevant Affected Transactions;

**B** means a sum of: (i) a total amount all amounts already payable or owed to the Counterparty by the Bank in connection with the relevant Affected Transactions (including interests) that were not settled on the date of early termination of the relevant Affected Transactions; and (ii) a total amount of usual market values of all instruments that should have already been delivered in connection with the relevant Affected Transactions, but which have not been delivered on the date of early termination of the relevant Affected Transactions.

Should any of the above amounts be denominated in a currency other than the Termination Currency, such amount shall be converted in the Termination Currency, whereas the Bank shall use the exchange rate, which acting bona fide would allow it to obtain the relevant amount in the Termination Currency in

form of a spot transaction on the free market on the date of early termination of the Affected Transactions.

- (c) Should the Termination Amount be a negative number, the Bank shall pay such the Termination Amount to the Counterparty. Should the Termination Amount be a positive number, the Counterparty shall be obliged to pay such the Termination Amount to the Bank. The Bank shall notify the Counterparty of the result of calculation of the Termination Amount without undue delay.
- (d) The Parties have agreed that calculation of the Termination Amount shall consist of summing hypothetical incomes and costs of compensation (and also certain amounts that were payable but have not been paid on the date of early termination of the Affected Transactions) that result in the Termination Amount constituting a net liability of one Party against another Party and that the calculation of the Termination Amount is not a set-off but a final settlement of profits and losses pursuant to the Act No. 7/2005 Coll. on Bankruptcy and Restructuring as amended.
- (e) The Termination Amount is payable within two Business Days since the Bank has informed the Counterparty of the Termination Amount should the Counterparty be obliged to settle such Termination Amount, or one day after the date of calculation of such Termination Amount should the Bank be obliged to settle the Termination Amount.

## **8. INFORMATION COVENANTS**

- (a) Upon signing the Derivatives Agreement, the Counterparty shall deliver the following documents to the Bank:
  - (i) an officially certified copy of an up-to-date abstract of the Counterparty from the Commercial Register not older than 15 days, should any abstract be out-of-date, officially certified copies of documents confirming that there was a change in any such information along with a certified copy of the petition for registration of the relevant changes in the Commercial Register filed with the relevant court;
  - (ii) an officially certified copy of constitutional documents of the Counterparty including Deed of Foundation or Deed of Partnership in the full wording and the Articles of Association (if existing) in full wording in the full up-to-date wording;
  - (iii) a copy of the decision of each body of the Counterparty whose consent or opinion is required by the law or its constitutional documents to enter into the Agreement and/or Transactions and to perform obligations arising out of them,
- (b) whereas, should the Bank already possess any of these documents specified in paragraph (a) above at the time of entering into the Derivatives Agreement, instead of the relevant document the Counterparty shall deliver to the Bank a representation duly signed by the persons authorised to act on its behalf confirming that the relevant document possessed by the Bank on the date of entering into the Derivatives Agreement is still correct, complete, in full force and effect.
- (c) Without undue delay after the Counterparty has learned about it, the Counterparty undertakes to:
  - (i) notify the Bank of the Breach of Agreement or Event of Termination in connection with the Counterparty;

- (ii) notify the Bank of any changes in ownership share on the registered capital and/or voting rights of the Counterparty equalling min. 5 %, a change in its legal form or a change having a material effect on its financial position and business activities;
  - (iii) notify the Bank of any other information related to affairs of the Counterparty connected with this Agreement.
- (d) Unless the Parties agreed otherwise, the Counterparty undertakes to deliver the following documents to the Bank:
- (i) its financial statements (audited, if required) for each of its accounting periods, within 90 days since the end of the relevant period for which the documents are prepared;
  - (ii) its interim quarterly financial statements, within 30 days, since the end of the relevant period for which the documents are prepared.
- (e) Without undue delay since the Bank has requested it, the Counterparty undertakes to deliver to the Bank any other information the Bank justifiably requested.

## **9. GENERAL PROVISIONS**

- (a) Should any Party fail to settle any amount payable under the Agreement (including the Termination Amount) duly and timely, the Party shall be obliged to pay a default interest from the owed amount for each day of default since the Maturity Date until settlement (including the date of settlement) to another Party immediately after being asked by another Party. The Default Interest (i) from the first to the ninth (including) commenced day of default is payable at an interest rate 1% higher than the interest rate of 1-month Interbank Offered Rates published by a central bank of a country in which a relevant currency is a legal tender (by the European Central Bank for Euro) on the first day of default for the relevant currency; and (ii) beginning from the tenth day of default payable at an interest rate 3% higher than the interest rate of 1-month Interbank Offered Rates published by a central bank of a country in which a relevant currency is a legal tender (by the European Central Bank for Euro) on the first day of default for the relevant currency (a relevant IBOR). The Party, which the default interest is to be paid to, shall calculate the amount of the default interest based on a number of actually elapsed days divided by 360.
- (b) Each Party may assign or transfer any of its rights and obligations under the Agreement only upon a prior written consent of another Party.
- (c) Signing of the Derivatives Agreement and fulfilment of its conditions precedent does not constitute origination of an obligation of any Party to perform any particular Transaction.
- (d) Unless expressly agreed otherwise between the Parties, all calculations under the Agreement (including calculation of the Termination Account) shall be executed by the Bank in compliance with the Assessment Rules. The Counterparty confirms that it accepts methods and formula applied to all calculations under the Agreement (including calculation of the Termination Account) executed by the Bank.
- (e) Unless otherwise specified in the Agreement, any notification or other formal communication connected with the Agreement has to be:

- (i) delivered to the addressee in person or by mail and is deemed delivered to the addressee at the moment the addressee accepted or declined to accept it, if written;
  - (ii) delivered to the addressee and is deemed delivered to the addressee at the moment of delivery of a receipt confirming successful fax transmission from a receiving fax machine to the sender, if faxed;
  - (iii) delivered to the addressee and is deemed delivered to the addressee at the moment of delivery of an electronic message to the addressee, if emailed.
- (f) Any notification or other formal communication connected with the Agreement is deemed delivered at the moment it is delivered to the addressee listed in paragraph (e) above with the exception of a case when it is delivered on a day that is not Business Day or after 17:00 on the Business Day when it is deemed delivered at 08:00 on the following Business Day.
- (g) Each Party acknowledges and agrees that another Party may record telephone calls with its dealers and other staff in connection with the Agreement, whereas the both Parties shall accept such recording as admissible and irreversible evidence of the recorded instructions, conversation and completed Transactions to the maximum extent permitted by the law.
- (h) Having concluded and signed the Agreement and any other documents governed by the Agreement the Parties confirm that they are aware of the fact that the Transactions frequently serve to distribute risks, in particular market risks (interest rate, exchange rate or instrument price and value fluctuations) and also risks pertaining to a business partner (risk that a business partner is not able or willing to perform its obligations) or that such risk distribution is a result of the Transactions. In addition, the Parties confirm that they apprehend all Transactions they could perform and all risks connected with them, that they are aware of the fact that imprudent management of the credit risks above could lead to accumulation of risks and result in obligations, which or scope of which the Parties originally did not expect or deem probable and that they did not stem from any other representations, guarantees and assurances other than those specified in the Agreement when deciding to enter into the Agreement. In the course of negotiation and conclusion of the Agreement or any other document governed by the Agreement and their conditions none of the Parties assumed any liability for any special solicitude for another Party.
- (i) Individual provisions of the Agreement or any other document concluded in compliance with the Agreement shall be enforceable separately of one another and invalidity of any of them shall have no effect on validity and enforceability of other provisions under any jurisdiction with the exception of cases where the importance or any other circumstance related to such invalid provision, makes it obviously indivisible from other remaining relevant provisions. Should any of the relevant provisions be invalid, whereas its invalidity is caused by any part of it, the provision shall apply as if the relevant part was deleted. However, if such approach is not possible, the Parties undertake to take all actions necessary to agree on a provision with similar effect that shall replace the invalid provision in compliance with the relevant law.
- (j) The Agreement, all documents concluded in connection with the Agreement and also all notifications, information and other documents delivered in connection with the Agreement shall be executed in the Slovak language. Should any other language version be also produced, the Slovak wording shall prevail in case of a discrepancy between the individual language versions.

- (k) Failure to exercise or late exercise of any right in compliance with the Agreement by any Party shall not be deemed a waiver of such right by the Party. Individual or partial exercise of the right shall not impede any other exercise of such right or any other right. Rights and remedies under the Agreement can be exercised simultaneously with any other rights and/or remedies available to any Party pursuant to the law or otherwise.
- (l) To the maximum extent allowed by the law each Party waives any immunity it enjoys at the time of entering into the Derivatives Agreement or it shall acquire at any time in future in connection with any proceedings (including litigation, arbitration or administrative proceedings) in connection with the Agreement.
- (m) All Transactions shall form one agreement consisting of the Derivatives Agreement, Terms and Conditions and relevant Confirmations made between the Parties.
- (n) The Bank shall not be liable for damage the Counterparty incurs in relation to execution of Transactions the Bank bona fide deemed Transactions concluded with a person authorised to act on behalf of the Counterparty in compliance with the Authorisation Annex. The Bank shall not be liable for damage the Counterparty incurs in relation to a misuse of signature specimen of persons authorised to act on behalf of the Counterparty in compliance with the Authorisation Annex, disclosure or insufficient security of access elements to VUB Internet Dealing System or other control mechanisms the Bank and the Counterparty use to verify identity of the persons acting on behalf of the Counterparty, except for a misuse resulting from intentional conduct or gross negligence by the Bank. The Parties have agreed that should a Transaction be concluded via VUB Internet Dealing System, it is understood that the Bank always acts bona fide and that it communicates with a person authorised to act on behalf of the Counterparty in compliance with the Authorisation Annex.

## **10. CLIENT'S PROTECTION AND POSITION PURSUANT TO THE SECURITIES ACT**

- (a) Pursuant to the Securities Act, the Client is entitled to request that the Bank recategorize him/her to upgrade his/her protection. For this purpose the Client assigned to the professional client category is entitled to request that the Bank treat him/her as a non-professional client. Only a written request of the Client delivered to a relationship manager shall be effective (in this case, electronic communication is not included in "written" communication).
- (b) Pursuant to the Securities Act, the Client is entitled to request that the Bank recategorize him/her to downgrade his/her protection. For this purpose the Client assigned to the non-professional client category is entitled to request that the Bank treat him/her as a professional client upon meeting the conditions set forth by the Securities Act. Only a written request of the Client delivered to a relationship manager shall be effective (in this case, electronic communication is not included in "written" communication). The Bank is entitled, but not obliged to, accept such request. The recategorization shall be a subject to a special agreement between the Bank and Client.
- (c) The Client confirms and agrees that the Bank does not provide investment consulting services under the Agreement or in relation to it, unless explicitly agreed otherwise. The Client confirms that he/she did not accept any recommendation, advice or instruction relating the Agreement and individual Transactions.
- (d) The Client confirms that he/she was provided all information the Bank is required to provide pursuant to the Act on Securities, in particular the following:

- (i) Information about the Bank, namely information about the Bank's identity, relevant authorisations of the Bank to render investment services, and a mode and language of communication between the Bank and Client;
  - (ii) Information about a location of delivery of a service;
  - (iii) Information about Transactions, namely general description of substance of individual types of Transactions and description of risks pertaining to Transactions as financial instruments pursuant to the Act on Securities;
  - (iv) Information about protection of Client's assets;
  - (v) Information about costs and related fees.
- (e) The Client confirms that he/she has a regular access to the Internet and agrees that the Bank provides him/her information via its official web page [www.vub.sk](http://www.vub.sk) or other web page the Bank shall inform the Client about in all cases in which the Act on Securities allows providing information via a web page. Among other things, such consent shall also apply to updating any provided information such as information about changes in Strategy of Execution of Instructions.
- (f) In cases when information cannot be provided via a web page, the Client shall select to prefer to communicate via electronic mail (e-mail address: [email@email.sk]) with the Bank and agree that this communication (e-mail) is deemed communication on durable media in all cases in which communication on durable media is required by the Act on Securities or electronic mail permitted by the Act on Securities. Should the Client decide to change his/her e-mail address, he/she shall notify his/her Relationship Manager of the new email address without undue delay.
- (g) The Bank's right to choose a different mode of communication with the Client in matters related to the Agreement or individual Transactions shall not be affected by modes of communication with the Bank selected by the Client.
- (h) The Client confirms that he/she was acquainted with and grants his/her explicit consent to the Strategy of Execution of Instructions. The Strategy is available on the Bank's official web page and in the Bank's branches.
- (i) The Client acknowledges that conditions of Transaction stipulated in the agreed Confirmation represent the Client's individual instructions, which shall take a precedence over the Strategy of Execution of Instructions and may prevent the Bank from applying the entire Strategy of Execution of Instructions in connection with Transaction.
- (j) The Bank has adopted appropriate and effective measures and procedures to prevent, minimise, and resolve a potential conflict of interest. The measures define potential conflicts of interest that may arise in relation to performing Transactions under the Agreement. The Bank may disclose some other information related to policy of preventing conflict of interest on its web page.
- (k) The Bank shall always send to the Client a confirmation demonstrating that Transaction has been performed until the end of the Business Day following the date of Transaction. Such confirmation shall contain information about any costs the Client incurred in relation to performing Transaction.

- (l) At least once a year, the Bank shall send to the Client a regular report on performed and incomplete Transactions between the Bank and the Client at the end of a period, which a relevant regular report is prepared for. Information about all costs the Client incurred in relation to Transactions performed and results of Transactions shall be included in the regular report.
- (m) The Client confirms that the Bank requested him/her to provide information about his/her knowledge of and experience with individual types of Transactions by completing an investment questionnaire in the scope allowing the Bank to define whether:
  - (i) The Client's knowledge and experience is sufficient to understand the substance of Transaction and recognise risk pertaining to a relevant type of Transaction;
  - (ii) A relevant type of Transaction is appropriate for the Client pursuant to the Article 73g Section 3 of the Act on Securities.
- (n) The Client acknowledges that as long as he/she was assigned to the professional client category by the Bank, the Bank is entitled to assume that he/she has all knowledge and experience related to individual types of Transactions allowing him/her to recognise risk pertaining to a relevant type of Transaction.
- (o) The Client confirms that all information he/she provided to the Bank in the Investment Questionnaire is true, complete, and accurate. The Client confirms that he/she is aware that should the information he/she provided not be true, complete, and accurate or should he/she fail to provide any information to the Bank in the Investment Questionnaire, the Bank shall not be able to assess whether the Client can recognise risks pertaining to a relevant type of Transaction and whether a relevant type of Transaction is inappropriate for the Client. In such case the Bank shall not be held liable for any damage or any other harm the Client incurred as a result of providing untrue, incomplete or inaccurate information or as a result of non-providing information.
- (p) Based on the information provided by the Client in the Investment Questionnaire, prior to performing any Transaction, the Bank shall review whether a relevant type of Transaction is appropriate for the Client pursuant to the Article 73g Section 3 of the Act on Securities.
- (q) Should the Bank decide that Transaction is inappropriate for the Client, the Bank shall notify the Client of it. The Client acknowledges that performance of an inappropriate Transaction involves a risk particularly arising out of the fact that (i) the Client might not be able to recognise risk involved in a relevant type of Transaction or (ii) the Transaction might not correspond to his/her investment intentions, or (iii) the Client might not be able to bear financial investment risk pertaining to Transactions.
- (r) Should the Client decide to perform Transaction inappropriate for him/her, the Client shall explicitly request the Bank to allow him/her to perform such Transaction. The Bank is entitled, but not obliged, to accept such request of the Client. Should the Bank accept the Client's request for performing such Transaction, the Bank shall not be held liable for any damage or any other harm the Client incurred in relation to performing the Transaction inappropriate for him/her.
- (s) Individual representations, consents and choices of the Bank and Client listed herein shall be deemed repeated on the date of performing each Transaction and on the date of settling each Transaction.

## 11. COUNTERPARTY AS AUTHORIZED PARTY PURSUANT TO THE SECURITIES ACT

- (a) The Counterparty categorized as an authorized counterparty pursuant to the Article 73u of the Securities Act:
  - (i) agrees to be treated as the authorized counterparty and does not request the Bank to be treated as a professional or non-professional client pursuant to the Article 8a of the Securities Act;
  - (ii) without affecting the paragraph (i) above, the Bank informed the Counterparty that he/she is authorized to request that the Bank treat him/her as a professional client or non-professional client upon meeting the conditions set forth in the Securities Act;
  - (iii) confirms to be aware that the Article 10 does not apply to him/her.

## 12. EFFECT OF CONDITIONS

- (a) The Conditions are business conditions pursuant to the Article 37 of the Act on Banks, which may be unilaterally amended by the Bank. Unless otherwise agreed between the Bank and Counterparty, the former wording of Conditions shall expire after 15 days since the new wording of Conditions has been published and be fully superseded by the new wording of Conditions. Unless otherwise agreed between the Bank and Counterparty, the new wording of Conditions shall apply to all Transactions performed between the Parties and existing as of the date of effect of the new wording of Conditions and also to all Transactions performed after the date of effect of the new wording of Conditions
- (b) These Conditions shall become effective on November 11, 2011.

## 13. INTERPRETATION AND DEFINITIONS

- (a) In the Agreement, unless otherwise expressly agreed between the Parties or otherwise arising out of the context, the following terms shall bear the meaning set out below (in alphabetical order):

**Act on Banks** means the Act No. 483/2001 Coll. on Banks as amended;

**Act on Securities** means the Act No. 556/2001 Coll. on Securities and Investment Services as amended;

**Agreement** means Agreement on Derivative Transactions, Conditions, all Confirmations, List of Continuing Transactions, and Annex for Client, if signed;

**Annex for Client** means an annex to the Agreement signed by the Bank and Client;

**Authorisation Annex** means a list of all persons authorised to conclude, change, settle and terminate Transactions in the name of a relevant Party containing the scope of authorisation of these persons in the form of a standard Bank form handed over to the Counterparty upon signing the Derivatives Agreement;

**Breach of Agreement** means any of events described in the Article 4 herein or a fact that may become an Event of Termination (e.g. as a result of a lapse of a certain period of time since occurrence of such event, as a result of notifying a respective individual of such event by other person or otherwise);

**Business Day** means a day that is not Saturday, Sunday, holiday and Red-Letter Days in the Slovak Republic and in connection with payments in EUR also a day on which *Trans-European Automated Real-time Gross Settlement Express Transfer* operates and settles payments denominated in EUR;

**Client** means a Counterparty enjoying a legal status of a professional or non-professional client pursuant to the Article 8a of the Act on Securities;

**Commercial Code** means the Act No. 513/1991 Coll. as amended;

**Confirmation** means a written document containing conditions of an individual Transaction;

**Controlling Person** means a person referred-to as the controlling person in the Article 66a of the Commercial Code;

**Currency of Execution** means a legal tender of the Slovak Republic at a given time;

**Event of Termination** means any of events described in the Article 4 herein or a fact that may become an Event of Termination (e.g. as a result of a lapse of a certain period of time since occurrence of such event, as a result of notifying a respective individual of such event by other person or otherwise);

**FX Transaction** means a transaction, in particular (but not limited to) a currency forward, currency swap, currency option, currency collar, and other Transactions specified by the Bank;

**IR Transaction** means a transaction, in particular (but not limited to) an interest swap, FRA (Forward Rate Agreement), interest option, interest collar, and other Transactions specified by the Bank;

**Maturity Date** means a day on which an obligation to settle a relevant payment or an obligation to provide a relevant instrument shall be performed;

**Party** means the Bank and the Counterparty;

**Relationship Manager** means an employee of the Bank responsible for a regular contact and attending Counterparty's requisites in relation to the Bank, the Counterparty shall be appropriately notified of his/her identity and contact data or any change in them by the Bank;

**Security Interest** means a pledge, security transfer of a right, security assignment of a receivable, retention right, a transfer or assignment with re-transfer or re-assignment (repo) and any other agreement or arrangement under any law having a similar purpose or effect;

**Settlement Amount** means a difference between: (i) yields the Bank would earn should the Affected Transaction(s) not be terminated earlier; and (ii) costs the Bank would incur should it on the date immediately preceding the day of early termination of relevant Affected Transaction(s) performed transaction(s) with third person(s) on the relevant market, which would have the same economic benefit for the Bank as the relevant Affected Transaction(s) should these not be terminated earlier;

**Taxes** mean an income tax and other taxes, fees, customs duties, tax withholding, penalties, interests, and other payments connected with them;

**Transaction** means any transaction performed between the Parties under the Contract, whereas (i) subject of Transaction is namely (but not solely) a financial instrument pursuant to the Article 5 Section

1 of the Act on Securities or (ii) Transaction (as long as it is a derivative transaction) itself is a financial instrument pursuant to the Article 5 Section 1 of the Act on Securities;

**VUB Internet Dealing System** means a client application developed by REUTERS company consisting in a communication system for performing Transactions.

- (b) Every reference to the Party or any other person including his/her legal successors and cessionaries of rights or obligations who have become successors or cessionaries of rights and obligations in compliance with the Agreement.
- (c) Interest rate per annum (p.a.) is calculated on basis of actually lapsed days divided by 360 with the exception of Transactions when the basis of calculation is defined separately in Confirmation.