

Contract Number (FI N°) 89332

Operation Number (Serapis N°) 2018-0187

PILSEN PUBLIC TRANSPORT

Finance Contract

between the

European Investment Bank

and

Plzeňské městské dopravní podniky, a.s.

Pilsen,

27 June 2019

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THIS CONTRACT IS MADE BETWEEN:

The European Investment Bank having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Ms Anita Fürstenberg, Director, and Mr Dirk Ellerkmann, Head of Division,

(the **"Bank"**)

of the first part, and

Plzeňské městské dopravní podniky, a.s., a company incorporated in Czech Republic, having its registered office at Denisovo nábřeží 920/12, Východní Předměstí, 301 00 Plzeň, Czech Republic, represented by Mr Jiří Šneberger, Deputy Chairman of the Board, and Mr Michal Kraus, General Director and Member of the Board,

(the **"Borrower"**)

of the second part.

WHEREAS:

- (a) The Borrower has stated that it is undertaking a project that will finance the purchase of up to 34 tram vehicles, purchase of up to 34 trolley buses and reconstruction of depot facilities at Slovany (including modernisation of the power supply infrastructure at Bory and Letna) at the City of Pilsen, Czech Republic as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1 (the "**Project**").
- (b) The total cost of the Project, as estimated by the Bank, is EUR 163,080,000.00 (one hundred sixty-three million eighty thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

Source	Amount (EUR m)
Credit from the Bank	
Other funding sources	
TOTAL	

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit of EUR 50,000,000.00 (fifty million euros).
- (d) The Bank considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount of EUR 50,000,000.00 (fifty million euros) under this Finance Contract (the "**Contract**"); provided that the amount of the Bank loan shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (b).
- (e) The Board of Directors of the Borrower has authorised the borrowing of the sum of EUR 50,000,000.00 (fifty million euros) represented by this credit on the terms and conditions set out in this Contract in the form set out in Annex I.
- (f) The financial obligations of the Borrower under this Contract are to be secured by an assignment of rights from the Public Service Contract granted by the Borrower in favour of the Bank (the "**Assignment of Rights**") by execution of an agreement on assignment of rights in form and substance satisfactory to the Bank (the "**Assignment Agreement**").
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (h) The financing of the Project includes certain state subsidies or grants and the provision of such funds has been duly authorised and will be provided in compliance with all relevant legislation of the European Union. The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.
- (i) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

Interpretation

In this Contract:

- (a) references to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) references to "law" or "laws" mean:
 - (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
 - (ii) EU Law;
- (c) references to "applicable law", "applicable laws" or "applicable jurisdiction" means:
 - (i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract or the Transaction Documents), its capacity and/or assets and/or the Project; and/or, as applicable; or
 - (ii) a law or jurisdiction (including in each case the Bank's Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
- (d) references to a provision of law are references to that provision as amended or re-enacted;
- (e) references to any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated; and
- (f) words and expressions in plural shall include singular and vice versa.

Definitions

In this Contract:

"Accepted Tranche" means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

"Affected Guarantor" has the meaning given to it in Article 7.4.C.

"Affiliates" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agreed Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(2)(b).

"Assignment of Rights" has the meaning given to it in Recital (f).

"Assignment Agreement" has the meaning given to it in Recital (f).

"Authorisation" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means a person authorised to sign individually or jointly (as the case may be) Disbursement Acceptances on behalf of the Borrower and named in the most recent List of Authorised Signatories and Accounts received by the Bank prior to the receipt of the relevant Disbursement Acceptance.

"Business Day" means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

"Centre of Main Interests" shall have the meaning as used in Article 3(1) of the Regulation.

"Change in the Beneficial Ownership" means a change in the ultimate ownership or control of the Borrower according to the definition of "beneficial owner" set out in article 3(6) of Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as modified and /or supplemented from time to time.

"Change-of-Control Event" has the meaning given to it in Article 4.3.A(3).

"Change-of-Law Event" has the meaning given to it in Article 4.3.A(4).

"City of Pilsen" means Statutory City Pilsen (*Statutární město Plzeň*), Id No.: 000 75 370, with its seat at náměstí Republiky 1/1, Vnitřní Město, 301 00 Plzeň, Czech Republic.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule E.2.

"Contract" has the meaning given to it in Recital (d).

"Contract Number" shall mean the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters "FI N°".

"Credit" has the meaning given to it in Article 1.1.

"Credit Rating" means any of the following ratings as assigned by a Rating Agency in respect of the Guarantor:

- (a) the rating assigned to the Guarantor's most recent unsecured and unsubordinated medium or long term debt;
- (b) the Long Term Issuer Credit Rating (or equivalent) defined as such by Standard and Poor's Financial Services LLC or its successor;
- (c) the Corporate Credit Rating (or equivalent) defined as such by Standard and Poor's Financial Services LLC or its successor;
- (d) the Long Term Issuer Default Rating (or equivalent) defined as such by Fitch Ratings Inc or its successor;
- (e) the Long Term Issuer Rating (or equivalent) defined as such by Moody's Investors Service, Inc. or its successor; or
- (f) the Long Term Foreign Currency Deposit Rating (or equivalent) defined as such by Moody's Investors Service, Inc. or its successor,

provided that in each of the cases (b) to (f) above the terms defined shall be deemed to refer to any equivalent term irrespective of the definition given to it and excludes any rating qualified by the terms "*National Scale*", "*NSR*", "*Local*", "*Local Currency*", "*Domestic*" or "*Domestic Currency*".

"Criminal Offence" means any of the following criminal offences as applicable: fraud, corruption, coercion, collusion, obstruction, money laundering, financing of terrorism.

"CZK" means Czech crown(s), the lawful currency of the Czech Republic.

"Date of Effectiveness" has the meaning given to it in Article 11.9.

"Deferment Indemnity" means a fee calculated on the amount of disbursement deferred or suspended being the higher of:

- (a) 0.125% (12.5 basis points), per annum, and
- (b) the percentage rate by which:
 - (i) the interest rate net of the Margin that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
 - (ii) the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

Such fee shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Accepted Tranche in accordance with this Contract.

“Disbursement Acceptance” means a copy of the Disbursement Offer duly countersigned by the Borrower.

“Disbursement Acceptance Deadline” means the date and time of expiry of a Disbursement Offer as specified therein.

“Disbursement Account” means, in respect of each Tranche, the bank account set out in the most recent List of Authorised Signatories and Accounts.

“Disbursement Date” means the date on which disbursement of a Tranche is made by the Bank.

“Disbursement Offer” means a letter substantially in the form set out in Schedule C.

“Dispute” has the meaning given to it in Article 11.2.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that party from:
 - (i) performing its payment obligations under this Contract; or
 - (ii) communicating with other parties,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the party whose operations are disrupted.

“Environment” means the following, in so far as they affect human health or social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape; and
- (c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety.

“Environmental Approval” means any Authorisation required by Environmental Law.

“Environmental Claim” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

“Environmental Law” means:

- (a) EU Law, including principles and standards;
- (b) national laws and regulations; and
- (c) applicable international treaties,

in each case of which a principal objective is the preservation, protection or improvement of the Environment.

“Establishment” shall have the meaning as used in Article 2(10) of the Regulation.

“EU Law” means the *acquis communautaire* of the European Union as expressed through the Treaties of the European Union, the regulations, directives, delegated acts, implementing acts, and the case law of the Court of Justice of the European Union.

“EUR” or **“euro”** means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union.

“EURIBOR” has the meaning given to it in Schedule B.

“Event of Default” means any of the circumstances, events or occurrences specified in Article 10.1.

“Final Availability Date” means the date falling 60 months from the Date of Effectiveness.

“Fixed Rate” means an annual interest rate including the Margin determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Such rate shall not be of negative value.

“Fixed Rate Tranche” means a Tranche on which the Fixed Rate is applied.

“Floating Rate” means a fixed-spread floating annual interest rate, determined by the Bank for each successive Floating Rate Reference Period equal to the Relevant Interbank Rate plus the Spread. If the Floating Rate for any Floating Rate Reference Period is calculated to be below zero, it will be set at zero.

“Floating Rate Reference Period” means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

“Floating Rate Tranche” means a Tranche on which the Floating Rate is applied.

“GAAP” means generally accepted accounting principles in Czech Republic, including IFRS.

“Group” means the Borrower and its Affiliates.

“Guarantee” has the meaning given to it in Article 7.4.A.

“Guarantor” has the meaning given to it in Article 7.4.A.

“Guarantor Default Event” has the meaning given to it in Article 7.4.D.

“Holding Company” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“Indemnifiable Prepayment Event” means a Prepayment Event other than those specified in paragraphs 4.3.A(2) (*Pari Passu to Non-EIB Financing*) or 4.3.A(5) (*Illegality*).

“Interest Revision/Conversion” means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis (**“revision”**) or a different interest rate basis (**“conversion”**) which can be offered for the remaining term of a Tranche or until the next Interest Revision/Conversion Date, if any, without limit for the amount of a Tranche in EUR and, for a Tranche in CZK, for an amount which, at the proposed Interest Revision/Conversion Date, is not less than an equivalent of EUR 8,000,000 (eight million euro).

“Interest Revision/Conversion Date” means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.2.B in the Disbursement Offer.

“Interest Revision/Conversion Proposal” means a proposal made by the Bank under Schedule D.

“Interest Revision/Conversion Request” means a written notice from the Borrower, delivered at least 75 (seventy-five) days before an Interest Revision/Conversion Date, requesting the Bank to submit to it an Interest Revision/Conversion Proposal. The Interest Revision/Conversion Request shall also specify:

- (a) the Payment Dates chosen in accordance with the provisions of Article 3.1;
- (b) the amount of the Tranche for which the Interest Revision/Conversion shall apply; and
- (c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

“List of Authorised Signatories and Accounts” means a list, in form and substance satisfactory to the Bank, setting out:

- (a) the Authorised Signatories, accompanied by evidence of signing authority of the persons named on the list and specifying if they have individual or joint signing authority;
- (b) the specimen signatures of such persons; and
- (c) the bank account(s) to which disbursements may be made under this Contract (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary.

"Loan" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract.

"Loan Outstanding" means the aggregate of the amounts disbursed from time to time by the Bank under this Contract that remains outstanding.

"Margin" means the component of the rate of interest quantified in Article 3.1.

"Market Disruption Event" means any of the following circumstances:

- (a) there are, in the opinion of the Bank, events or circumstances adversely affecting the Bank's access to its sources of funding;
- (b) in the opinion of the Bank, funds are not available from the Bank's ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche; or
- (c) in relation to a Tranche in respect of which interest would be payable at Floating Rate:
 - (i) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of the applicable Relevant Interbank Rate; or
 - (ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable Relevant Interbank Rate for the relevant currency of such Tranche or it is not possible to determine the Relevant Interbank Rate in accordance with the definition contained in Schedule B.

"Material Adverse Change" means, any event or change of condition, which, in the opinion of the Bank has a material adverse effect on:

- (a) the ability of the Borrower or the City of Pilsen to perform its obligations under this Contract or any of the Transaction Documents;
- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower, City of Pilsen or the Group as a whole; or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank, or the rights or remedies of the Bank under this Contract or any of the Transaction Documents.

"Maturity Date" means the last Repayment Date of a Tranche specified pursuant to Article 4.1.A(b)(iv).

"Merger Event" has the meaning given to it in Article 4.3.A(7).

"Non-EIB Financing" has the meaning given to it in Article 4.3.A(2).

"Payment Date" means: the annual, semi-annual or quarterly dates specified in the Disbursement Offer until and including the Interest Revision/Conversion Date, if any, or the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

- (a) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.1; except for those cases where a payment is made in full and in relation to the Interest Revision/Conversion in accordance with Schedule D, point C and to the final interest payment only, when it shall mean the preceding Relevant Business Day with adjustment to the interest due under Article 3.1; and:

- (b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

"Prepayment Amount" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A or Article 4.3.A, as applicable.

"Prepayment Date" means the date, which shall be a Payment Date, on which the Borrower proposes to or is requested by the Bank, as applicable, to effect prepayment of a Prepayment Amount.

"Prepayment Event" means any of the events described in Article 4.3.A.

"Prepayment Indemnity" means in respect of any principal amount to be prepaid or cancelled, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2)) of the excess, if any, of:

- (a) the interest net of the Margin that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date or the date of cancellation pursuant to Article 1.6.C(2) to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

"Prepayment Notice" means a written notice from the Bank to the Borrower in accordance with Article 4.2.C.

"Prepayment Request" means a written request from the Borrower to the Bank to prepay all or part of the Loan Outstanding, in accordance with Article 4.2.A.

"PRIBOR" has the meaning given to it in Schedule B.

"Project" has the meaning given to it in Recital (a).

"Public Service Contract" means either the Public Service Contract 1, Public Service Contract 2 or Public Service Contract 3.

"Public Service Contract 1" means the Agreement on public service obligation and payment of demonstrable loss from the operation of public transport in Pilsen (in Czech: *Smlouva o závazku veřejné služby a úhrady prokazatelné ztráty z provozu městské hromadné dopravy osob v Plzni*) between the City of Pilsen and the Borrower dated 17 July 2009.

"Public Service Contract 2" means the public service contract in form and substance acceptable to the Bank to be concluded between the City of Pilsen and the Borrower prior to expiry of the term of Public Service Contract 1.

"Public Service Contract 3" means the public service contract in form and substance acceptable to the Bank to be concluded between the City of Pilsen and the Borrower prior to expiry of the term of Public Service Contract 2.

"Rating Agency" means any of:

- (a) Standard and Poor's Financial Services LLC;
- (b) Fitch Ratings Inc.; and
- (c) Moody's Investors Service, Inc.,

or their respective successors.

"Redeployment Rate" means the fixed annual rate determined by the Bank, being a rate which the Bank would apply on the day of the indemnity calculation to a loan that has the same currency the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect

of which a prepayment or cancellation is proposed or requested to be made. Such rate shall not be of negative value. For the avoidance of doubt the Redeployment Rate shall not include the Margin.

"Regulation" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"Relevant Business Day" means:

- (a) for EUR, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR; and
- (b) for CZK, a day on which banks are open for general business in Prague.

"Relevant Interbank Rate" means:

- (a) EURIBOR for a Tranche denominated in EUR; and
- (b) PRIBOR for a Tranche denominated in CZK.

"Repayment Date" shall mean each of the Payment Dates specified for the repayment of the principal of a Tranche in the Disbursement Offer, in accordance with the criteria set out in Article 4.1.

"Requested Deferred Disbursement Date" has the meaning given to it in Article 1.5.A(1)(b).

"Scheduled Disbursement Date" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.B.

"Security" means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Documents" means the Assignment Agreement, the Guarantee Agreement (if applicable) and any other document creating or expressed to create any Security in favour of the Bank.

"Spread" means the fixed spread (being of either positive or negative value) to the Relevant Interbank Rate as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer or Interest Revision/Conversion Proposal. The Spread shall include the Margin.

"Subsidiary" means, with respect to any person, any company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned person; or
- (b) more than half of the aggregate of the issued share capital, the ownership and any other equity interests of which are owned, directly or indirectly, by the first mentioned person, or majority voting rights are directly or indirectly controlled by the first mentioned person; or
- (c) which is a subsidiary of another subsidiary of the first-mentioned person,

and, for these purposes, a company or corporation shall be treated as being controlled by another person if that other person is able to direct its affairs and/or to control the composition of majority of its statutory bodies, supervisory board or equivalent bodies.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Technical Description" has the meaning given to it in Recital (a).

"Tranche" means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article 1.2.B.

"Transaction Document" means:

- (a) this Contract;
- (b) each Public Service Contract;
- (c) each Security Document; and
- (d) and any other document which has been designated by the Bank and the Borrower as such.

ARTICLE 1

Credit and Disbursements

1.1 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount equivalent to EUR 50,000,000.00 (fifty million euros) for the financing of the Project (the "Credit").

1.2 Disbursement procedure

1.2.A Tranches

The Bank shall disburse the Credit in up to 7 (seven) Tranches. The amount of each Tranche shall be in a minimum amount equivalent to EUR 2,000,000.00 (two million euros) or (if less) the entire undrawn balance of the Credit.

1.2.B Disbursement Offer

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.5 or Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower within 5 (five) Business Days after the receipt of such request a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Bank of such Borrower's request is 15 (fifteen) Business Days before the Final Availability Date. The Disbursement Offer shall specify:

- (a) the currency, amount and EUR equivalent of the Tranche;
- (b) the Scheduled Disbursement Date, which shall be a Relevant Business Day, falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date;
- (c) the interest rate basis of the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche, in each case, pursuant to the relevant provisions of Article 3.1;
- (d) the Payment Dates and the first interest Payment Date for the Tranche;
- (e) the terms for repayment of principal for the Tranche, in accordance with the provisions of Article 4.1;
- (f) the Repayment Dates and the first and the last Repayment Date for the Tranche;
- (g) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche;
- (h) for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche the Spread, applicable until the Interest Revision/Conversion Date, if any or until the Maturity Date; and
- (i) the Disbursement Acceptance Deadline.

1.2.C Disbursement Acceptance

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline. The Disbursement Acceptance shall be signed by an Authorised Signatory with individual representation right or two or more Authorised Signatories with joint representation right and shall specify the Disbursement Account to which the disbursement of the Tranche should be made in accordance with Article 1.2.D.

If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

1.2.D Disbursement Account

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance provided that such Disbursement Account is acceptable to the Bank.

Notwithstanding Article 5.2(e), the Borrower acknowledges that payments to a Disbursement Account notified by the Borrower shall constitute disbursements under this Contract as if they had been made to the Borrower's own bank account.

Only one Disbursement Account may be specified for each Tranche.

1.3 Currency of disbursement

The Bank shall disburse each Tranche in EUR or, subject to availability, in CZK.

For the calculation of the sums available to be disbursed in CZK, and to determine their equivalent in EUR, the Bank shall apply the rate published by the European Central Bank in Frankfurt am Main, available on or shortly before the date of the Disbursement Offer as the Bank shall decide.

1.4 Conditions of disbursement

1.4.A Condition precedent to the first request for Disbursement Offer

The Bank shall have received from the Borrower in form and substance satisfactory to the Bank:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons; and
- (b) the List of Authorised Signatories and Accounts;

prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank in form and substance satisfactory to the Bank shall be deemed not made.

1.4.B First Tranche

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:

- (a) evidence that the Borrower has obtained all necessary Authorisations, required in connection with this Contract and the Project;
- (b) the duly executed Security Documents together with evidence that the execution of the Security Documents by the Borrower has been duly authorised and that the person or persons signing the Security Documents on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (c) an external or internal legal opinion with respect to Czech law on the due execution of this Contract, Security Documents and the relevant documentation by the Borrower and on the legal, valid, binding and enforceable character of the Borrower's obligations under this Contract, Security Documents and the relevant documentation substantially in the form agreed by the Bank prior to the signing of this Contract;

- (d) a legal opinion from an external legal counsel on the due execution and on the legal, valid, binding and enforceable character of the Borrower's and City of Pilsen's obligations under the then existing Public Service Contract and also confirming that (i) the Borrower could be an in-house operator of the public transport services, (ii) in accordance with the existing regulations, the City of Pilsen could directly award public transport services to the Borrower, (iii) financial costs, including financial costs related to the Contract are covered under the then existing Public Service Contract, and (iv) all operational costs, including depreciation and amortization are covered under the then existing Public Service Contract substantially in the form agreed by the Bank prior to the signing of this Contract;
- (e) evidence that insurances in accordance with the requirements of Article 6.5(c) are in place;
- (f) signed copy of the Public Service Contract 1;
- (g) a Compliance Certificate as set out in Schedule E.2 signed by two directors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.9 and with evidence of such compliance and related calculations.

1.4.C All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
 - (i) a certificate from the Borrower in the form of Schedule E.1 signed by an authorised representative of the Borrower and dated no earlier than the date falling 10 (ten) days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively); and
 - (ii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract, Transaction Documents or the Security provided in respect of this Contract or the legality, validity, binding effect or enforceability of the same; and
- (b) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
 - (i) the representations and warranties which are repeated pursuant to Article 6.11 are correct in all respects; and
 - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
 - (1) an Event of Default; or
 - (2) a Prepayment Event;
 has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.5 Deferment of disbursement

1.5.A Grounds for deferment

1.5.A(1) BORROWER'S REQUEST

The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:

- (a) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and
- (b) the date until which the Borrower would like to defer a disbursement of the above amount (the "**Requested Deferred Disbursement Date**"), which must be a date falling not later than:
 - (i) 6 (six) months from its Scheduled Disbursement Date;
 - (ii) 30 (thirty) days prior to the first Repayment Date; and
 - (iii) the Final Availability Date.

Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

1.5.A(2) FAILURE TO SATISFY CONDITIONS TO DISBURSEMENT

- (a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such Accepted Tranche referred to in Article 1.4 is not fulfilled both:
 - (i) at the date specified for fulfilment of such condition in Article 1.4; and
 - (ii) at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).
- (b) The Bank and the Borrower shall agree the date until which the disbursement of such Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling:
 - (i) not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement; and
 - (ii) not later than the Final Availability Date.
- (c) Without prejudice to the Bank's right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such Accepted Tranche until the Agreed Deferred Disbursement Date.

1.5.A(3) DEFERMENT INDEMNITY

If disbursement of an Accepted Tranche is deferred pursuant to paragraphs 1.5.A(1) or 1.5.A(2) above, the Borrower shall pay the Deferment Indemnity.

1.5.B Cancellation of a disbursement deferred by 6 (six) months

If a disbursement has been deferred by more than 6 (six) months in aggregate pursuant to Article 1.5.A, the Bank may notify the Borrower in writing that such disbursement shall be cancelled and such cancellation shall take effect on the date of such written notification. The amount of the disbursement which is cancelled by the Bank pursuant to this Article 1.5.B shall remain available for disbursement under Article 1.2.

1.6 Cancellation and suspension

1.6.A Borrower's right to cancel

The Borrower may send a written notice to the Bank requesting the cancellation of the undisbursed portion of the Credit. The written notice:

- (a) must specify whether the Borrower would like to cancel the undisbursed portion of the Credit in whole or in part and, if in part, the amount of the Credit the Borrower would like to cancel; and
- (b) must not relate to an Accepted Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the written notice.

Upon receipt of such written notice, the Bank shall cancel the requested undisbursed portion of the Credit with immediate effect.

1.6.B Bank's right to suspend and cancel

At any time upon the occurrence of the following events, the Bank may notify the Borrower in writing that the undisbursed portion of the Credit shall be suspended and/or (apart from on the occurrence of a Market Disruption Event) cancelled in whole or in part:

- (a) a Prepayment Event;
- (b) an Event of Default;
- (c) an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default;
- (d) a Material Adverse Change; or
- (e) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.

On the date of such written notification the relevant undisbursed portion of the Credit shall be suspended and/or cancelled with immediate effect. Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.6.C Indemnity for suspension and cancellation of a Tranche

1.6.C(1) SUSPENSION

If the Bank suspends an Accepted Tranche upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default or upon the occurrence of a Material Adverse Change, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

1.6.C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche is cancelled:
 - (i) by the Borrower pursuant to Article 1.6.A; or
 - (ii) by the Bank upon an Indemnifiable Prepayment Event or upon the occurrence of a Material Adverse Change or pursuant to Article 1.5.B,
 the Borrower shall pay to the Bank the Prepayment Indemnity. The Prepayment Indemnity shall be calculated as if the cancelled amount had been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.
- (b) If the Bank cancels an Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.
- (c) Save in the cases (a) or (b) above, no indemnity is payable upon cancellation of a Tranche.

1.7 Cancellation after expiry of the Credit

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, any part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any notice being served by the Bank to the Borrower and without liability arising on the part of either party.

1.8 Sums due under Articles 1.5 and 1.6

Sums due under Articles 1.5 and 1.6 shall be payable in the currency of the Tranche concerned. Sums due under Articles 1.5 and 1.6 shall be payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

ARTICLE 2

The Loan

2.1 Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

2.2 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency in which the Tranche is disbursed.

Other payment, if any, shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.3 Confirmation by the Bank

The Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3

Interest

3.1 Rate of interest

For the purposes of this Contract "Margin" means 9 (nine) basis points (0.09%).

3.1.A Fixed Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrear on the relevant Payment Dates as specified in the Disbursement Offer, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.1(a).

3.1.B Floating Rate Tranches

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly or semi-annually in arrear on the relevant Payment Dates, as specified in the Disbursement Offer commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

The Bank shall notify the Borrower of the Floating Rate within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the Relevant Interbank Rate applicable to the first

Floating Rate Reference Period shall apply as though the disbursement had been made on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.1(b).

3.1.C Revision or Conversion of Tranches

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the procedure set out in Schedule D) pay interest at a rate determined in accordance with the provisions of Schedule D.

3.2 Interest on overdue sums

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

- (a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
- (b) for overdue sums related to Fixed Rate Tranches, the higher of (a) the applicable Fixed Rate plus 2% (200 basis points); or (b) the Relevant Interbank Rate plus 2% (200 basis points); and
- (c) for overdue sums other than under (a) or (b) above, the Relevant Interbank Rate plus 2% (200 basis points),

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.2, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date. Any unpaid but due interest may be capitalised in conformity with article 1154 of the Luxembourg Civil Code. For the avoidance of doubt, capitalisation of interest shall occur only for interest due but unpaid for a period of more than one year. The Borrower hereby agrees in advance to have the unpaid interest due for a period of more than one year compounded and that as of the capitalisation, such unpaid interest will in turn produce interest at the interest rate set out in this Article 3.2.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.3 Market Disruption Event

- (a) If at any time
 - (i) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche, and
 - (ii) until the date falling either:
 - (1) 30 (thirty) calendar days prior to the Scheduled Disbursement Date for Tranches to be disbursed in EUR; or
 - (2) 2 (two) Business Days prior to the Scheduled Disbursement Date for Tranches to be disbursed in CZK,

a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect. In such case, the following rules shall apply:

- (b) In the case of an Accepted Tranche to be disbursed in EUR, the rate of interest applicable to such Accepted Tranche until the Maturity Date or the Interest Revision/Conversion Date if any, shall be the percentage rate per annum which is the sum of:

- (i) the Margin; and
- (ii) the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding portion of the Credit shall remain available for disbursement under Article 1.2.B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

- (c) In the case of an Accepted Tranche to be disbursed in CZK, the Bank shall notify to the Borrower the EUR equivalent to be disbursed on the Scheduled Disbursement Date and the relevant percentage rate as described above under paragraph (b) applicable to the Tranche until the Maturity Date or the Interest Revision/Conversion Date if any. The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding portion of the Credit shall remain available for disbursement under Article 1.2.B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement in EUR and the conditions thereof shall be fully binding for both parties.

In each case of (b) or (c), above, the Spread or the Fixed Rate previously notified by the Bank shall no longer be applicable.

ARTICLE 4

Repayment

4.1 Normal repayment

4.1.A Repayment by instalments

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:
 - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made quarterly, semi-annually or annually by equal instalments of principal or constant instalments of principal and interest;
 - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal quarterly, semi-annual or annual instalments of principal;
 - (iii) the first Repayment Date of each Tranche shall be a Payment Date falling not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the first Repayment Date immediately following the 5th (fifth) anniversary of the Scheduled Disbursement Date of the Tranche; and
 - (iv) the last Repayment Date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 20 (twenty) years from the Scheduled Disbursement Date.

4.2 Voluntary prepayment

4.2.A Prepayment option

Subject to Articles 4.2.B, 4.2.C and 4.4, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 30 (thirty) calendar days' prior notice specifying:

- (a) the Prepayment Amount;
- (b) the Prepayment Date;
- (c) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and
- (d) the Contract Number.

The Prepayment Request shall be irrevocable.

4.2.B Prepayment indemnity

4.2.B(1) FIXED RATE TRANCHE

Subject to Article 4.2.B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

4.2.B(2) FLOATING RATE TRANCHE

Subject to Article 4.2.B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

4.2.B(3) REVISION/CONVERSION

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity unless the Borrower has accepted in writing a Fixed Rate under an Interest Revision/Conversion Proposal, as accepted under Article 1.2.C or pursuant to Schedule D.

4.2.C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and if a Prepayment Indemnity is applicable, the deadline by which the Borrower may accept the Prepayment Notice.

If the Borrower accepts the Prepayment Notice no later than by the deadline (if any) specified in the Prepayment Notice, the Borrower shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the payment of the Prepayment Amount by the payment of accrued interest, the Prepayment Indemnity and the fee under Article 4.2.D, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

4.2.D Administrative Fee

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, or if the Bank exceptionally accepts, solely upon the Bank's discretion, a Prepayment Request with prior notice of less than 30 (thirty) calendar days, the Borrower shall pay to the Bank an administrative fee in such amount as the Bank shall notify to the Borrower

4.3 Compulsory prepayment

4.3.A Prepayment Events

4.3.A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Credit exceeds 50% (fifty per cent) of such total cost of the Project, the Bank may forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds 50% (fifty per cent) of the total cost of the Project, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.3.A(2) *PARI PASSU* TO NON-EIB FINANCING

If the Borrower or any other member of the Group voluntarily prepays (for the avoidance of doubt, prepayment shall include a repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and:

- (a) such prepayment is not made within a revolving credit facility (save for the cancellation of the revolving credit facility);
- (b) such prepayment is not made out of the proceeds of a loan or other indebtedness having a term at least equal to the unexpired term of the Non-EIB Financing prepaid;

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid. The proportion of the Loan Outstanding that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article, “**Non-EIB Financing**” includes any loan (save for the Loan and any other direct loans from the Bank to the Borrower or any other member of the Group), credit bond or other form of financial indebtedness or any obligation for the payment or repayment of money originally available to the Borrower or any other member of the Group for a term of more than 3 (three) years.

4.3.A(3) CHANGE OF CONTROL

- (a) The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur in respect of itself. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank’s request.

After the earlier of:

- (i) the lapse of 30 (thirty) days from the date of such request for consultation; or
- (ii) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event,

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

(b) For the purposes of this Article:

(i) a **"Change-of-Control Event"** occurs if:

- (1) any person or group of persons acting in concert gains control of the Borrower; or
- (2) City of Pilsen ceases to control the Borrower or ceases to be the beneficial owner directly or indirectly through wholly owned subsidiaries of 100% (one hundred per cent) of the issued share capital of the Borrower;

(ii) **"acting in concert"** means acting together pursuant to an agreement or understanding (whether formal or informal); and

(iii) **"control"** means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

4.3.A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation, the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article **"Change-of-Law Event"** means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) that occurs after the date of this Contract and which, in the opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Contract or the Transaction Documents.

4.3.A(5) ILLEGALITY

If it becomes unlawful in any applicable jurisdiction for the Bank to:

- (a) perform any of its obligations as contemplated in this Contract; or
- (b) fund or maintain the Loan,

the Bank shall promptly notify the Borrower and may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

4.3.A(6) TERMINATION OF PUBLIC SERVICE CONTRACT

If:

- (a) by 9 months prior to the end of term of the then existing Public Service Contract the Borrower does not deliver to the Bank documents satisfactory to the Bank confirming that:
 - (i) either the duration of the then existing Public Service Contract is extended to the satisfaction of the Bank by the City of Pilsen and the Borrower for a period:
 - (1) of at least 15 years in case of first extension of Public Service Contract 1; and
 - (2) ending at least 6 months after the Maturity Date in case of second extension of Public Service Contract 1,

in each case supported by a legal opinion satisfactory to the Bank substantially in the form of legal opinion delivered under Article 1.4.B(d) and including also opinion that the Security created by the Assignment Agreement remains legal, valid, binding and enforceable; or
 - (ii) a new Public Service Contract (together with the new agreement on assignment of rights from such new Public Service Contract) in form and substance acceptable to the Bank is awarded by the City of Pilsen to the Borrower and is concluded with the Borrower for a period:
 - (1) of at least 15 years in case of conclusion of Public Service Contract 2; and
 - (2) ending at least 6 months after the Maturity Date in case of conclusion of Public Service Contract 3,

in each case supported by a legal opinion satisfactory to the Bank substantially in the form of legal opinion delivered under Article 1.4.B(d) but including also opinion on due execution, legality, validity and enforceability of the new agreement on assignment of rights from such new Public Service Contract; or
 - (iii) security in manner, form and substance acceptable to the Bank has been provided to the Bank, or
 - (b) the then existing Public Service Contract terminates for whatever reason,
- the Bank may by notice to the Borrower, forthwith cancel the undisbursed portion of the Credit and/or demand immediate prepayment of the Loan Outstanding together with accrued interest and all other amounts accrued and outstanding under this Contract. In case of events under (a) (i) or (ii) or (iii) above, the Borrower shall fully repay the Loan Outstanding together with accrued interest and all other amounts accrued and outstanding under this Contract not later than 6 months prior to the termination of the then existing Public Service Contract.

4.3.A(7) MERGER

The Borrower shall promptly inform the Bank if the Borrower or other member of the Group enters into any amalgamation, demerger, merger or corporate reconstruction (each of them as the “**Merger Event**”). In such case, or if the Bank becomes aware that any Merger Event has occurred, the Bank may by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.3.B Prepayment mechanics

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C, shall be paid on the date indicated by the Bank in its notice of demand.

4.3.C Prepayment indemnity

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.2.B.

4.4 General

4.4.A No prejudice to Article 10

This Article 4 shall not prejudice Article 10.

4.4.B No reborrowing

A repaid or prepaid amount may not be reborrowed.

ARTICLE 5

Payments

5.1 Day count convention

Any amount due by way of interest or indemnity from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

- (a) in respect of interest and indemnities due under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and
- (b) in respect of interest and indemnities due under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.2 Time and place of payment

- (a) Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.
- (b) Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.
- (c) The Borrower shall indicate the Contract Number in the payment details for each payment made hereunder.
- (d) A sum due from the Borrower shall be deemed paid when the Bank receives it.
- (e) Any disbursements by and payments to the Bank under this Contract shall be made using account(s) acceptable to the Bank. Any account in the name of the Borrower held with a duly authorised financial institution in the jurisdiction where the Borrower is incorporated or where the Project is undertaken is deemed acceptable to the Bank.

5.3 No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.4 Disruption to Payment Systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

5.5 Application of sums received

5.5.A General

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

5.5.B Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment:

- (a) firstly, in or towards pro rata to each of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;
- (c) thirdly, in or towards payment of any principal due but unpaid under this Contract; and
- (d) fourthly, in or towards payment of any other sum due but unpaid under this Contract.

5.5.C Allocation of sums related to Tranches

- (a) In case of:
 - (iv) a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity; or
 - (v) a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.
- (b) Sums received by the Bank following a demand under Article 10.1 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.
- (c) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

A. PROJECT UNDERTAKINGS

6.1 Use of Loan and availability of other funds

The Borrower shall use all amounts borrowed by it under this Contract for the execution of the Project.

The Borrower shall ensure that it has available to it the other funds listed in Recital (b) and that such funds are expended, to the extent required, on the financing of the Project.

6.2 Completion of Project

The Borrower shall carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete it by the final date specified therein.

6.3 Increased cost of Project

If the total cost of the Project exceeds the estimated figure set out in Recital (b), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated to the Bank without delay.

6.4 Procurement procedure

The Borrower shall purchase equipment, secure services and order works for the Project (a) in so far as they apply to it or to the Project, in accordance with European Union law in general and in particular with the relevant European Union Directives and (b) in so far as European Union Directives do not apply, by procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and, in case of public contracts, the principles of transparency, equal treatment and non-discrimination on the basis of nationality.

6.5 Continuing Project undertakings

The Borrower shall:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
- (b) **Project assets:** unless the Bank shall have given its prior consent in writing retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under article 309 of the Treaty on the Functioning of the European Union;
- (c) **Insurance:** insure all works and property forming part of the Project with first class insurance companies in accordance with normal practice in the Czech Republic;
- (d) **Rights and Permits:** maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project;
- (e) **Environment:**
 - (i) implement and operate the Project in compliance with Environmental Law;
 - (ii) obtain and maintain requisite Environmental Approvals for the Project; and
 - (iii) comply with any such Environmental Approvals;

- (f) **Integrity:** take, within a reasonable timeframe, appropriate measures in respect of any member of its management bodies who has been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any Borrower's activity in relation to the Credit, Loan or the Project; and
- (g) **Integrity Audit Rights:** ensure that all contracts under the Project to be procured after the date of signature of this Contract in accordance with EU Directives on procurement provide for:
 - (i) the requirement that the relevant contractor promptly informs the Bank of a genuine allegation, complaint or information with regard to Criminal Offence related to the Project;
 - (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Project; and
 - (iii) the Bank's right, in relation to an alleged Criminal Offence, to review the books and records of the relevant contractor in relation to the Project and to take copies of documents to the extent permitted by law;

B. GENERAL UNDERTAKINGS

6.6 Disposal of assets

- (a) Except as provided below, the Borrower shall not, and shall procure that no other member of the Group will, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.
- (b) Paragraph (a) above does not apply to any disposal of assets for fair market value and at arm's length:
 - (i) made in the ordinary course of trading of the disposing entity;
 - (ii) made in exchange for other assets comparable or superior as to type, value and quality; or
 - (iii) made with the prior written consent of the Bank,
 in each case other than assets forming part of the Project pursuant to Article 6.5(b) and all shares in subsidiaries holding assets forming part of the Project which may not be disposed of.

For the purposes of this Article, "**dispose**" and "**disposal**" includes any act effecting sale, transfer, lease or other disposal.

6.7 Compliance with laws

The Borrower shall comply in all respects with all laws and regulations to which it or the Project is subject.

6.8 Change in business

The Borrower shall procure that no substantial change is made to the core business of the Borrower or the Group as a whole from that carried on at the date of this Contract.

6.9 Financial covenants

The Borrower shall at all times maintain a sound financial situation so as to be able to service its debt obligations.

To this effect, the Borrower shall ensure that:

- (a) Financial Debt/ Shareholder's Equity is equal to or less than 60%; and
- (b) Debt Service Cover Ratio is equal to or higher than 1.20;

For the purposes of this Article (and for the other Articles, where applicable):

“Acceptable Bank” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Bank.

“Cash” means, at any time, cash, denominated in a currency that is widely traded on the principal foreign exchange markets, in hand or at bank and (in the latter case) credited to an account in the name of the Borrower with an Acceptable Bank and to which the Borrower is alone beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of the Borrower or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash (for the avoidance of doubt, including but not limited to a netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements); and
- (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Loan.

“Debt Service” means the Cash that is required to cover the repayment of interest and principal on the Financial Debt.

“Debt Service Cover Ratio” means the sum of net income plus depreciation and interest for the preceding 12 (twelve) months of the Borrower, adjusted for non-cash items divided by the Debt Service of the Borrower due during the 12 (twelve) month period.

“Financial Debt” means any obligation (whether incurred as principal or surety) of any person for or in respect of moneys borrowed including, without limitation (and without double-counting):

- (a) amounts raised by acceptance under any acceptance credit facility opened on behalf of that person;
- (b) amounts raised by that person pursuant to any note purchase facility or the issue of notes, bonds, debentures, loan stock or other securities (including redeemable preference shares);
- (c) the capitalised value of obligations under any lease;
- (d) amounts raised under debt factoring or invoice discounting arrangements for which that person is liable;
- (e) any obligation (actual or contingent) of that person under any guarantee, security or indemnity or other commitment designed to assure any creditor against loss in respect of any such obligation of any third party; and
- (f) amounts raised under any other transaction which would be treated in the accounts of the relevant person as borrowing.

“Shareholder's Equity” means the aggregate sum of the total paid-up capital, capital funds (in Czech: *kapitálové fondy*), profit for the period, retained earnings from previous years and reserves of the Borrower not allocated to cover specific liabilities.

All expressions used in this Article and not otherwise defined above, shall be construed in accordance with the GAAP accounting principles.

The ratios shall be calculated on the basis of the Borrower's most recent audited annual accounts, prepared in accordance with the GAAP.

6.10 Books and records

The Borrower shall ensure that it has kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, including expenditures in connection with the Project, in accordance with GAAP as in effect from time to time.

6.11 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

- (a) it is duly incorporated and validly existing as a joint stock company under the laws of Czech Republic and it has power to carry on its business as it is now being conducted and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Contract and the Transaction Documents and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;
- (c) this Contract and the Transaction Documents constitute its legally valid, binding and enforceable obligations;
- (d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract and the Transaction Documents do not and will not contravene or conflict with:
 - (i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
 - (ii) any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract or the Transaction Documents;
 - (iii) any provision of its constitutional documents;
- (e) the latest available consolidated audited accounts of the Borrower have been prepared on a basis consistent with previous years and have been approved by its auditors as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;
- (f) there has been no Material Adverse Change since 22 November 2018;
- (g) no event or circumstance which constitutes a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
- (h) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or any of its subsidiaries any unsatisfied judgement or award;
- (i) it has obtained all necessary Authorisations in connection with this Contract and the Transaction Documents and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (j) it is the sole legal and beneficial owner and has good title to the assets which it charges or purports to charge pursuant to the Security Documents;
- (k) at the date of this Contract, no Security exists over its assets or over those of the Group;
- (l) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally;

- (m) it is in compliance with Article 6.5(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental Claim has been commenced or is threatened against it not previously disclosed to the Bank; and
- (n) it is in compliance with all undertakings under this Article 6;
- (o) no loss-of-rating clause have been concluded with any other creditor of the Borrower;
- (p) no financial covenants concluded with any other creditor of the Borrower are more restrictive than the ones contained in this Contract;
- (q) to the best of its knowledge having made all reasonable enquiries, no funds invested in the Project by the Borrower or by its controlling entities or by another member of the Group are of illicit origin, including products of money laundering or linked to the financing of terrorism; the Borrower shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds;
- (r) the entry into this Contract is for the corporate benefit of the Borrower;
- (s) no petition has been presented or filed for the bankruptcy, insolvency, a moratorium or restructuring of the Borrower and the Borrower does not intend to file or initiate filing of any such petition, (ii) the Borrower has not been declared insolvent or bankrupt, no restructuring has been approved and no moratorium declared in respect of the Borrower and no insolvency trustee has been appointed to prepare a restructuring report, (iii) the Borrower has not commenced negotiations on restructuring plan or any other similar plan nor it prepares such plan nor have any such plan prepared or negotiated by third person on its behalf, (iv) the Borrower is not insolvent, within the meaning of the applicable insolvency laws, (v) no insolvency or bankruptcy petition in respect of the Borrower has been rejected on the grounds of insufficient funds, (vi) the obligations of the Borrower are not of higher value than the respective assets of the Borrower, (vii) no decision has been made to wind-up the Borrower with or without liquidation, (viii) no analogous procedure, step or event analogous under the laws of any jurisdiction to any of the procedures, steps or events described in (i) through (vii) above has been taken or has occurred in any jurisdiction, and (ix) there is no threat of any of the above procedures, steps or events being taken or occurring;
- (t) it does not enter into this Contract or the Transaction Documents with the intention to conceal its assets or defraud its creditors;
- (u) it does not enter into this Contract or the Transaction Documents with the intention to provide more preferential treatment to the Bank than it is provided to the other creditors of the Borrower;
- (v) the Bank and the Borrower are not related parties pursuant to any applicable law,
- (w) the Bank and the Borrower do not operate under the influence of the same natural and legal person, and the Bank is not a beneficiary of any agreement with the Borrower under which the Borrower has undertaken any obligation without sufficient consideration; and
- (x) its Centre of Main Interests is situated in the Czech Republic and it has no Establishment in any other jurisdiction.

The representations and warranties set out above shall survive the execution of this Contract and are, with the exception of the representation set out in paragraph (f) above, deemed repeated on each date of Disbursement Acceptance, date of Compliance Certificate, Disbursement Date and on each Payment Date.

6.12 **Centre of Main Interests**

The Borrower shall not, without the prior written consent of the Bank, change the place of its Centre of Main Interests.

6.13 **Due Diligence**

The Borrower shall, within a reasonable period of time, deliver to the Bank any such information or further document concerning due diligence matters of or for the Borrower as the Bank may reasonably require.

6.14 **Compliance with the Transaction Documents**

The Borrower shall comply in all respects with its obligations under each Transaction Document to which it is a party and in particular, it shall render services contracted under the Public Service Contract in a way which does not give a right to the City of Pilsen to decrease the contractual payments due to the Borrower under the Public Service Contract in any material respect.

6.15 **Amendments of Transaction Documents**

The Borrower shall not amend the Public Service Contract other than in a way anticipated in this Contract or as approved by the Bank. The Borrower shall not amend any other agreement related to the Project, including, but not limited to any Transaction Document to which the Bank is not a party, in a way which could be detrimental to the implementation and operation of the Project or the repayment of the Loan.

ARTICLE 7

Security

7.1 **Negative pledge**

- (a) The Borrower shall not and the Borrower shall ensure that no other member of the Group will create or permit to subsist any Security over any of its assets.

For the purposes of this Article 7.1, the term Security shall also include any arrangement or transaction on assets or receivables or money (such as the sale, transfer or other disposal of assets on terms whereby they are or may be leased to or re-acquired by the Borrower or any other member of the Group, the sale, transfer or other disposal of any receivables on recourse terms or any arrangement under which money or the benefit of a bank account or other account may be applied or set-off or any preferential arrangement having a similar effect) in circumstances where the arrangement or transaction is entered into primarily as a method of raising credit or of financing the acquisition of an asset.

- (b) Paragraph (a) above does not apply to any Security, listed below:
- (i) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (ii) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
 - (1) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
 - (2) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;
 - (iii) any security interest or preference arising by operation of law and in the ordinary course of trading;
 - (iv) any Security over or affecting any asset acquired by a member of the Group after the date of this Contract if:

- (1) the Security was not created in contemplation of the acquisition of that asset by a member of the Group;
 - (2) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
 - (3) the Security is removed or discharged within 2 months of the date of acquisition of such asset;
- (v) any Security over or affecting any asset of any company which becomes a member of the Group after the date of this Contract, where the Security is created prior to the date on which that company becomes a member of the Group, if:
 - (1) the Security was not created in contemplation of the acquisition of that company;
 - (2) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (3) the Security is removed or discharged within 2 months of that company becoming a member of the Group;
- (vi) any Security entered into pursuant to this Contract;
- (vii) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group.

7.2 **Pari passu ranking**

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally.

7.3 **Clauses by inclusion**

If the Borrower or any other member of the Group concludes with any other financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding its financial ratios, if applicable, that is not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall provide a copy of the more favourable provision to the Bank. The Bank may request that the Borrower promptly executes an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

7.4 **Cash collateral and substitution with guarantee**

7.4.A **Alternative Security**

If, at any time while there is a Loan Outstanding, the Borrower is in breach of Article 6.9, then the Bank may request the Borrower to consult it within 15 (fifteen days) from the date of the Bank's request at the venue specified in the request.

By a notice delivered to the Borrower not earlier than 16 (sixteen) or later than 30 (thirty) days from the date of such request, the Bank may demand that, within a period specified in such notice, the Borrower:

- (a) shall provide the Bank with a duly issued guarantee (herein the "**Guarantee**") whereby the guarantor (the "**Guarantor**") or guarantors (the "**Guarantors**") unconditionally guarantee the due performance of the Borrower's financial obligations under this Contract. Any such Guarantor shall be a Qualifying Guarantor; or

- (b) shall make, with a bank approved by the Bank, a cash collateral deposit in CZK or EUR, as specified by the Bank in its notice, charged in favour of the Bank on such terms as the Bank may reasonably require, as security for the Borrower's financial obligations under this Contract; or
- (c) shall execute other security offering protection in manner, form and substance acceptable to the Bank.

If none of the foregoing actions is taken within the period specified by the Bank in its relevant notice and to its satisfaction, the Borrower shall, upon demand by the Bank, immediately prepay to the Bank the Loan Outstanding together with all unpaid interest accrued to the date of prepayment on the amount prepaid, a compensation, if any, calculated in accordance with Article 4.2.B and any other sums then payable under this Contract on the amount prepaid.

The provisions of this Article 7.4.A shall not in any way limit or restrict the right of the Bank to demand repayment of the Loan pursuant to Article 10.

The non-exercise by the Bank of the right to demand the issuance of the Guarantee, or to demand the making of a cash collateral deposit or the execution of other securities shall not be deemed to be a waiver of the Bank's right hereunder.

7.4.B Qualifying Guarantor

For the purpose of this Article 7.4, "**Qualifying Guarantor**" means a bank or other financial institution which satisfies one of the following conditions:

- (a) at the time of issue of the guarantee agreement, or, as the case may be, at the time it accedes to the Guarantee, and during the life of the Loan, each Credit Rating that it holds, in respect of its most recent unsecured and unsubordinated long-term issue on any capital market, is not lower than: BBB+ if the rating is assigned by Standard and Poor's Corporation or its successor; Baa1 if the rating is assigned by Moody's Investors Services Inc. or its successor; and BBB+ if the rating is assigned by Fitch Ratings Limited or its successor; and that such bank or other financial institution is otherwise acceptable to the Bank; or
- (b) is accepted by the Bank by notice in writing, with copy to the Borrower, subject to the conditions the Bank may in its discretion deem appropriate, and to the acceptance thereof by the relevant Guarantor and acknowledgement by the Borrower.

7.4.C Loss of qualifying status

If, in respect of any Guarantor:

- (a) any Credit Rating is lower than the respective Credit Rating specified in Article 7.4.B(a); or
- (a) all of the Credit Ratings of two or more Rating Agencies specified under Article 7.4.B(a) cease to be published; or
- (b) in the opinion of the Bank such Guarantor has suffered a material adverse change since becoming a Guarantor or has failed to comply with any condition specified in the Bank's notice of acceptance delivered under Article 7.4.B(b); or
- (c) its obligations under the Guarantee cease to be valid, legal and enforceable,

(the Guarantor affected by any such event being defined herein as the "**Affected Guarantor**") the Bank may at any time thereafter demand that the Borrower shall, within a period of time specified in the Bank's notice, either:

- (i) procure the replacement of the Affected Guarantor by a Qualifying Guarantor; or
- (ii) save in the case of paragraph (d) of this Article 7.4.C procure that the Affected Guarantor either: (x) provides cash collateral in favour of the Bank, which collateral shall be acceptable to the Bank and be executed on such terms as the Bank may reasonably require, as security for the Affected Guarantor's obligations under the Guarantee; or (y) provides other security offering protection in manner, form and substance acceptable to the Bank; or

- (iii) provide other Security offering protection in manner, form and substance acceptable to the Bank.

If none of the foregoing actions is taken within the aforementioned period and to the satisfaction of the Bank, the Borrower shall, upon demand by the Bank, immediately prepay to the Bank an amount equal to the aggregate of the amount of the Loan Outstanding, unpaid interest accrued to the date of prepayment on the amount prepaid, the amount of an indemnity calculated in accordance with Article 4.2.B in respect of the amount prepaid, and any other sum then payable under this Contract in respect of the amount prepaid.

The non-exercise by the Bank of the right to demand substitution of the Affected Guarantor, the delivery of collateral or the execution of other security shall not be deemed to be a waiver of any of the Bank's rights or remedies under this Contract.

7.4.D Guarantor default event

If an event of the nature described in any of Article 10.1.A(c) to (i) inclusive occurs to any Guarantor (a "**Guarantor Default Event**"), the Borrower shall replace such Guarantor with a Qualifying Guarantor. If the Borrower fails to demonstrate to the Bank, promptly upon the latter's request, that it has a reasonable prospect of replacing the Guarantor or if, in any case, the Borrower does not, following demand by the Bank, replace the Guarantor, within 30 (thirty) days of the date when the said event occurred, the Bank may require the Borrower to prepay immediately all or part of an amount equal to the aggregate of

- (a) the amount of the Loan Outstanding;
- (b) unpaid interest accrued to the date of prepayment on the amount prepaid;
- (c) the amount of an indemnity calculated in accordance with Article 4.2.B in respect of the amount prepaid, and
- (d) any other sum then payable under this Contract in respect of the amount prepaid.

ARTICLE 8

Information and Visits

8.1 Information concerning the Project

The Borrower shall:

- (a) deliver to the Bank:
 - (i) the information in content and in form, and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the parties to this Contract; and
 - (ii) any such information or further document concerning the financing, procurement, implementation, operation and environmental matters of or for the Project as the Bank may reasonably require within a reasonable time,

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all assistance necessary for the purpose;
- (b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, inter alia, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
- (c) promptly inform the Bank of:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any Environmental Claim that is to its knowledge commenced, pending or threatened against it with regard to environmental or other matters affecting the Project;
- (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project;
- (iii) a genuine allegation, complaint or information with regard to Criminal Offence related to the Project;
- (iv) any non-compliance by it with any applicable Environmental Law;
- (v) any suspension, revocation or modification of any Environmental Approval, and set out the action to be taken with respect to such matters; and
- (d) provide to the Bank, if so requested:
 - (i) a certificate of its insurers showing fulfilment of the requirements of Article 6.5(c); and
 - (ii) annually, a list of policies in force covering the insured property forming part of the Project, together with confirmation of payment of the current premiums.

8.2 **Information concerning the Borrower and City of Pilsen**

The Borrower shall:

- (a) deliver to the Bank:
 - (i) as soon as they become available but in any event within 180 (one hundred and eighty) days after the end of each of its financial years its audited consolidated and unconsolidated annual report, balance sheet, cash flow statement, profit and loss account and auditors report for that financial year together with a Compliance Certificate as set out in Schedule E.2 signed by two directors confirming compliance by the Borrower with the financial covenants pursuant to Article 6.9 and with evidence of such compliance and related calculations; and
 - (ii) annually together with the financial statements pursuant to Article 8.2(a)(i) on the basis of information received from the City of Pilsen, the following financial ratios of the City of Pilsen: (i) Total debt service obligations to annual operating revenues; and (i) Total debt to annual operating revenues, together with related calculations, in each case in form and substance satisfactory to the Bank.
- (b) from time to time, such further information, evidence or document concerning:
 - (i) its general financial situation or such certificates of compliance with the undertakings of Article 6; and
 - (ii) customer or any other type of due diligence matters of, or for, the Borrower, including without limitation to comply with “know your customer” (KYC) or similar identification procedures,

as the Bank may deem necessary or may reasonably require to be provided within a reasonable time; and
- (c) inform the Bank immediately of:
 - (i) any material alteration to its constitutional documents or shareholding structure and of any change of ownership of 5% or more of its shares after the date of this Contract;
 - (ii) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
 - (iii) any event or decision that constitutes or may result in a Prepayment Event;
 - (iv) any intention on its part to grant any Security over any of its assets in favour of a third party;

- (v) any intention on its part to relinquish ownership of any material component of the Project;
- (vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract or any of the Transaction Documents;
- (vii) any Event of Default having occurred or being threatened or anticipated;
- (viii) unless prohibited by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or its controlling entities or members of the Borrower's management bodies in connection with Criminal Offence related to the Credit, the Loan or the Project;
- (ix) any measure taken by the Borrower pursuant to Article 6.5(f) of this Contract;
- (x) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change;
- (xi) any Change in the Beneficial Ownership of the Borrower; and
- (xii) award, conclusion and termination of each Public Service Contract.

8.3 Visits by the Bank

The Borrower shall allow persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of European Union law:

- (a) to visit the sites, installations and works comprising the Project;
- (b) to interview representatives of the Borrower, and not obstruct contacts with any other person involved in or affected by the Project; and
- (c) to review the Borrower's books and records in relation to the execution of the Project and to be able to take copies of related documents to the extent permitted by the law.

The Borrower shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article.

The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower and the Project to any competent institution or body of the European Union.

ARTICLE 9

Charges and expenses

9.1 Taxes, duties and fees

- (a) The Borrower shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any Security for the Loan to the extent applicable.
- (b) The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or under an agreement with a governmental authority or otherwise. If the Borrower is obliged to make any such withholding or deduction, it shall gross up the payment to the Bank so that after withholding or deduction, the net amount received by the Bank is equivalent to the sum due.

9.2 Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract and/or the Security Documents or any related document, any amendment, supplement or waiver in respect of this Contract and/or the Security Documents or any related document, and in the amendment, creation, management, enforcement and realisation of the Security Documents and/or any security for the Loan.

9.3 Increased costs, indemnity and set-off

- (a) The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation which occurs after the date of signature of this Contract, in accordance with or as a result of which:
 - (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or
 - (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
- (b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any full or partial discharge that takes place in a manner other than as expressly set out in this Contract.
- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 10

Events of Default

10.1 Right to demand repayment

The Borrower shall repay all or part of the Loan Outstanding (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

10.1.A Immediate demand

The Bank may make such demand immediately without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step:

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless:
 - (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and
 - (ii) payment is made within 3 (three) Business Days of its due date;

- (b) if any information or document given to the Bank by or on behalf of the Borrower or any representation, warranty or statement made or deemed to be made by the Borrower in, pursuant to or for the purposes of entering into this Contract and/or the Transaction Documents or in connection with the negotiation or performance of this Contract and/or the Transaction Documents is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower or any other member of the Group in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:
 - (i) the Borrower or any other member of the Group is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation; or
 - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower or any member of the Group is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;
- (e) if any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement or otherwise), including in particular without limitation to bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*) arrangement with creditors (*concordat préventif de la faillite*) and judicial liquidation (*liquidation judiciaire*) proceedings or any analogous procedure or step is taken under any applicable law in any jurisdiction or an order is made or an effective resolution is passed for the winding up of the Borrower or any member of the Group, or if the Borrower or any member of the Group takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities, or any situation similar to any of the above occurs under any applicable law;
- (f) if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, of or over, any part of the business or assets of the Borrower or any member of the Group or any property forming part of the Project;
- (g) if the Borrower or any member of the Group defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;
- (h) if the Borrower or any member of the Group defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union;
- (i) if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
- (j) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
- (k) if it is or becomes unlawful for the Borrower or the City of Pilsen to perform any of its obligations under this Contract and/or the Transaction Documents or this Contract and/or any of the Transaction Documents is not effective in accordance with its terms or is alleged by the Borrower or City of Pilsen to be ineffective in accordance with its terms;

10.1.B Demand after notice to remedy

The Bank may also make such demand without prior notice (*mise en demeure préalable*) or any judicial or extra judicial step (without prejudice to any notice referred to below):

- (a) if the Borrower fails to comply with any provision of this Contract (other than those referred to in Article 10.1.A; or
- (b) if the Borrower fails to comply with any provision of the Transaction Documents;
- (c) if any fact related to the Borrower or the Project stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within 10 Business Days from a notice served by the Bank on the Borrower.

10.2 Other rights at law

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan Outstanding.

10.3 Indemnity

10.3.A Fixed Rate Tranches

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the indemnity on any amount of principal due to be prepaid. Such indemnity shall (i) accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified, and (ii) be for the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of the prepayment) of the excess, if any, of:

- (a) the interest net of the Margin that would accrue thereafter on the amount prepaid over the period from the date of prepayment to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date of the applicable Tranche

10.3.B Floating Rate Tranches

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the applicable amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

The value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date.

10.3.C General

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date specified in the Bank's demand.

10.4 Non-Waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

ARTICLE 11

Law and jurisdiction, miscellaneous

11.1 Governing Law

This Contract and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Luxembourg.

11.2 Jurisdiction

- (a) The courts of Luxembourg-City have exclusive jurisdiction to settle any dispute (a “Dispute”) arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Contract.
- (b) The parties agree that the courts of Luxembourg-City are the most appropriate and convenient courts to settle any Disputes between them and, accordingly, that they will not argue to the contrary.

11.3 Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract shall be the seat of the Bank.

11.4 Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

11.5 Entire Agreement

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

11.6 Invalidity

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

11.7 Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto.

11.8 Counterparts

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

11.9 Effectiveness of this Contract

This Contract is conditional upon and shall become effective only after receipt by the Bank, in a form and substance acceptable to the Bank, of:

- (a) Duly counter-signed originals of this Contract and
- (b) the evidence that the Borrower has duly published this Contract in the registry of contracts (in Czech: *registr smluv*), as required by the applicable Czech law, within 30 (thirty) calendar days after the Borrower received this Contract signed by all parties hereto.

This Contract shall not become effective until the Bank sends to the Borrower a letter confirming fulfilment of each of the above mentioned conditions of effectiveness and providing the date that this Contract becomes effective (the “**Date of Effectiveness**”), and such letter shall be conclusive evidence that this Contract has become effective.

For the avoidance of doubt, until the Date of Effectiveness neither the Borrower nor the Bank shall have any claims against each other or have any liability whatsoever under or in connection with this Contract.

If the Date of Effectiveness does not occur within 3 (three months) from the date of this Contract, this Contract shall not come into force and no further action shall be necessary or required.

ARTICLE 12

Final clauses

12.1 Notices

12.1.A Form of Notice

- (a) Any notice or other communication given under this Contract must be in writing and, unless otherwise stated, may be made by letter, electronic mail and facsimile.
- (b) Notices and other communications for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter, facsimile or by electronic mail. Such notices and communications shall be deemed to have been received by the other party:
 - (i) on the date of delivery in relation to a hand-delivered or registered letter;
 - (ii) on receipt of transmission in relation to a facsimile;
 - (iii) in the case of any electronic mail sent by the Borrower to the Bank, only when actually received in readable form and only if it is addressed in such a manner as the Bank shall specify for this purpose, or
 - (iv) in the case of any electronic mail sent by the Bank to the Borrower, when the electronic mail is sent.
- (c) Any notice provided by the Borrower to the Bank by electronic mail shall:
 - (i) mention the Contract Number in the subject line; and
 - (ii) be in the form of a non-editable electronic image (PDF, TIF or other common non editable file format agreed between the parties) of the notice signed by an Authorised Signatory with individual representation right or by two or more Authorised Signatories with joint representation right of the Borrower attached to the electronic mail.
- (d) Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

- (e) Without affecting the validity of electronic mail or facsimile notices or communication made in accordance with this Article 12.1, the following notices, communications and documents shall also be sent by registered letter to the relevant party at the latest on the immediately following Business Day:
 - (i) Disbursement Acceptance
 - (ii) any notices and communication in respect of the deferment, cancellation and suspension of a disbursement of any Tranche, interest revision or conversion of any Tranche, Market Disruption Event, Prepayment Request, Prepayment Notice, Event of Default, any demand for prepayment, and
 - (iii) any other notice, communication or document required by the Bank.
- (f) The parties agree that any above communication (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as an agreement under hand (sous seing privé).

12.1.B Addresses

The address, fax number and electronic mail address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication to be made or document to be delivered under or in connection with this Contract is:

For the Bank	Attention: OPS/CSEE-3 PUB SEC (CZ,HU,SK) 100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address:contactline-89332@eib.org Fax: +352 4379 67291
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For the Borrower	Attention: Plzeňské městské dopravní podniky, a.s. Head of Controlling Department Denisovo nábřeží 920/12, Východní Předměstí, 301 00 Plzeň, Czech Republic E-mail address: financovani@pmdp.cz Fax: +420 377 320 493
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Copies:	Attention: Plzeňské městské dopravní podniky, a. s. Denisovo nábřeží 920/12, Východní Předměstí, 301 00 Plzeň, Czech Republic E-mail address: pmdp@pmdp.cz Fax: +420 377 320 493
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12.1.C Notification of communication details

The Bank and the Borrower shall promptly notify the other party in writing of any change in their respective communication details.

12.2 English language

- (a) Any notice or communication given under or in connection with this Contract must be in English.
- (b) All other documents provided under or in connection with this Contract must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Bank, accompanied by a certified English translation and, in this case, the English translation will prevail.

12.3 **Changes to parties**

- (a) The Borrower shall not assign or transfer any of its rights or obligations under this Contract or under any of the Transaction Documents without the prior written consent of the Bank.
- (b) The Bank may assign all or part of its rights and benefits or transfer (by way of novation, sub-participation or otherwise) all or part of its rights, benefits and obligations under this Contract or under any of the Transaction Documents.

12.4 **Recitals, Schedules and Annex**

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definitions of Relevant Interbank Rates
Schedule C	Forms for Borrower
Schedule D	Interest Rate Revision and Conversion
Schedule E	Certificates to be provided by the Borrower

The following Annex is attached hereto:

Annex I	Resolution of Board of Directors of Borrower and authorisation of signatory
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The parties hereto have caused this Contract to be executed in 3 (three) originals in the English language and have respectively caused Mr Miroslav Kapinaj, Legal Counsel for the Bank, and Mgr Petra Šindelářová, Head of Legal Department, and Lucie Smolíková, Head of Controlling Department for the Borrower, to initial each page of this Contract on their behalf.

At Pilsen, this 27 June 2019

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

Signed for and on behalf of
Plzeňské městské dopravní podniky, a.s.

Project Specification and Reporting

A.1 Technical Description (Article 6.2)

Purpose, Location

All investments in this Project shall be used by the Borrower to provide public transport services in the City of Pilsen, Czech Republic.

Description

The Project consists of:

- 14 one-way 20-metre long trams, air-conditioned,
- 20 two-way 30-metre long trams vehicles,
- 20 trolleybuses of 12-metre length, with traction batteries that will allow travel independently of the overhead power supply,
- 14 trolley buses of 18metre length, with traction batteries,
- reconstruction and upgrade of the depot at Slovany – the upgraded facility consists of indoor parking for at least 90 trams of 30-metre long and a workshop to undertake routine maintenance of the tram fleet,
- upgrade of the traction line convertors at Bory and Letna.

Calendar

The Project shall begin in 2018 and shall be completed in June 2024.

A.2 Information Duties under Article 8.1

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

	Financial Contact	Technical Contact
Company	Plzeňské Městské Dopravní Podniky, A.S.	Plzeňské Městské Dopravní Podniky, A.S.
Contact person		
Title	Head of Controlling Department	Head of Controlling Department
Function/Department financial and technical	Controlling Department	Controlling Department
Address	Denisovo nábřeží 920/12 301 00 Plzeň Východní Předměstí Czech Republic	Denisovo nábřeží 920/12 301 00 Plzeň Východní Předměstí Czech Republic
Phone		
Fax		
Email		

The above-mentioned contact person is the responsible contact for the time being.

The Borrower shall inform the Bank immediately in case of any change.

2. Information on specific subjects

The Borrower shall deliver to the Bank the following information at the latest by the deadline indicated below.

Document / information	Deadline
<i>None</i>	<i>N/A</i>
...	

3. Information on the Project's implementation

The Borrower shall deliver to the Bank the following information on Project progress during the implementation at the latest by the deadline indicated below.

Document / information	Deadline	Frequency of reporting
Project Progress Report <ul style="list-style-type: none"> - A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope; - Update on the date of completion of each of the main Project's components, explaining reasons for any possible delay; - Update on the cost of the Project, explaining reasons for any possible cost variations vs. initial budgeted cost; - Update on the progress of the acquisition of the requisite documents for the rehabilitation of the depot at Slovany (building permits etc). - A description of any major issue with impact on the environment; - Update on the Project's demand or usage and comments; - Any significant issue that has occurred and any significant risk that may affect the Project's operation; - Any legal action concerning the Project that may be on-going; - Non-confidential Project-related pictures, if available. 	1 July 2019	annually

4. Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on Project completion and initial operation at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
Project Completion Report, including: <ul style="list-style-type: none"> - A final Technical Description of the Project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.; - The date of completion of each of the main Project's components, explaining reasons for any possible delay; - The final cost of the Project, explaining reasons for any possible cost variations vs. initial budgeted cost; - Employment effects of the Project: person-days required during implementation as well as permanent new jobs created; - A description of any major issue with impact on the environment or social impacts; - Update on the Project's demand or usage and comments; - Any significant issue that has occurred and any significant risk that may affect the Project's operation; - Any legal action concerning the Project that may be on going. - Non-confidential Project-related pictures, if available. 	15 months after Project completion

Language of reports	English
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Definitions of Relevant Interbank Rates

A EURIBOR

“EURIBOR” means:

- (a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
- (b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
- (c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the “Representative Period”).

For the purposes of paragraphs (b) and (c) above:

- (a) “**available**” means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank; and
- (b) “**Screen Rate**” means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the “**Reset Date**”) which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period.

If no rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

B PRIBOR

“PRIBOR” means:

- (a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
- (b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

- (c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period of next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the **"Representative Period"**).

For the purposes of paragraphs (b) and (c) above, "available" means the rates of interest that are commonly quoted for the relevant maturity.

"Screen Rate" means the rate of interest for deposits in CZK for the relevant period as published at 11h00, Prague time, or at a later time acceptable to the Bank on the day (the **"Reset Date"**) which falls two Prague Business Days prior to the first day of the relevant period, on Reuters page PRIBOR= or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal Prague offices of four major banks in the Czech Crown interbank market, selected by the Bank, to quote the rate at which CZK deposits in a comparable amount are offered by each of them as at approximately 11h00, Prague time, on the Reset Date to prime banks in the Czech Crown interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the Czech Crown interbank market, selected by the Bank, at approximately 11:00 a.m. Prague time on the day which falls 2 (two) Prague Business Days after the Reset Date, for loans in CZK in a comparable amount to leading European banks for a period equal to the Representative Period.

If no rate is available as provided above, PRIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

C GENERAL

For the purposes of the foregoing definitions:

- (a) **"Prague Business Day"** means a day on which banks are open for normal business in Prague.
- (b) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundredth (in respect of PRIBOR) or one thousandth (in respect of EURIBOR) of a percentage point, with halves being rounded up
- (c) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (d) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI in respect of EURIBOR (or any successor to that function of the EMMI and EURIBOR ACI as determined by the Bank) or of the Czech Financial Benchmark Facility (CFBF) (or any successor to that function of the CFBF, as determined by the Bank) in respect of PRIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

Forms for Borrower

C.1 Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C.)

To: Plzeňské městské dopravní podniky, a.s.

From: European Investment Bank

Date:

Subject: Disbursement Offer/Acceptance for the Finance Contract between European Investment Bank and Plzeňské městské dopravní podniky, a.s. dated _____ 2019 (the "Finance Contract")

Project name: Pilsen public transport

Contract Number: 89332 Operation Number: 2018-0187

Dear Sirs,

We refer to the Finance Contract. Terms defined in the Finance Contract have the same meaning when used in this letter.

Following your request for a Disbursement Offer from the Bank, in accordance with Article 1.2.B of the Finance Contract, we hereby offer to make available to you the following Tranche:

- (a) Currency and amount to be disbursed and its EUR equivalent:
- (b) Scheduled Disbursement Date:
- (c) Interest rate basis:
- (d) Interest payment periodicity:
- (e) Payment Dates:
- (f) Terms for repayment of principal:
- (g) The Repayment Dates and the first and the last Repayment Date for the Tranche:
- (h) The Interest Revision/Conversion Date:
- (i) The Fixed Rate or Spread, applicable until the Interest Revision/Conversion Date if any, or until the Maturity Date.

To make the Tranche available subject to the terms and conditions of the Finance Contract, the Bank must receive a Disbursement Acceptance in the form of a copy of this Disbursement Offer duly signed on your behalf, to the following fax number [] or e-mail [] no later than the Disbursement Acceptance Deadline of [time] Luxembourg time on [date].

The Disbursement Acceptance below must be signed by an Authorised Signatory and must be fully completed as indicated, to include the details of the Disbursement Account.

If not duly accepted by the above stated time, the offer contained in this document shall be deemed to have been refused and shall automatically lapse.

If you do accept the Tranche as described in this Disbursement Offer, all the related terms and conditions of the Finance Contract shall apply, in particular, the provisions of Article 1.4.

Yours faithfully,

EUROPEAN INVESTMENT BANK

We hereby accept the above Disbursement Offer:

for and on behalf of Plzeňské městské dopravní podniky, a.s.

Date:

Account to be credited:

Account N°:

Account Holder/Beneficiary:

(please, provide IBAN format if the country is included in IBAN Registry published by SWIFT, otherwise an appropriate format in line with the local banking practice should be provided)

Bank name and address:

Bank identification code (BIC):

Payment details to be provided:

Please transmit information relevant to:

Name(s) of the Borrower's Authorised Signatory(ies):

.....

Signature(s) of the Borrower's Authorised Signatory(ies):

IMPORTANT NOTICE TO THE BORROWER:

BY COUNTERSIGNING ABOVE YOU CONFIRM THAT THE LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS PROVIDED TO THE BANK WAS DULY UPDATED PRIOR TO THE PRESENTATION OF THE ABOVE DISBURSEMENT OFFER BY THE BANK.

IN THE EVENT THAT ANY SIGNATORIES OR ACCOUNTS APPEARING IN THIS DISBURSEMENT ACCEPTANCE ARE NOT INCLUDED IN THE LATEST LIST OF AUTHORISED SIGNATORIES AND ACCOUNTS RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.

Schedule D

Interest Rate Revision and Conversion

If an Interest Revision/Conversion Date has been included in the Disbursement Offer for a Tranche, the following provisions shall apply.

A. Mechanics of Interest Revision/Conversion

Upon receiving an Interest Revision/Conversion Request the Bank shall, during the period commencing 60 (sixty) days and ending 30 (thirty) days before the Interest Revision/Conversion Date, deliver to the Borrower an Interest Revision/Conversion Proposal stating:

- (a) the Fixed Rate and/or Spread that would apply to the Tranche, or of its part indicated in the Interest Revision/Conversion Request pursuant to Article 3.1; and
- (b) that such rate shall apply until the Maturity Date or until a new Interest Revision/Conversion Date, if any, and that interest is payable quarterly, semi-annually or annually in accordance with Article 3.1, in arrear on designated Payment Dates.

The Borrower may accept in writing an Interest Revision/Conversion Proposal by the deadline specified therein.

Any amendment to this Contract requested by the Bank in this connection shall be effected by an agreement to be concluded not later than 15 (fifteen) days prior to the relevant Interest Revision/Conversion Date.

Fixed Rates and Spreads are available for periods of not less than 4 (four) years or, in the absence of a repayment of principal during that period, not less than 3 (three) years.

B. Effects of Interest Revision/Conversion

If the Borrower duly accepts in writing a Fixed Rate or a Spread in respect of an Interest Revision/Conversion Proposal, the Borrower shall pay accrued interest on the Interest Revision/Conversion Date and thereafter on the designated Payment Dates.

Prior to the Interest Revision/Conversion Date, the relevant provisions of this Contract and Disbursement Offer and Disbursement Acceptance shall apply to the Tranche in its entirety. From and including the Interest Revision/Conversion Date onwards, the provisions contained in the Interest Revision/Conversion Proposal relating to the new Fixed Rate or Spread shall apply to the Tranche (or any part thereof, as indicated in the Interest Revision/Conversion Request) until the new Interest Revision/Conversion Date, if any, or until the Maturity Date.

C. No or Partial Interest Revision/Conversion

If the Borrower does not submit an Interest Revision/Conversion Request or does not accept in writing the Interest Revision/Conversion Proposal for the Tranche or if the parties fail to effect an amendment requested by the Bank pursuant to paragraph A above, the Borrower shall repay the Tranche (or the part thereof, as indicated in the Interest Revision/Conversion Request) on the Interest Revision/Conversion Date, without indemnity.

In case of a partial Interest Revision/Conversion, the Borrower will repay, without indemnity, on the Interest Revision/Conversion Date any part of the Tranche which was not covered by the Interest Revision/Conversion Request and which is therefore not subject to the Interest Revision/Conversion.

Certificates to be provided by the Borrower

E.1 Form of Certificate from Borrower (Article 1.4.C)

To: European Investment Bank
 From: Plzeňské městské dopravní podniky, a.s.
 Date:
 Subject: Certificate for the Finance Contract between European Investment Bank and Plzeňské městské dopravní podniky, a.s. dated _____ 2019 (the "**Finance Contract**")
 Project Name: Pilsen Public Transport
 Contract Number: 89332 Operation Number: 2018-0187

Dear Sirs,

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.4 of the Finance Contract we hereby certify to you as follows:

- (a) no Prepayment Event has occurred and is continuing unremedied or unwaived;
- (b) we are in compliance with the financial covenants pursuant to Article 6.9 and attached is evidence of such compliance and related calculations;
- (c) no security of the type prohibited under Article 7.1 has been created or is in existence;
- (d) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 8.1, save as previously communicated by us;
- (e) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;
- (f) no litigation, arbitration administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our subsidiaries any unsatisfied judgement or award;
- (g) the representations and warranties to be made or repeated by us under Article 6.11 are true in all respects; and
- (h) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract.

Yours faithfully,

For and on behalf of Plzeňské městské dopravní podniky, a.s.

Date:

E.2 Form of Compliance Certificate

To: European Investment Bank
 From: Plzeňské městské dopravní podniky, a.s.
 Date:
 Subject: Compliance Certificate for the Finance Contract between European Investment Bank and Plzeňské městské dopravní podniky, a.s. dated ● (the "**Finance Contract**")
 Project Name: Pilsen Public Transport
 Contract Number: 89332 Operation Number: 2018-0187

Dear Sirs,

We refer to the Finance Contract. This is a Compliance Certificate. Terms defined in the Finance Contract have the same meaning when used in this Compliance Certificate.

We hereby confirm:

- (a) on a [insert the date of calculation of the financial covenants], [insert financial covenant name and repeat for every financial covenant] amounts to [insert number] compared to [minimum / maximum] level of [insert number];
- (b) [no asset disposal prohibited under Article [6.6] has taken place] / [insert information regarding asset disposal];
- (c) [no security of the type prohibited under Article 7.1 has been created or is in existence;]
- (d) [no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived. [If this statement cannot be made, this certificate should identify any potential event of default that is continuing and the steps, if any, being taken to remedy it].

Yours faithfully,

For and on behalf of Plzeňské městské dopravní podniky, a.s.

[director]

[director]

Annex I

Resolution of Board of Directors of Borrower and authorisation of signatory

Usnesení Představenstva PMDP, a.s. č. 3471/313/19 ze dne 24.4.2019

Představenstvo PMDP, a.s. ve věci Uzavření smlouvy s Evropskou investiční bankou na úvěr ve výši max.

I. Bere na vědomí

1. předloženou důvodovou zprávu ve věci „Uzavření smlouvy s Evropskou investiční bankou na úvěr ve výši max.
2. skutečnost, že dle platné kompetenční tabulky Schvalovacího a podpisového řádu podmíněně schvaluje úvěrové smlouvy společnosti jediný akcionář, ač schvalování úvěrových smluv nespadá do kompetence valné hromady dle platných stanov společnosti.
3. možnost vyžádat si udělení pokynu akcionáře týkajícího se uzavření smlouvy s Evropskou investiční bankou na úvěr ve výši max.

II. Schvaluje

uzavření smlouvy s Evropskou investiční bankou na úvěr ve výši max.

III. Ukládá

1. generálnímu řediteli předložit smlouvu s Evropskou investiční bankou na úvěr ve výši max. Radě města Plzně v působnosti valné hromady za účelem vyžádání si pokynu akcionáře týkajícího se uzavření smlouvy.

T: 29. 4. 2019

Z: Mgr. Michal Kraus, MSc, generální ředitel

2. předsedovi představenstva uzavřít smlouvu s Evropskou investiční bankou na úvěr ve výši max. po udělení pokynu akcionáře.

T: 31. 5. 2019

Z: Mgr. Roman Zarzycký, předseda představenstva

Číslo RM/14

Datum konání RM 20. 5. 2019

Označení návrhu usnesení: KdS 2

č. 546

Rada města Plzně

v působnosti valné hromady společnosti Plzeňské městské dopravní podniky, a. s.,
se sídlem Denisovo nábřeží 920/12, Východní Předměstí, 301 00 Plzeň, IČ 25220683
(dále jen PMDP, a.s.) dle zákona č. 89/2012 Sb., občanský zákoník,
zákona č. 90/2012 Sb., o obchodních korporacích (dále jen ZOK),
a § 102 odst. 2 písm. c) zákona č. 128/2000 Sb., o obcích, ve znění pozdějších předpisů

I. Bere na vědomí

1. Usnesení představenstva společnosti PMDP, a.s. č. 3471/313/19 ze dne 24. 4. 2019 a dopis představenstva ze dne 26. 4. 2019 ve věci udělení pokynu valnou hromadou společnosti k uzavření smlouvy s Evropskou investiční bankou, viz přílohy č. 1 a č. 2 podkladových materiálů.
2. Ustanovení § 51 odst. 2 ZOK, podle kterého člen statutárního orgánu obchodní společnosti může požádat její nejvyšší orgán, tj. valnou hromadu o udělení pokynu týkajícího se obchodního vedení společnosti.
3. Usnesení ZMP č. 179 ze dne 13. 5. 2019, kterým byly schváleny limity finančního rámce pro úhradu prokazatelné ztráty PMDP, a.s. z rozpočtu města a jeho konstrukce na období 2019 – 2029, viz příloha č. 3 tohoto usnesení.

II. Uděluje

představenstvu společnosti PMDP, a.s.,
ve smyslu ustanovení § 51 odst. 2 ZOK, pokyn k uzavření smlouvy s Evropskou investiční bankou, jejíž obsah tvoří přílohu č. 4 tohoto usnesení s tím, že společnost dodrží schválený limit finančního rámce pro úhradu prokazatelné ztráty PMDP, a.s. dle přijatého usnesení ZMP č. 179 ze dne 13. 5. 2019. Uvedená výše limitů pro úhradu prokazatelné ztráty PMDP, a.s. pro jednotlivé roky může být upravována v případě významných změn hodnot základních vstupních parametrů pro výpočet finančního rámce v oblasti mezd, odpisů, cen energií a pohonných hmot a dále s ohledem na skutečnost zajištění veřejné služby v přepravě cestujících ve městě Plzni dopravcem PMDP, a. s. jako vnitřním provozovatelem od 1. 1. 2024.

Za správnost:

V Plzni 21. 05. 2019

Usnesení Rady města Písní

Číslo RM: 11

Datum konání RM: 20. 8. 2019

Označení navrženého usnesení: RadS 1

Pokračování usn. č. 546

III. Ukládá

tajemníkovi MMP

informovat představenstvo a dozorčí radu společnosti PMDP, a.s. o tomto usnesení.

Termín: 24. 8. 2019

Odpovídá:

č. 179

I. Bere na vědomí

1. Dopisy představenstva společnosti Plzeňské městské dopravní podniky, a.s. (přílohy č. 3 a 4 podkladových materiálů).
2. Střednědobý výhled rozpočtu na roky 2020 – 2022 schválený usnesením ZMP č. 63 ze dne 18. 3. 2019
3. Aktualizovaný dlouhodobý finanční plán v letech 2023 – 2029 (příloha č. 2 podkladových materiálů) se zapracováním max. výše úhrady prokazatelné ztráty dle přílohy č. 1 tohoto usnesení.
4. Usnesení RMP č. 504 ze dne 26. 4. 2018, kterým bylo schváleno zajištění veřejné služby v přepravě cestujících ve městě Plzni dopravcem PMDP, a.s. jako vnitřním provozovatelem dle § 18 odst. d) zákona č. 194/2010 Sb., o veřejných službách v přepravě cestujících, od 1. 1. 2024.

II. Schvaluje

stanovení limitu finančního rámce pro úhradu prokazatelné ztráty PMDP, a.s. z rozpočtu města a jeho konstrukci na období 2019 – 2029 dle přílohy č. 1 tohoto usnesení s tím, že uvedená výše limitů pro úhradu prokazatelné ztráty PMDP, a.s. pro jednotlivé roky může být upravována v případě významných změn hodnot základních vstupních parametrů pro výpočet finančního rámce v oblasti mezd, odpisů, cen energií a pohonných hmot a dále s ohledem na skutečnost zajištění veřejné služby v přepravě cestujících ve městě Plzni dopravcem PMDP, a.s. jako vnitřním provozovatelem od 1. 1. 2024

III. Ukládá

Radě města Plzně

informovat vedení společnosti PMDP, a.s. o přijatém usnesení.

Termín: 31. 5. 2019.