



Европейска инвестиционна банка
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeeringispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
An Banc Eorpach Infheistíochta
Europska investicijska banka
Banca europea per gli investimenti

Eiropas Investīciju banka
Europos investicijų bankas
Európai Beruházási Bank
Bank Ewropew tal-Investment
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Banca Europeană de Investiții
Európska investičná banka
Euroopan investointipankki
Europeiska investeringsbanken

BY COURIER AND IN ADVANCE BY E-MAIL

Brněnské vodárny a kanalizace, a.s. (the "Borrower")
Pisárecká 555/1a, Pisárky,
603 00 Brno,
Czech Republic

For the attention of:

Luxembourg, 3 July 2019

JUOps 1/CE/MK/ns/2019-1349
EIB – Corporate use

Subject: BRNO WATER SYSTEM
(Serapis N°2017-1002; FI N°89.248) (the "Operation")

External legal advice in relation to the issuance of a legal opinion under the Czech law

Cost Recovery Letter

Dear Mr ,

In connection with the preparation of finance contract for the Operation, European Investment Bank (the "**Bank**") intends to appoint external legal counsel to advise it in connection with legal issues under the Czech law.

We would like to inform you that the Bank has appointed (1) Kinstellar s.r.o to be our external legal counsel in Czech law matters (the "**Local Counsel**").

Full details of the scope of work are set out in full in the attached annex to this letter (the "**Scope of Work**").

The Local Counsel have agreed to cap their fees in relation to the Scope of Work at **EUR 3.000,00** (three thousand euros) (the "**Fee Cap**"). The Fee Cap is exclusive of VAT and other taxes (if applicable) and out-of-pocket expenses and is subject to Assumptions (as defined in the Scope of Work).

We would be grateful if you could confirm by countersigning this cost recovery letter your agreement to reimburse the Bank for:

- (i) the Local Counsel's above legal fees in relation to the Scope of Work covered by the Fee Cap; and
- (ii) any disbursements (including, *inter alia*, all out-of-pocket expenses and any applicable VAT) connected with the legal advice rendered to the Bank by the Local Counsel in respect of the Operation.

The items set out above shall be payable by you even in the event that the transaction does not proceed to conclusion or the Bank does not conclude or implement the Operation. The Borrower shall

he



indemnify and hold harmless the Bank on demand for and against any and all such costs as outlined above.

We will indicate in the Local Counsel mandate letter that it is of utmost importance that the Local Counsel notify the Bank sufficiently in advance if

- a) the Fee Cap is likely to be exceeded,
- b) the Local Counsel expects to invoice any other items than those mentioned in paragraphs (i) and (ii) above; or
- c) the assumptions indicated in their proposal have been breached and as a result the legal fees exceed the Fee Cap indicated above.

Following the receipt of the notice from the Local Counsel in respect of any of the point a) to c) above, the Bank will notify the Borrower thereof. No liability shall arise on the part of the Bank, if the Local Counsel fails to timely notify the Bank of any event listed in a) to c) above.

By countersigning this letter you irrevocably agree to be liable for the proper and prompt (and in any event, at times specified by the Bank in its invoices) payment and reimbursement of the fees and expenses covered by this letter on the terms hereof.

We kindly ask you to return two copies this letter (in advance by e-mail at _____ and _____) dated and duly signed on your behalf, together with the authority of signatory, at your earliest convenience. After receipt of the signed letter from you, we will retain Local Counsel to act as Bank's legal adviser in relation to the Scope of Work.

This letter shall be governed by, and construed in accordance with, Luxembourg law.

Yours faithfully,
EUROPEAN INVESTMENT BANK

Acknowledged and agreed on behalf of
Brněnské vodárny a kanalizace, a.s

Signature:	Signature:
Name:	Name:
Position	Position
Date:	Date:



ANNEX I

SCOPE OF WORK

The scope of work will be provided in connection with the operation with a structure (**'Structure'**) as follows:

- (i). Issue a legal opinion as to matters of Czech law covering the Corporate Status of the Borrower; Power and Authority; Due Execution; No violation of the Articles of Association or any mandatory laws; No Registration Requirements including due registration of the Finance Contract in the Register of Contracts; Parri Passu; Choice of Law; Jurisdiction; Exchange Control; No bankruptcy or liquidation; No taxes, duties, fees or other charges;

and The Fee Cap has been provided based on the following assumptions (**'Assumptions'**):

- (a) the scope of the mandate will not materially deviate from the one described above;
- (b) opinion will not include a liability cap;