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EIB Internal Classification Level – Corporate Use

## **CZECH RAIL TEN-T AND SAFETY B**

### **Finance Contract**

*between the*

**Czech Republic**

*and the*

**European Investment Bank**

Prague, 2 April 2024

Luxembourg, 10 April 2024





<b>WHEREAS:</b> .....	<b>6</b>
<b>INTERPRETATION AND DEFINITIONS</b> .....	<b>8</b>
<b>ARTICLE 1</b> .....	<b>17</b>
1.1 AMOUNT OF CREDIT .....	17
1.2 DISBURSEMENT PROCEDURE .....	17
1.2.A TRANCHES .....	17
1.2.B DISBURSEMENT OFFER .....	17
1.2.C DISBURSEMENT ACCEPTANCE .....	17
1.2.D DISBURSEMENT ACCOUNT .....	18
1.3 CURRENCY OF DISBURSEMENT .....	18
1.4 CONDITIONS OF DISBURSEMENT .....	18
1.4.A CONDITION PRECEDENT TO THE FIRST REQUEST FOR DISBURSEMENT OFFER .....	18
1.4.B FIRST TRANCHE .....	18
1.4.C ALL TRANCHES .....	19
1.5 DEFERMENT OF DISBURSEMENT .....	19
1.5.A GROUNDS FOR DEFERMENT .....	19
1.5.B CANCELLATION OF A DISBURSEMENT DEFERRED BY 6 (SIX) MONTHS .....	20
1.6 CANCELLATION AND SUSPENSION .....	20
1.6.A BORROWER'S RIGHT TO CANCEL .....	20
1.6.B BANK'S RIGHT TO SUSPEND AND CANCEL .....	21
1.6.C INDEMNITY FOR SUSPENSION AND CANCELLATION OF A TRANCHE .....	21
1.7 CANCELLATION AFTER EXPIRY OF THE CREDIT .....	22
1.8 SUMS DUE UNDER ARTICLES 1.5 AND 1.6 .....	22
<b>ARTICLE 2</b> .....	<b>22</b>
2.1 AMOUNT OF LOAN .....	22
2.2 CURRENCY OF PAYMENTS .....	22
2.3 CONFIRMATION BY THE BANK .....	22
<b>ARTICLE 3</b> .....	<b>22</b>
3.1 RATE OF INTEREST .....	22
3.1.A FIXED RATE TRANCHES .....	22
3.1.B FLOATING RATE TRANCHES .....	23
3.1.C REVISION OR CONVERSION OF TRANCHES .....	23
3.2 INTEREST ON OVERDUE SUMS .....	23
3.3 MARKET DISRUPTION EVENT .....	24
<b>ARTICLE 4</b> .....	<b>24</b>
4.1 NORMAL REPAYMENT .....	24
4.1.A REPAYMENT BY INSTALMENTS .....	24
4.1.B SINGLE INSTALMENT .....	25
4.2 VOLUNTARY PREPAYMENT .....	25
4.2.A PREPAYMENT OPTION .....	25
4.2.B PREPAYMENT INDEMNITY .....	25
4.2.C PREPAYMENT MECHANICS .....	25
4.2.D ADMINISTRATIVE FEE .....	26
4.3 COMPULSORY PREPAYMENT AND CANCELLATION .....	26
4.3.A PREPAYMENT EVENTS .....	26



4.3.B	PREPAYMENT MECHANICS .....	29
4.3.C	PREPAYMENT INDEMNITY.....	29
4.4	GENERAL .....	29
4.4.A	NO PREJUDICE TO ARTICLE 10 .....	29
4.4.B	NO REBORROWING.....	29
<b>ARTICLE 5</b>	<b>.....</b>	<b>29</b>
5.1	DAY COUNT CONVENTION .....	29
5.2	TIME AND PLACE OF PAYMENT .....	29
5.3	NO SET-OFF BY THE BORROWER .....	30
5.4	DISRUPTION TO PAYMENT SYSTEMS.....	30
5.5	APPLICATION OF SUMS RECEIVED.....	30
5.5.A	GENERAL .....	30
5.5.B	PARTIAL PAYMENTS .....	30
5.5.C	ALLOCATION OF SUMS RELATED TO TRANCHES.....	30
<b>ARTICLE 6</b>	<b>.....</b>	<b>31</b>
<b>A. PROJECT UNDERTAKINGS</b>	<b>.....</b>	<b>31</b>
6.1	USE OF LOAN AND AVAILABILITY OF OTHER FUNDS.....	31
6.2	COMPLETION OF PROJECT.....	31
6.3	INCREASED COST OF PROJECT.....	31
6.4	PROCUREMENT PROCEDURE .....	31
6.5	CONTINUING PROJECT UNDERTAKINGS .....	32
<b>B. GENERAL UNDERTAKINGS</b>	<b>.....</b>	<b>33</b>
6.6	COMPLIANCE WITH LAWS .....	33
6.7	CHANGE IN ACTIVITIES.....	33
6.8	BOOKS AND RECORDS .....	33
6.9	DATA PROTECTION.....	34
6.10	SANCTIONS.....	34
6.11	GENERAL REPRESENTATIONS AND WARRANTIES .....	34
<b>ARTICLE 7</b>	<b>.....</b>	<b>35</b>
7.1	<i>PARI PASSU</i> RANKING.....	36
7.2	ADDITIONAL SECURITY.....	36
7.3	CLAUSES BY INCLUSION .....	36
<b>ARTICLE 8</b>	<b>.....</b>	<b>36</b>
8.1	INFORMATION CONCERNING THE PROJECT .....	36
8.2	INFORMATION CONCERNING THE BORROWER.....	38
8.3	VISITS BY THE BANK .....	39
<b>ARTICLE 9</b>	<b>.....</b>	<b>39</b>
9.1	TAXES, DUTIES AND FEES .....	39
9.2	OTHER CHARGES .....	39
9.3	INCREASED COSTS, INDEMNITY AND SET-OFF .....	40
<b>ARTICLE 10</b>	<b>.....</b>	<b>40</b>
10.1	RIGHT TO DEMAND REPAYMENT .....	40



10.1.A IMMEDIATE DEMAND .....	40
10.1.B DEMAND AFTER NOTICE TO REMEDY.....	41
10.2 OTHER RIGHTS AT LAW.....	41
10.3 INDEMNITY .....	41
10.3.A FIXED RATE TRANCHES.....	41
10.3.B FLOATING RATE TRANCHES.....	42
10.3.C GENERAL .....	42
10.4 NON-WAIVER .....	42
<b>ARTICLE 11 .....</b>	<b>42</b>
11.1 GOVERNING LAW.....	42
11.2 JURISDICTION .....	42
11.3 PLACE OF PERFORMANCE.....	43
11.4 EVIDENCE OF SUMS DUE .....	43
11.5 ENTIRE AGREEMENT.....	43
11.6 INVALIDITY .....	43
11.7 AMENDMENTS .....	43
11.8 COUNTERPARTS.....	43
11.9 EFFECTIVENESS OF THIS CONTRACT.....	43
<b>ARTICLE 12 .....</b>	<b>44</b>
12.1 NOTICES.....	44
12.1.A FORM OF NOTICE.....	44
12.1.B ADDRESSES .....	45
12.1.C NOTIFICATION OF COMMUNICATION DETAILS .....	45
12.2 ENGLISH LANGUAGE.....	45
12.3 RECITALS, SCHEDULES AND ANNEXES .....	45
<b>SCHEDULE A .....</b>	<b>47</b>
PROJECT SPECIFICATION AND REPORTING .....	47
<b>SCHEDULE B .....</b>	<b>58</b>
DEFINITIONS OF RELEVANT INTERBANK RATES.....	58
<b>SCHEDULE C .....</b>	<b>61</b>
FORM OF DISBURSEMENT OFFER/ACCEPTANCE (ARTICLES 1.2.B AND 1.2.C) .....	61
<b>SCHEDULE D .....</b>	<b>63</b>
INTEREST RATE REVISION AND CONVERSION.....	63
<b>SCHEDULE E .....</b>	<b>64</b>
CERTIFICATES TO BE PROVIDED BY THE BORROWER.....	64
<b>ANNEX I .....</b>	<b>65</b>
RESOLUTION OF BORROWER AND AUTHORISATION OF SIGNATORY.....	65



**THIS CONTRACT IS MADE BETWEEN:**

the Czech Republic, acting through the Ministry of Finance, having its registered office at Letenská 15, 118 10 Praha, Czech Republic, represented by [REDACTED] the Minister of Finance of the Czech Republic, (the "**Borrower**")

of the first part, and

the European Investment Bank, having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by [REDACTED] Head of Division, and [REDACTED] Head of Division, (the "**Bank**")

of the second part.

The Bank and the Borrower together are referred to as the "**Parties**" and any of them is a "**Party**".



**WHEREAS:**

- (a) The Borrower has stated that, through the Promoter (as defined below), it is undertaking a project consisting of schemes related to upgrading, modernisation and renewal of the Trans-European transport network (TEN-T) rail lines, deployment of European Rail Traffic Management System (ERTMS) and improvement of cybersecurity, and improvement of safety at level crossing, as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1 (the "**Project**"); and consisting exclusively of one or more "green" components which are in line with the EIB's Climate Action and Environmental Sustainability criteria, which are also consistent with the LMA Green Loan Principles' (as herein defined) indicative eligibility categories.
- (b) The Project will be implemented by Správa železnic, státní organizace, a legal entity established as a state organization (in Czech: *státní organizace*) subordinated to the Ministry of Transport of the Czech Republic on the basis of Czech Act No. 77/2002 Coll, on the joint-stock company České dráhy, the state organization Správa železnic (and changes to other laws), as amended, having its registered office at Dlážděná 1003/7, 11000 Praha 1 - Nové Město, Czech Republic, Identification Number: 709 94 234, registered with the Company Register administrated by the Municipal Court in Prague under File No. A 48384, which, *inter alia*, manages the railway infrastructure in the public interest (the "**Promoter**").
- (c) The total cost of the Project, as estimated by the Bank, is CZK 97,500,000,000.00 (ninety-seven billion five hundred million Czech crown) and the Borrower has stated that it intends to finance the Project as follows:

<b>Source</b>	<b>Amount (CZK m)</b>
Credit from the Bank	48.750.00
EU Funds (as defined below) and other funding sources	48.750.00
<b>TOTAL</b>	<b>97,500.00</b>

- (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 equivalent to:
- (i) CZK 24,000,000,000.00 (twenty-four billion Czech crown) (the "**2023 Credit**") under the finance contract between the Bank and the Borrower dated 25 September 2023 (the "**2023 Contract**"); and
- (ii) CZK 13,000,000,000.00 (thirteen billion Czech crown) under this finance contract (the "**Contract**"),

provided that the amount of the Bank's loans shall not, in any case, exceed (i) 50% (fifty per cent) of the total cost of the Project set out in Recital (c), and (ii) 90% (ninety per cent) of the total cost of the Project set out in Recital (c) when aggregated with any EU Funds.

- (e) The Government of the Borrower has authorised the borrowing of the sum equivalent to CZK 13,000,000,000.00 (thirteen billion Czech crown) represented by this credit on the terms and conditions set out in this Contract and such authorisation is attached as Annex I.
- (f) The Borrower will make available funds made available to it under this Contract to Státní fond dopravní infrastruktury, a legal entity subordinated to the Ministry of Transport of the Czech Republic established by Czech Act No. 104/2000 Coll, on State Fund for Transport Infrastructure, as amended, having its registered office at Sokolovská 1955/278, 19000 Praha 9, Czech Republic, with the aim, *inter alia*, to finance construction and modernisation of railway infrastructure ("**Intermediary**"). The Intermediary will further make available funds made available to it by the Borrower to the Promoter.



- (g) The Promoter, the Intermediary and the Bank have executed or will execute on or about the date of this Contract a project implementation agreement (the "**Project Implementation Agreement**") for the purposes of implementing the Project, and the Borrower shall ensure that the Intermediary and the Promoter shall comply with the provisions of the Project Implementation Agreement at all times.
- (h) 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.
- (i) The Borrower acknowledges the Bank's preferred creditor status as an international financial institution.
- (j) The financing of the Project includes certain EU Funds and state subsidies or grants and the provision of such funds has been duly authorised and will be provided in compliance with all relevant EU Law.
- (k) 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.
- (l) The processing of personal data shall be carried out by the Bank in accordance with applicable EU Law 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.
- (m) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties.



**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" mean:
  - (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), its capacity and/or assets and/or the Project; and/or, as applicable
  - (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 or a treaty are references to that provision as amended, supplemented 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;
- (f) a reference to a person includes any person, natural or juridical entity, firm, company, corporation, statutory body, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and references to a "person" include its successors in title, permitted transferees and permitted assigns;
- (g) a day is a calendar day, unless otherwise specified;
- (h) including and include shall be deemed to be followed by "without limitation" where not so followed;
- (i) words and expressions in plural shall include singular and vice versa;
- (j) terms defined in the GDPR (as defined below), including the terms "controller", "data subject", "personal data", "processing", and "processor", have the same meanings when used in Recital (l) or Article 6.9 of this Contract;
- (k) references to "month" mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule B and unless provided otherwise in this Contract:
  - (i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and





- (l) a reference in this Contract to a page or screen of an information service displaying a rate shall include:
- (i) any replacement page of that information service which displays that rate; and
  - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,
- and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Bank.



## Definitions

In this Contract:

"**2023 Contract**" has the meaning given to it in Recital (d).

"**2023 Credit**" has the meaning given to it in Recital (d).

"**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.

"**AML Criminal Law Directive**" means Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, as amended, supplemented or restated.

"**AML Directives**" means the 4th and 5th AML Directives and the AML Criminal Law Directive.

"**4th and 5th AML Directives**" means 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 amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, and as further amended, supplemented or restated.

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

"**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.

"**Cancelled Tranche**" has the meaning given to it in Article 1.6.C(2).

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

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

"**Contract Number**" means 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.

"**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.

"**Debt Instrument**" has the meaning given to it in Article 7.1.

"**Deferment Fee**" means a fee calculated on the amount of an Accepted Tranche deferred or suspended at the rate of the higher of:

- (a) 0.125% (12.5 basis points), per annum; and
- (b) the percentage rate by which:
  - (i) the interest rate that would have been applicable to such Tranche 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 such rate is less than zero, in which case it shall 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 in accordance with the List of Authorised Signatories and Accounts.

**"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 to which disbursements may be made under this Contract, as 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 the other Party,

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

**"EIA"** means the Environmental Impact Assessment in the meaning of the EIA Directive.

**"EIA Directive"** means the Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, as amended, supplemented or restated.

**"Environment"** means the following:

- (a) fauna and flora, living organisms including the ecological systems;
- (b) land, soil, water (including marine and coastal waters), air, climate and the landscape (natural or man-made structures, whether above or below ground);
- (c) cultural heritage (natural, tangible and intangible);
- (d) the built environment; and
- (e) human health and wellbeing.

**"Environmental and Social Approval"** means any Authorisation required by Environmental and Social Law.

**"Environmental or Social Claim"** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental and Social Law.

**"Environmental and Social Law"** means:

- (a) EU Law, including principles and standards;
- (b) Czech 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 and/or the protection or improvement of Social Matters.

**"EU Funds"** means any and all funds from the European Union.



"**EU Funds Event**" has the meaning given to it in Article 4.3.A(5).

"**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, principles, decisions, 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.

"**Exclusion Policy**" means the European Investment Bank Exclusion Policy as published on the Bank's website.

"**Final Availability Date**" means the date falling 60 (sixty) months from the Date of Effectiveness.

"**Fixed Rate**" means an annual interest rate 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 the Czech Republic, including IFRS.

"**GDPR**" means the General Data Protection Regulation (EU) 2016/679.

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

"**Illegal Activity**" means any of the following illegal activities or activities carried out for illegal purposes according to applicable laws in any of the following areas: (i) fraud, corruption, coercion, collusion or obstruction, (ii) money laundering, financing of terrorism or tax crimes each as defined in the AML Directives, and (iii) other illegal activity against the financial interests of the European Union as defined in the PIF Directive.

"**Illegality Event**" has the meaning given to it in Article 4.3.A(4).

"**Indemnifiable Prepayment Event**" means a Prepayment Event other than the Non-EIB Financing Prepayment Event or Illegality Event.

"**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.

"**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.

**"Intermediary"** has the meaning given to it in Recital (f).

**"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;
- (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, together with evidence that such account(s) have been opened in the name of the beneficiary; and
- (d) the bank account(s) from which payments under this Contract will be made by the Borrower (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, together with evidence that such account(s) have been opened in the name of the beneficiary.

**"LMA Green Loan Principles"** means the green loan principles developed by the Loan Market Association (dated February 2023) as updated and supplemented by the LMA guidance on Green Loan Principles (dated February 2023) as further updated through LMA publications.

**"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.

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

- (a) there are, in the reasonable 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 Floating Rate Tranche:
  - (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.

**"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 to perform its obligations under this Contract;



- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower;
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank in relation with this Contract, or the rights or remedies of the Bank under this Contract; or
- (d) the ability of the Intermediary and/or the Promoter to perform their obligations under the Project Implementation Agreement.

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

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

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

**"Payment Account"** means the bank account from which payments under this Contract will be made by the Borrower, as set out in the most recent List of Authorised Signatories and Accounts.

**"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 either:
  - (i) the following Relevant Business Day, without adjustment to the interest due under Article 3.1; or
  - (ii) the preceding Relevant Business Day with adjustment (but only to the amount of interest due under Article 3.1 that accrued over the last interest period), in case repayment of principal is made in a single instalment in accordance with Schedule D point C or Article 4.1.B; and
- (b) for a Floating Rate Tranche, the following Relevant Business Day in that month, or, failing that, the nearest preceding Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

**"PIF Directive"** means Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law as amended, supplemented or restated.

**"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, as requested by the Borrower and agreed by the Bank or indicated by the Bank (as applicable) on which the Borrower shall 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, the amount communicated by the Bank to the Borrower as the present value (calculated as of the Prepayment Date) of the excess, if any, of:

- (a) the interest that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date 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 0.19% (nineteen 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).

**"Project Cost Reduction Event"** has the meaning given to it in Article 4.3.A(1).

**"Project Implementation Agreement"** has the meaning given to it in Recital (g).

**"Project Implementation Agreement Event"** has the meaning given to it in Article 4.3.A(6).

**"Promoter"** has the meaning given to it in Recital (b).

**"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.

**"Relevant Business Day"** means:

- (a) for EUR, a day on which real time gross settlement system operated by the Eurosystem (T2), or any successor system, is open for 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.

**"Relevant Person"** means, with respect to the Intermediary and the Promoter, any member of its management bodies; or any person acting for it, on its behalf or under its control, having the power to give directions and/or exercise control with respect to the Credit, the Loan or the Project.

**"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 Article 4.1.

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

**"Sanctioned Person"** means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

**"Sanctions"** means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following:

- (a) the United Nations, including, *inter alia*, the United Nations Security Council;
- (b) the European Union, including, *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies/institutions or agencies of the European Union;
- (c) the government of the United States of America, and any department, division, agency, or office thereof, including, *inter alia*, the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and



- (d) the government of the United Kingdom, and any department, division, agency, office or authority, including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

**"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.

**"Social Matters"** means all, or any of, the following:

- (a) labour and working conditions;
- (b) occupational health and safety;
- (c) rights and interests of vulnerable groups;
- (d) rights and interests of indigenous peoples;
- (e) gender equality;
- (f) public health, safety and security;
- (g) avoidance of forced evictions and alleviation of hardship arising from involuntary resettlement; and
- (h) stakeholder engagement.

**"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 in the Interest Revision/Conversion Proposal.

**"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).

**"Total Credit"** means the sum of the 2023 Credit and the Credit.

**"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.





## **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 CZK 13,000,000,000.00 (thirteen billion Czech crown) 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 20 (twenty) Tranches. The amount of each Tranche shall be in a maximum amount equivalent to CZK 1,000,000,000.00 (one billion Czech crown) or (if less) the entire undrawn balance of the Credit. The maximum amount of each Tranche may be amended depending on market conditions and with the consent of the Bank.

##### **1.2.B Disbursement Offer**

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.6.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 CZK 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, or the single Repayment Date;
- (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 to the Tranche 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 2 (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.

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

#### **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 and in line with Article 6.5(i).

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 disbursement of each Tranche shall be made in CZK, subject to availability, or if so requested in EUR.

For the calculation of the sums available to be disbursed in EUR, and to determine their equivalent in CZK, 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 and the execution of the Project Implementation Agreement by the Intermediary and the Promoter have been duly authorised and that the person or persons signing this Contract on behalf of the Borrower and the Project Implementation Agreement on behalf of the Intermediary and the Promoter, respectively, is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) at least 2 (two) originals of this Contract duly executed by all Parties;
- (c) at least 2 (two) originals of the Project Implementation Agreement duly executed by the Bank, the Intermediary and the Promoter; and
- (d) 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 and to its satisfaction 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; and
- (b) legal opinions on the legal capacity and authority of the Intermediary and the Promoter to enter into the Project Implementation Agreement, on due execution of the Project Implementation Agreement by the Intermediary and the Promoter, and on the legal, valid, binding and enforceable character of the Intermediary's and the Promoter's obligations under the Project Implementation Agreement in the form and substance satisfactory to the Bank.

#### **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 signed by an authorised representative of the Borrower and dated no earlier than the date falling 10 (ten) 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);
  - (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 or the legality, validity, binding effect or enforceability of the same; and
  - (iii) detailed information about the progress of the Project (per scheme) and spending to date (per scheme); 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 the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) 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**

- (a) 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:
  - (i) whether the Borrower would like to defer the disbursement in whole or in part and if in part, the amount to be deferred; and



- (ii) 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:
  - (1) 6 (six) months from its Scheduled Disbursement Date;
  - (2) 30 (thirty) days prior to the first Repayment Date; and
  - (3) the Final Availability Date.
- (b) 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 FEE

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

#### 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

- (a) The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.
- (b) In its written notice, the Borrower:
  - (i) must specify whether the Credit shall be cancelled in whole or in part and, if in part, the amount of the Credit to be cancelled; and
  - (ii) must not request any cancellation of an Accepted Tranche, which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of such written notice.
- (c) Upon receipt of such written notice, the Bank shall cancel the requested portion of the Credit with immediate effect.



### 1.6.B Bank's right to suspend and cancel

- (a) 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 (except upon the occurrence of a Market Disruption Event) cancelled in whole or in part:
- (i) a Prepayment Event;
  - (ii) an Event of Default;
  - (iii) an event or circumstance which would with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute a Prepayment Event or an Event of Default; or
  - (iv) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance.
- (b) On the date of such written notification from the Bank the relevant 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 of an event or circumstance which would, with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Fee calculated on the amount of such Accepted Tranche.

#### 1.6.C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche (the "**Cancelled Tranche**") is cancelled:
- (i) by the Borrower pursuant to Article 1.6.A; or
  - (ii) by the Bank upon an Indemnifiable Prepayment Event or an event or circumstance which would, with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or pursuant to Article 1.5.B,

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

- (b) Such indemnity shall be:
- (i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
  - (ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:
    - (1) the interest that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not cancelled; over
    - (2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen 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.

- (c) If the Bank cancels any Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.

#### **1.7 Cancellation after expiry of the Credit**

On the day following the Final Availability Date, unless otherwise specifically notified in writing by the Bank to the Borrower, 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 further notice from the Bank to the Borrower and without any 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:

- (a) in the currency of the Tranche concerned; and  
(b) 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 payments**

The Borrower shall pay interest, principal and other charges payable in respect of each Tranche in the currency in which such Tranche was disbursed.

Other payments, 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 any, showing the Disbursement Date, the currency, the amount disbursed, the repayment terms and the interest rate for each Tranche, not later than 10 (ten) calendar days after the Scheduled Disbursement Date for such Tranche.

### **ARTICLE 3**

#### **Interest**

#### **3.1 Rate of interest**

##### **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 be determined in accordance with Schedule B for the Floating Rate Reference Period commencing on the Disbursement Date and not 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:
  - (i) the applicable Fixed Rate plus 2% (200 basis points); or
  - (ii) the Relevant Interbank Rate (one month) plus 2% (200 basis points); and
- (c) for overdue sums other than under paragraph (a) or (b) above, the Relevant Interbank Rate (one month) 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 paragraphs (b) and (c) above, the relevant periods within the meaning of Schedule B shall be successive periods of 1 (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 1 (one) year. The Borrower hereby agrees in advance to have the unpaid interest due for a period of more than 1 (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.

Notwithstanding paragraph (c) above, if the overdue sum is in a currency for which no Relevant Interbank Rate is specified in this Contract, the relevant interbank rate, or as determined by the Bank, the relevant risk-free rate that is generally retained by the Bank for transactions



in that currency, shall apply plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

### **3.3 Market Disruption Event**

If at any time:

- (a) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche; and
- (b) until the date falling either:
  - (i) 30 (thirty) calendar days prior to the Scheduled Disbursement Date for Tranches to be disbursed in EUR; or
  - (ii) 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 Article 3.3 has come into effect.

Irrespective of the currency of disbursement accepted by the Borrower originally for the Tranche, the Bank shall notify to the Borrower the EUR equivalent to be disbursed on the Scheduled Disbursement Date. 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 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. 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 all Parties. The Spread or Fixed Rate previously accepted by the Borrower 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 fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the 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 fall not earlier than 4 (four) years and not later than 32 (thirty-two) years from the Scheduled Disbursement Date.

#### **4.1.B Single instalment**

Alternatively, the Borrower shall repay the Tranche in a single instalment on the sole Repayment Date specified in the Disbursement Offer that shall fall not earlier than 3 (three) years and not later than 18 (eighteen) 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, which shall be a Payment 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.

#### **4.2.B(3) REVISION/CONVERSION**

Prepayment of a Tranche on its Interest Revision/Conversion Date may be effected without indemnity except if the Borrower has accepted pursuant to Schedule D a Fixed Rate under an Interest Revision/Conversion Proposal.

### **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 due on the Prepayment Amount, as specified in the Prepayment Notice, and the fee under Article 4.2.D, if any.



#### 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 and cancellation

##### 4.3.A Prepayment Events

##### 4.3.A(1) PROJECT COST REDUCTION EVENT

- (a) The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, 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 the limits referred to in paragraph (c) below 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.
- (b) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.
- (c) For the purpose of this Article 4.3.A(1), "**Project Cost Reduction Event**" means that the total cost of the Project falls below the figure stated in Recital (c) so that the amount of the Total Credit exceeds:
  - (i) 50% (fifty per cent); and/or
  - (ii) when aggregated with the amount of any EU Funds made available for the Project, 90% (ninety per cent),of such total cost of the Project.

##### 4.3.A(2) NON-EIB FINANCING PREPAYMENT EVENT

- (a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and 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.
- (b) The proportion of the Credit that the Bank may cancel and 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.
- (c) 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.
- (d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:
  - (i) made with a prior written consent of the Bank;
  - (ii) made within a revolving credit facility; or
  - (iii) made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid.



- (e) For the purposes of this Article 4.3.A(2):
- (i) "**Non-EIB Financing Prepayment Event**" means any case where the Borrower voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
  - (ii) "**Non-EIB Financing**" means any financial indebtedness (save for the Loan and any other direct financial indebtedness from the Bank to the Borrower), or any other obligation for the payment or repayment of money originally made available to the Borrower for a term of more than 3 (three) years.

#### 4.3.A(3) CHANGE-OF-LAW EVENT

The Borrower shall, and shall procure that the Intermediary and the Promoter will, 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:

- (a) such Change-of-Law Event would materially impair the Borrower's ability to perform its obligations under this Contract or the Intermediary's or the Promoter's ability to perform their obligations under the Project Implementation Agreement; and
- (b) the effects of such 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 4.3.A(3), "**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 could impair the Borrower's ability to perform its obligations under this Contract or the Intermediary's or Promoter's ability to perform their obligations under the Project Implementation Agreement.

#### 4.3.A(4) ILLEGALITY EVENT

- (a) Upon becoming aware of an Illegality Event:
  - (i) the Bank shall promptly notify the Borrower; and
  - (ii) the Bank may immediately (1) suspend or cancel the undisbursed portion of the Credit, and/or (2) 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.
- (b) For the purposes of this Article 4.3.A(4), "**Illegality Event**" means that it becomes unlawful in any applicable jurisdiction, or if it becomes contrary to any Sanctions, for the Bank to:
  - (i) perform any of its obligations as contemplated in this Contract; or
  - (ii) fund or maintain the Loan.

#### 4.3.A(5) EU FUNDS EVENT

- (a) The Borrower shall, and shall procure that the Promoter will, promptly inform the Bank if it is informed, or has reasonable grounds to believe, that an EU Funds Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that an EU Funds 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:

- (i) such EU Funds Event would materially impair the Borrower's ability to perform its obligations under this Contract or the Promoter's ability to perform its obligations under the Project Implementation Agreement; and
- (ii) the effects of such EU Funds 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.

- (b) 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.
- (c) For the purposes of this Article 4.3.A(5), "**EU Funds Event**" means that:
  - (i) any financial assistance for the Project from any EU funds has been, or is intended to be suspended, cancelled or cease to be available; or
  - (ii) the Borrower has repaid or has been required to repay fully or partially any applicable EU funds for the Project.

#### 4.3.A(6) PROJECT IMPLEMENTATION AGREEMENT EVENT

- (a) The Borrower shall, and shall procure that the Intermediary and the Promoter will, promptly inform the Bank if a Project Implementation Agreement Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Project Implementation Agreement 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:
  - (i) such Project Implementation Agreement Event would materially impair the Borrower's ability to perform its obligations under this Contract, and
  - (ii) the effects of such Project Implementation Agreement 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.

- (b) 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.
- (c) For the purposes of this Article 4.3.A(6), "**Project Implementation Agreement Event**" means that:
  - (i) the Intermediary and/or the Promoter fail to comply with any obligation under the Project Implementation Agreement or the Project is not implemented in accordance with the Project Implementation Agreement;
  - (ii) any information or document given to the Bank by or on behalf of the Intermediary and/or the Promoter or any representation or statement made or deemed to be made by the Intermediary and/or the Promoter in, pursuant to or for the purposes of entering into the Project Implementation Agreement or in connection with the negotiation or the performance of the Project Implementation Agreement is or proves to have been incorrect, incomplete or misleading in any material respect; or



- (iii) it is or becomes unlawful for the Intermediary and/or the Promoter to perform any of its obligations under the Project Implementation Agreement, or the Project Implementation Agreement is not effective in accordance with its terms or is alleged by the Intermediary and/or the Promoter to be ineffective in accordance with its terms.

#### **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 Prepayment Date indicated by the Bank in its notice of demand.

#### **4.3.C Prepayment indemnity**

##### **4.3.C(1) FIXED RATE TRANCHE**

If the Borrower prepays a Fixed Rate Tranche in case of an Indemnifiable Prepayment Event, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche that is being prepaid.

##### **4.3.C(2) FLOATING RATE TRANCHE**

The Borrower may prepay the Floating Rate Tranches without the Prepayment Indemnity.

#### **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, indemnity or the Deferment Fee 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) under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days; and
- (b) 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 the Disbursement Account (for disbursements by the Bank) and the Payment Account (for payments 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, in the order set out below, in or towards:

- (a) *pro rata* to each of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) any accrued interest due but unpaid under this Contract;
- (c) any principal due but unpaid under this Contract; and
- (d) any other sum due but unpaid under this Contract.

#### **5.5.C Allocation of sums related to Tranches**

- (a) In case of:
  - (i) 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



- (ii) 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**

- (a) The Borrower shall, and shall procure that the Intermediary and the Promoter will, use all amounts borrowed by it under this Contract for the execution of the Project.
- (b) The Borrower shall, and shall procure that the Promoter will, ensure that it has available to it the other funds listed in Recital (c) and that such funds are expended, to the extent required, on the financing of the Project.

##### **6.2 Completion of Project**

The Borrower shall, and shall procure that the Promoter will, 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 (c), the Borrower shall, and shall procure that the Promoter will, 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**

- (a) The Borrower shall, and shall procure that the Promoter will, procure works, services or goods for the Project:
  - (i) in accordance with EU Law in general and in particular with the relevant European Union procurement directives, if the latter are applicable;
  - (ii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and the principles of transparency, equal treatment and non-discrimination on the basis of nationality, in case of public contracts not subject to the European Union procurement directives; or
  - (iii) in accordance with procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency in case of contracts other than public contracts not subject to the European Union procurement directives.



- (b) For cases of paragraphs (a)(i) and (a)(ii) above, the Borrower shall, and shall procure that the Promoter will, request in the tender documents or other reference documents for the procurement procedures referred to in paragraph (a) above that the bidder declares whether or not it is subject to any exclusion decision or temporary suspension pursuant to the Exclusion Policy.
- (c) If a bidder declares to the Borrower or the Promoter prior to the contract award that it is subject to any exclusion decision or temporary suspension covered by the Exclusion Policy:
  - (i) the Borrower shall procure that the Promoter will promptly inform the Borrower thereof; and
  - (ii) the Borrower shall, and shall procure that the Promoter will, engage with the Bank in good faith and shall make best efforts in order to:
    - (1) achieve an exclusion of such a bidder under applicable law so that the bidder does not participate in the Project; or, should such an exclusion not be possible,
    - (2) restructure the scope of the Project so that no proceeds of the Loan be applied towards any works or services under any contract awarded to that bidder, unless otherwise agreed with the Bank.

## 6.5 Continuing Project undertakings

The Borrower shall, and shall procure that the Intermediary and the Promoter (as applicable) will:

- (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 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 the most comprehensive relevant industry practice;
- (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 and Social Matters:**
  - (i) implement and operate the Project materially in compliance with Environmental and Social Law;
  - (ii) obtain and maintain requisite Environmental and Social Approvals for the Project; and
  - (iii) comply with any such Environmental and Social Approvals;
- (f) **Integrity:** take, within a reasonable timeframe, appropriate measures in respect of any member and/or employee of its, the Intermediary's or the Promoter's administrative or management bodies who has been convicted by a final and irrevocable court ruling of an Illegal Activity perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member and/or employee is excluded from any Borrower's, Intermediary's or Promoter's activity in relation to the Credit, Loan or the Project;





- (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 Illegal Activities 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 Illegal Activity, 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;
- (h) **Accounts:** ensure that the Promoter requests any disbursements from the Intermediary and the Intermediary requests any disbursement from the Borrower, and the Borrower makes any payments to the Intermediary and the Intermediary makes any payment to the Promoter in relation with the Project to a bank account in the name of the Intermediary and the Promoter, as applicable, held with a duly authorised financial institution in the jurisdiction where the Intermediary and the Promoter is incorporated or where the Project is undertaken by the Promoter; and
- (i) **Separate Disbursement Account:** unless the Bank is satisfied that that the Borrower can track the proceeds of the Credit in an appropriate manner in line with the LMA Green Loan Principles, maintain during the life of the Loan the Disbursement Account as a separate account, where only the amounts of the Tranches shall be credited and from which only withdrawals for the purpose of this Credit pursuant to Article 6.1 shall be made. Under no circumstances shall there be comingling of the amounts credited to such separate Disbursement Account with any other property of the Borrower or any other party.

## **B. GENERAL UNDERTAKINGS**

### **6.6 Compliance with laws**

- (a) The Borrower shall, and shall ensure that the Intermediary and the Promoter will, comply in all respects with all laws to which it, the Intermediary, the Promoter or the Project is subject, if failure so to comply would materially impair the ability of the Borrower, or respectively the Intermediary or the Promoter, to perform their obligations under this Contract or the Project Implementation Agreement.
- (b) Notwithstanding paragraph (a) above, the Borrower shall, and shall ensure that the Intermediary and the Promoter will, comply in all respects with any laws to which it, the Intermediary or the Promoter may be subject and the breach of which would constitute an Illegal Activity.

### **6.7 Change in activities**

The Borrower shall procure that no substantial change is made to the core activities and/or business of the Borrower, the Intermediary and the Promoter from that carried on at the date of this Contract.

### **6.8 Books and records**

The Borrower shall, and shall procure that the Intermediary and the Promoter will, ensure that it, the Intermediary and the Promoter 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, the Intermediary and the Promoter, respectively, including expenditures in connection with the Project, in accordance with GAAP as in effect from time to time.



## 6.9 Data Protection

- (a) When disclosing information (other than mere contact information relating to the Borrower's personnel involved in the management of this Contract ("**Contact Data**")) to the Bank in connection with this Contract, the Borrower shall redact or otherwise amend that information (as necessary) so that it does not contain any personal data, except where this Contract specifically requires, or the Bank specifically requests in writing, to disclose such information in the form of personal data.
- (b) Before disclosing any personal data (other than Contact Data) to the Bank in connection with this Contract, the Borrower shall ensure that each data subject of such personal data:
  - (i) has been informed of the disclosure to the Bank (including the categories of personal data to be disclosed); and
  - (ii) has been advised on the information contained in (or has been provided with an appropriate link to) the Bank's privacy statement in relation to its lending and investment activities as set out from time to time at <https://www.eib.org/en/privacy/lending> (or such other address as the Bank may notify to the Borrower in writing from time to time).

## 6.10 Sanctions

The Borrower shall procure that the Intermediary and the Promoter shall not, directly or indirectly:

- (a) enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with the Project; or
- (b) use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person in any manner that would result in a breach by itself and/or by the Bank of any Sanctions; or
- (c) fund all or part of any payment under this Contract out of proceeds derived from activities or businesses with a Sanctioned Person, a person in breach of the Sanctions or in any manner that would result in a breach by itself and/or by the Bank of any Sanctions.

It is acknowledged and agreed that the undertakings set out in this Article 6.10 are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

## 6.11 General Representations and Warranties

The Borrower represents and warrants to the Bank that:

- (a) it has the power to execute, deliver and perform its obligations under this Contract and all necessary action has been taken to authorise the execution, delivery and performance of the same by it;
- (b) the acceptance of the Credit and the execution of this Contract was approved by the Resolution of the Government of the Czech Republic on 6 March 2024, by Resolution No. 154, in accordance Article 35a of the Czech Act No. 218/2000 Coll., on the budgetary rules and amending other related laws, as amended;
- (c) this Contract constitutes 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 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, the Intermediary and/or the Promoter is subject;



- (ii) any agreement or other instrument binding upon it, the Intermediary and/or the Promoter which might reasonably be expected to have a material adverse effect on its, the Intermediary's and/or the Promoter's ability to perform its obligations under this Contract and/or the Project Implementation Agreement;
- (iii) any provision of its, the Intermediary's and/or the Promoter's statutes, by-laws, constitutional documents or regulatory instruments (as the case may be); and
- (iv) the applicable tendering rules;
- (e) there has been no Material Adverse Change since 4 April 2023 (i.e., the date of approval of the financing by the Bank's Management Committee);
- (f) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
- (g) 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;
- (h) it has obtained all necessary Authorisations in connection with this Contract 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;
- (i) at the date of this Contract, no Security as described in Article 7.2 exists;
- (j) 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;
- (k) 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 material Environmental or Social Claim has been commenced or is threatened against it or the Promoter;
- (l) it is in compliance with all undertakings under this Article 6;
- (m) no loss-of-rating clause or financial covenants have been concluded with any other creditor of the Borrower; and
- (n) none of the Intermediary, the Promoter and/or any Relevant Person:
  - (i) is a Sanctioned Person; or
  - (ii) is in breach of any Sanctions.

It is acknowledged and agreed that the representations set out in this paragraph (n) are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

The representations and warranties set out above are made on the date of this Contract and are, with the exception of the representation set out in paragraph (e) above, deemed repeated with reference to the facts and circumstances then existing on the date of each Disbursement Acceptance, each Disbursement Date and each Payment Date.

## **ARTICLE 7**

### **Security**

The undertakings in this Article 7 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.



### 7.1 **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.

In particular, if the Bank makes a demand under Article 10.1 or if an event or potential event of default under any unsecured and unsubordinated Debt Instrument of the Borrower or of any of its agencies or instrumentalities has occurred and is continuing, the Borrower shall not make (or authorize) any payment in respect of any other such Debt Instrument (whether regularly scheduled or otherwise) without simultaneously paying, or setting aside in a designated account for payment on the next Payment Date a sum equal to, the same proportion of the debt outstanding under this Contract as the proportion that the payment under such Debt Instrument bears to the total debt outstanding under that Debt Instrument. For this purpose, any payment of a Debt Instrument that is made out of the proceeds of the issue of another instrument, to which substantially the same persons as hold claims under the Debt Instrument have subscribed, shall be disregarded.

In this Contract, "**Debt Instrument**" means (a) an instrument, including any receipt or statement of account, evidencing or constituting an obligation to repay a loan, deposit, advance or similar extension of credit (including without limitation any extension of credit under a refinancing or rescheduling agreement), (b) an obligation evidenced by a bond, debenture or similar written evidence of indebtedness, or (c) a guarantee granted by the Borrower for an obligation of a third party; provided in each case that such obligation is: (i) governed by a system of law other than the law of the Borrower, or (ii) payable in a currency other than the currency of the Borrower's country, or (iii) payable to a person incorporated, domiciled, resident or with its head office or principal place of business outside the Borrower's country.

### 7.2 **Additional security**

Should the Borrower grant to a third party any security for the performance of any Debt Instrument or any preference or priority in respect thereof, the Borrower shall, if so required by the Bank, provide to the Bank equivalent security for the performance of its obligations under this Contract or grant to the Bank equivalent preference or priority.

### 7.3 **Clauses by inclusion**

If the Borrower concludes with any other financial creditor a financing agreement that includes a loss-of-rating clause and/or a cross-default clause and/or a *pari passu* clause, 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 execute an agreement to amend this Contract so as to provide for an equivalent provision in favour of the Bank.

## **ARTICLE 8**

### **Information and Visits**

#### 8.1 **Information concerning the Project**

- (a) The Borrower shall, and shall procure that the Promoter will:
  - (i) deliver to the Bank:
    - (1) the information in content and in form (and including a statement that the information contained in the reports is true and accurate in all material respects), and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the Parties; and



- (2) any such information or further document concerning the financing, procurement, implementation, operation and Environment or Social 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;

- (ii) 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;
- (iii) promptly inform the Bank of:
- (1) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or the Promoter, which is material, or any material Environmental or Social Claim that is to its knowledge commenced, pending or threatened against it or the Promoter with regard to environmental or other matters affecting the Project;
  - (2) any fact or event known to the Borrower or the Promoter, which may substantially prejudice or affect the conditions of execution or operation of the Project;
  - (3) any incident or accident relating to the Project which has or is likely to have a significant adverse effect on the Environment or on Social Matters;
  - (4) a genuine allegation, complaint or information with regard to Illegal Activities related to the Project;
  - (5) any self-declared exclusion by a bidder that occurs prior to the contract award and is covered by the Exclusion Policy;
  - (6) any material non-compliance by it or the Promoter with any applicable Environmental and Social Law; and
  - (7) any suspension, revocation or material modification of any Environmental and Social Approval,
- and set out the action to be taken with respect to such matters;
- (iv) provide to the Bank, if so requested:
- (1) a certificate of its insurers showing fulfilment of the requirements of Article 6.5(c); and
  - (2) 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; and
- (v) inform the Bank about the potential screening procedures or the need of an EIA and submit to the Bank the screening out decision or the EIA report and the environmental consent and confirmation of unlikelihood or absence of impact on Natura 2000 sites, as applicable, for the following schemes:
- (1) rehabilitation of the unstable section Valašská Polanka - Horní Lideč;
  - (2) deployment of GSM-R in section Pardubice - Hradec Králové - Jaroměř; and



- (3) improvement of safety of several additional level crossings to be added to the scope of the Project and not defined as on 23 February 2023,  
as soon as the information is available, but at the latest in the Project progress report following the date when the information became available and, in any event, before the commencement of the corresponding works.
- (b) The Borrower shall procure that the Intermediary and the Promoter will inform the Bank immediately of:
- (i) a genuine allegation, complaint or information with regard to any Sanctions related to the Project; and
  - (ii) any claim, action, proceeding, formal notice or investigation relating to any Sanctions concerning the Intermediary, the Promoter, or any Relevant Person.

## 8.2 Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
  - (i) each year, within 1 (one) month after the approval of the State budget a summary of it in a tabular form;
  - (ii) each year, within the same period as for paragraph (i) above, the detailed medium-term projections of the relevant agricultural sector of the State budget;
  - (iii) as soon as it is approved, any substantial modification to the documents mentioned in paragraphs (i) and (ii) relating to agricultural sector; and
  - (iv) such further information, evidence or document concerning:
    - (1) its general financial situation or such certificates of compliance with the undertakings of Article 6; and
    - (2) the compliance with the due diligence requirements of the Bank for the Borrower, the Intermediary and the Promoter, including, but not limited to "know your customer" (KYC) or similar identification and verification procedures,
 when requested and within a reasonable time; and
- (b) inform the Bank immediately of:
  - (i) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
  - (ii) any event or decision that constitutes or may result in a Prepayment Event;
  - (iii) any intention on its part to grant any Security over any of its assets in favour of a third party;
  - (iv) any intention on its or the Promoter's part to relinquish ownership of any material component of the Project;
  - (v) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract or the Intermediary and the Promoter under the Project Implementation Agreement;
  - (vi) any Event of Default having occurred or being threatened or anticipated;
  - (vii) 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, the Intermediary or the Promoter, or their controlling entities or members of the Borrower's, Intermediary's or Promoter's administrative or management bodies in connection with Illegal Activities related to the Credit, the Loan or the Project;



- (viii) any measure taken by the Borrower, the Intermediary or the Promoter pursuant to Article 6.5(f); and
- (ix) 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.

### **8.3 Visits by the Bank**

The Borrower shall, and shall procure that the Intermediary and the Promoter will, 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 EU Law:

- (a) to visit the sites, installations and works comprising the Project;
- (b) to interview representatives of the Borrower, the Intermediary and/or the Promoter and not obstruct contacts with any other person involved in or affected by the Project; and
- (c) to review the Borrower's, Intermediary's and/or Promoter'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, and shall procure that the Intermediary and the Promoter will, provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article 8.3.

The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower, the Intermediary, the Promoter and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of EU Law.

## **ARTICLE 9**

### **Charges and expenses**

#### **9.1 Taxes, duties and fees**

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.

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 or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and in the amendment, creation, management, enforcement and realisation of 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 or in connection with the negotiation or performance of this Contract is or proves to have been incorrect, incomplete or misleading in any material respect;





- (c) if, following any default of the Borrower in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan:
  - (i) the Borrower 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 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 the Borrower ceases or resolves to cease to carry on the whole or any substantial part of its activities;
- (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 assets of the Borrower or any property forming part of the Project;
- (g) if the Borrower 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, or of any other loan or financial instrument made to it from the resources of the Bank or the European Union;
- (h) 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;
- (i) if a Material Adverse Change occurs, as compared with the Borrower's condition at the date of this Contract; or
- (j) if it is or becomes unlawful for the Borrower to perform any of its obligations under this Contract or this Contract is not effective in accordance with its terms or is alleged by the Borrower 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 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 (ten) 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 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 0.19% (nineteen 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 0.19% (nineteen 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 Court of Justice of the European Union has 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 Court of Justice of the European Union is the most appropriate and convenient court to settle any Dispute between them and, accordingly, that they will not argue to the contrary.



- (c) A decision of the Court of Justice of the European Union given pursuant to this Article 11.2 shall be conclusive and binding on the Parties without restrictions or reservation. The Borrower hereby waives any immunity it may enjoy from the execution of such decision, with the exception of property, wherever situated:
- (i) serving military, national security or diplomatic purposes;
  - (ii) of the Czech National Bank;
  - (iii) that is a part of the cultural heritage of the Czech Republic or part of its archives, which is excluded from trading therein;
  - (iv) consisting of any objects of scientific, cultural or historic importance or any objects displayed at any international exhibitions, which are excluded from trading therein; or
  - (v) any other property or assets used solely for official purposes of the Czech Republic.

### 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.

### 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 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 or electronic mail.
- (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 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) in the case of any electronic mail only when such electronic mail is actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose.
- (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 as appropriate, 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 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;





The Parties have caused this Contract to be executed in 6 (six) originals in the English language.

At Prague,  
this 2nd day of APRIL 2024

Signed for and on behalf of  
CZECH REPUBLIC

At Luxembourg,  
this 10th day of April 2024

Signed for and on behalf of  
EUROPEAN INVESTMENT BANK





## Schedule A

**Project Specification and Reporting****A.1 Technical Description****A.1.1 Purpose, Location**

The Project consists of the described below schemes related to the following purposes:

- (a) upgrading, modernisation and renewal of the TEN-T rail lines;
- (b) deployment of ERTMS and improvement of cybersecurity of SŽ;
- (c) improvement of safety at level crossings.

**A.1.2 Description**

#	Title and SŽ Code	Description
<b>1</b>	<b>Upgrading, modernisation and renewal of TEN-T rail lines</b>	
1.1	Track duplication of the line Branický most - Praha-Krč - Spořilov 5113520030	Reconstruction of the existing track and track duplication on a section of approx. 6.2 km, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including comprehensive rehabilitation of the Branický bridge (929 m), culverts, retaining walls, etc.;</li> <li>- new island platform;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.2	Modernisation and completion of Masaryk railway station 5113720005	Modernisation of the station and its connection to the rail network, including: <ul style="list-style-type: none"> <li>- reconstruction of 7 existing and construction of 2 new station tracks;</li> <li>- reconstruction of 4 existing handling tracks and construction of 4 new tracks for short time stabling;</li> <li>- construction of 2 railway flyovers;</li> <li>- upgrade of the station connection to Negrelli viaduct;</li> <li>- modernisation of platforms with a total area of around 8,300 m<sup>2</sup>;</li> <li>- construction of pedestrian overpass over the station platforms;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>



#	Title and SŽ Code	Description
1.3.1	Modernisation of the Pardubice railway node 5533720002	Modernisation of the railway infrastructure over approx. 3.5 km of line (approx. 23.5 km of track and 100 turnouts), including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of 11 railway bridges, culverts, retaining walls, etc.;</li> <li>- construction of a new pedestrian bridge over the station tracks;</li> <li>- reconstruction of platforms and installation of lifts;</li> <li>- track superstructure;</li> <li>- modernisation of an existing traction substations and construction of new substations;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.3.2	Modernisation of the Pardubice railway station building 5533510005	Complete renovation of the station building of overall surface approx. 20,100 m <sup>2</sup> , with areas for SŽ, operators, public, commercial use, including: <ul style="list-style-type: none"> <li>- modification of the layout for the current and future functional needs;</li> <li>- structural renovation;</li> <li>- refurbishment of the exterior cladding and carpentry;</li> <li>- full renewal of electrical and mechanical installations.</li> </ul>
1.4	Modernisation of the line Praha-Bubny (incl.) - Praha-Výstaviště (incl.) 5113720006	Modernisation of railway infrastructure over approx. 2.57 km (1.15 km + 1.42 km), including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of 3 railway bridges, culverts, retaining walls, etc.;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms;</li> <li>- construction of a new Praha-Bubny railway station with four tracks, one island platform, two side platforms and vestibule of approx. 6,500 m<sup>2</sup>, interchange with Metro Station Praha-Bubny.</li> </ul>
1.5.1	Optimisation of the line section Čelákovice (excl.) - Mstětice (incl.) 5213520021	Reconstruction of the railway infrastructure over approx. 5.8 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the Mstětice station;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>





#	Title and SŽ Code	Description
1.5.2	Optimisation of the line section Mstětice (excl.) - Praha Vysočany (incl.) 5003520028	Reconstruction of the railway infrastructure over approx. 15.2 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the stations and stops (Praha Vysočany, Praha-Horní Počernice, Praha-Vysočany and Zeleneč), interchange with Metro Station Praha-Rajská Zahrada;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.6	Optimization of the railway section Havířov (incl.) - stop Havířov střed (excl) 5813520022	Reconstruction of the railway infrastructure over approx. 4.4 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the station Havířov;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.7	Plzeň agglomeration. Stage 5. Section Lobzy – Koterov 5323720006	Reconstruction of the railway infrastructure over approx. 3.8 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- construction of a new stop Plzeň-Slovany replacing the existing Plzeň-Koterov stop;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.8	Reconstruction of the bridge at km 18,582 of the Ústí nad Labem - Most line 5423520034	Reconstruction of a railway bridge (over a road) of approx. 32 m.
1.9	Reconstruction of the bridge at km 3,040 of the line Ústí nad Labem - Střekov - Ústí nad Labem Západ 5423520072	Reconstruction of a railway bridge (over the Bilina river and a road) of approx. 73 m.



#	Title and SŽ Code	Description
1.10	Reconstruction of the line incl. noise protection measures in part of the section Litoměřice město – Velké Žernoseky 5423520066	Reconstruction of the railway infrastructure over approx. 0.8 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms;</li> <li>- construction of noise screens;</li> <li>- reconstruction of a road overpass in Libochovany.</li> </ul>
1.11	Reconstruction of the Přebyslav - Pohled railway section 5613520011	Reconstruction of the railway infrastructure over approx. 8.9 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the stations and stops (Přebyslav, Pohled, Přebyslav zastávka and Stříbrné Hory);</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.12.1	Reconstruction of the section Vlkov u Tišnova (excl.) – Křížanov (excl.) 5623720025	Reconstruction of the railway infrastructure over approx. 10.6 km of line, including <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the stops (Osová Bitýška and Ořechov);</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- construction of a new pedestrian overpasses;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>



#	Title and SŽ Code	Description
1.12.2	Reconstruction of Vlkov u Tišnova station 5623720022	Reconstruction of the railway infrastructure over approx. 3.0 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the station Vlkov u Tišnova;</li> <li>- construction of a new stop Vlkov – Osová;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.13	Optimization of the line Karlštejn (excl.) – Beroun (excl.) 5213510015	Reconstruction of the railway infrastructure over approx. 9.9 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the stop Srbsko;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.14	Reconstruction of Brno - Královo Pole station 5623520029	Reconstruction of the railway infrastructure over approx. 15.0 km of line, including <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the stations and stops (Brno - Královo Pole and Brno-Lesná);</li> <li>- construction of a new station building at Brno Kralovo Pole of approx. 2800 m<sup>2</sup>;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- construction of new pedestrian overpasses;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>



#	Title and SŽ Code	Description
1.15	Reconstruction of Vsetín station 5723520026	Reconstruction of the railway infrastructure over approx. 4.6 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the station Vsetín,</li> <li>- construction of a new intermodal rail/bus terminal (approx. 530 m<sup>2</sup>) with a park&amp;ride for approx. 300 vehicles;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- construction of new pedestrian overpasses,</li> <li>- track superstructure,</li> <li>- electrification,</li> <li>- signalling and telecoms.</li> </ul>
1.16	Reconstruction of Prague-Smichov station 5113520020	Reconstruction of the railway infrastructure over approx. 2.1 km of line, including: <ul style="list-style-type: none"> <li>- track bed;</li> <li>- civil engineering structures, including reconstruction of railway bridges, culverts, retaining walls, etc.;</li> <li>- reconstruction of platforms at the station Praha-Smichov and construction of a new island platform, reconstruction of underpasses;</li> <li>- reconstruction or refurbishment of passenger and technical buildings;</li> <li>- construction of a new pedestrian overpass;</li> <li>- track superstructure;</li> <li>- electrification;</li> <li>- signalling and telecoms.</li> </ul>
1.17.1	Reconstruction of Prague Main station building 5113510003	Complete renovation of interiors of the building of overall surface approx. 16,600 m <sup>2</sup> , with areas for SŽ, operators, public, commercial use, including: <ul style="list-style-type: none"> <li>- restoration of interior surfaces according to their original design;</li> <li>- full renewal of electrical and mechanical installations.</li> </ul>
1.17.2	Reconstruction of Prague Main station underpasses 5113720011	Extension of an existing underpass for enabling access to the station from the eastern side of the tracks, renovation of other existing underpasses, including: <ul style="list-style-type: none"> <li>- all necessary civil and architectural works;</li> <li>- installation of a lift;</li> <li>- full renewal of electrical and mechanical installations;</li> <li>- installation of passenger information systems.</li> </ul>
1.18	Rehabilitation of the unstable section Valašská Polanka - Horní Lideč 5003520231	Rehabilitation of a section of approx. 1.3 km and elimination of landslide risk, by means of stabilising the existing embankment or reconstructing it.



#	Title and SŽ Code	Description
<b>2</b>	<b>Deployment or ERTMS and improvement of cybersecurity of SŽ</b>	
2.1	Retrofit of infrastructure maintenance vehicles with ETCS OBUs 5003520099	Retrofit of 50 vehicles MUV 75 with ETCS OBUs, including prototyping and serial retrofit.
2.2	ETCS on the section Ústí nad Orlicí – Lichkov 5533520009	Installation of ETCS over existing interlockings, approx. 26 km of single track.
2.3	ETCS on the section Praha-Uhřetěves - Praha hl. n. (excl.) 5113520040	Installation of ETCS and a partial upgrade of the existing interlockings, approx. 16 km of mostly double track.
2.4	ETCS on the section Milovice - Praha hl. n. (excl.) 5003520206	Installation of ETCS over existing interlockings, approx. 34 km of mostly double track.
2.5	ETCS on the section Pardubice (excl.) - Hradec Králové (excl.) 5003520095	Installation of ETCS over existing interlockings, approx. 23 km of mostly double track.
2.6	ETCS on the section Brno Horní Heršpice - Zastávka u Brna 5623520066	Installation of ETCS over existing interlockings, approx. 28 km of mostly double track.
2.7	ETCS on the section Votice - České Budějovice 5003520044	Installation of ETCS over existing interlockings, approx. 110 km of double track and installation of equipment enabling connection of the interlockings to Centralised Traffic Control (CTC).
2.8	ETCS on the section State border CZ/DE - Dolní Žleb - Kralupy nad Vltavou including upgrade of the railway section Děčín Východ - Děčín-Prostřední Žleb 5003520004	Installation of full new Control Command and Signalling (CCS) subsystem, including new interlockings, train detection systems, CTC and ETCS over approx. 126 km of double track.
2.9	Optimisation of the line section Děčín Východ (excl.) - Děčín-Prostřední Žleb (excl.) 5423520018	Renewal of infrastructure over 1.3 km of double track line, including renewal of a bridge (260 m) and of a tunnel (400 m).
2.10	ETCS and GSM-R on the section Hranice na Moravě - Horní Lideč – Střelná 5003720031	Installation of ETCS over existing interlockings, approx. 71 km of double track and installation of GSM-R voice and data over approx. 121 km.
2.11	GSM-R on the section Pardubice - Hradec Králové – Jaroměř 5003520094	Installation of GSM-R voice and data over approx. 45 km.



#	Title and SŽ Code	Description
2.12	Improving cybersecurity of Sprava Zeleznic 5003520160	Comprehensive cybersecurity solution for the ICT systems of SŽ in line with the requirements of Directive (EU) 2016/1148 concerning measures for a high common level of security of network and information systems across the Union, including: <ul style="list-style-type: none"> <li>- Consolidation of the collection of operational and safety logs from SŽ systems and network;</li> <li>- Introduction of data leakage prevention;</li> <li>- Implementation of a system of advanced analysis of user and end equipment activities;</li> <li>- Modernisation of network management and perimeter protection;</li> <li>- Secure identification, authentication and authorisation in SŽ;</li> <li>- Deployment of multi-factor authentication;</li> <li>- Deployment of privileged access management.</li> </ul>
<b>3</b>	<b>Improvement of safety at level crossings</b>	
3.1	Improvement of Level Crossing Safety 3273514800	This scheme includes: <ul style="list-style-type: none"> <li>- Construction of a new level crossing at km 7.914 of the section Újezdec u Luhačovic – Luhačovice;</li> <li>- Closure of approx. 30 level crossings;</li> <li>- Increase of protection level, including installation of traffic lights and barriers at approx. 220 level crossings;</li> <li>- Increase of protection level, including installation of traffic lights at approx. 30 level crossings;</li> <li>- Renewal of the equipment and barriers at approx. 5 level crossings;</li> <li>- Renewal of the passive protective warnings at approx. 20 level crossings.</li> </ul>
3.2	Replacement of level crossing P6532 in km 204,392 of the line Přerov – Olomouc 5713520013	Construction of a road overpass and closure of the existing level crossing.

All the TEN-T upgrading, modernisation and renewal schemes will meet the following specifications:

- (a) Implementation in accordance with the TEN-T Regulation requirements; in particular, the lines shall be of load category D4 (22.5 t/axle and 8 t/m), gauge GC, train speed at least 100 km/h where the alignment parameters allow it. The modernised sections shall not present any limitation to trains of up to 740 m.
- (b) The sections located on lines included the European Agreement on Main International Railway Lines of 1985 (AGC) and/or European Agreement on Important International Combined Transport Lines and Related Installations of 1991 (AGTC) will be brought into conformity with the requirements indicated for the existing lines in Annex II of AGC and/or Appendix III of AGTC, respectively.
- (c) The signalling equipment shall include interfaces with the neighbouring sections and integration in the Centralised Traffic Control central offices and be suitable for subsequent installation of ETCS.



- (d) The Overhead Contact Lines (OCL) for lines currently electrified for 3 kVdc will be prepared for transition to 25 kV 50 Hz.
- (e) The schemes shall include necessary temporary works and installations for maintaining the lines in service in a safe operating mode.

All the ETCS schemes enumerated above will consist of installation of ETCS Level 2 Baseline 3, including where necessary extension and adaptation of GSM-R for ensuring an appropriate level of redundancy in the radiocommunications, interfaces with the neighbouring sections and integration in the Centralised Traffic Control central offices, upgrade of the telecoms systems as required (including installation of Internet Protocol Multi-Protocol Label Switching (IP/MPLS) transmission equipment).

The implementation of the Project will be in conformity with the applicable technical specifications for interoperability (TSIs), in particular Regulation 2014/1299/EU (Infrastructure TSI), Regulation 2014/1301/EU (Energy TSI), Regulation 2014/1300/EU (PRM TSI), and Regulation 2016/919/EU (CCS TSI).

### **A.1.3 Calendar**

The Project, including the placing of service, shall be completed by the end of 2028.

In the event that the investment programme as described above is to be amended, and/or the promoter proposes new or replacement schemes, the framework rules of the Bank would be applied to the selection and approval process of the new schemes.



## A.2 Project information to be sent to the Bank and method of transmission

### A.2.1 **Dispatch of information: designation of the person responsible**

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

	<b>Financial Contact</b>	<b>Technical Contact</b>
Company	Ministry of Finance	Správa železnic, s.o.
Contact person		
Title		
Function / Department financial and technical	Department Director, Debt and Financial Assets Management	Deputy Director General for Economics
Address	Letenská 15, 118 01, Praha 1	Dlážděná 1003/7 110 00 Praha 1
Phone		
Email		

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being. The Borrower shall inform the EIB immediately in case of any change.

### A.2.2 **Information on specific subjects**

<b>Document / information</b>	<b>Deadline</b>
Information concerning the potential screening procedures or the need of an EIA, the screening out decision or the EIA report and the environmental consent and confirmation of unlikelihood or absence of impact on Natura 2000 sites, as applicable: <ul style="list-style-type: none"> <li>• Rehabilitation of the unstable section Valašská Polanka - Horní Lideč;</li> <li>• Deployment of GSM-R in section Pardubice - Hradec Králové – Jaroměř;</li> <li>• Improvement of safety of several additional level crossings to be added to the scope of the Project and not defined as on 23 February 2023.</li> </ul>	As soon as available, at the latest in the Project progress report following the date when the information became available and, in any event, before the commencement of the corresponding works.

### A.2.3 **Information on the Project's implementation**

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

<b>Document / information</b>	<b>Deadline</b>	<b>Frequency of reporting</b>
Project Progress Report <ul style="list-style-type: none"> <li>- <i>A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope;</i></li> <li>- <i>Update on the date of completion of each of the main Project's components, explaining reasons for any possible delay;</i></li> <li>- <i>Update on the cost of the Project, including spending to date explaining reasons for any possible cost variations vs. initial budgeted cost;</i></li> <li>- <i>A description of any major issue with impact on the environment and/or social impact;</i></li> <li>- <i>List of level crossings included in the Project and their category before and after the Project;</i></li> </ul>	31 March	Annual





<ul style="list-style-type: none"> <li>- Update on the Project's demand or usage and comments;</li> <li>- Any significant issue that has occurred and any significant risk that may affect the Project's operation;</li> <li>- Any legal action concerning the Project that may be on-going;</li> <li>- Non-confidential Project-related pictures, if available.</li> </ul> <p>The Project progress report shall be delivered in the format of the reporting template agreed with the Bank for the project progress report under 2023 Contract.</p>		
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#### A.2.4 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
<p>Project Completion Report, including:</p> <ul style="list-style-type: none"> <li>- A final Technical Description of the Project as completed, explaining the reasons for any significant change compared to the Technical Description in Schedule A.1;</li> <li>- The date of completion of each of the main Project's components, explaining reasons for any possible delay;</li> <li>- The final cost of the Project, explaining reasons for any possible cost variations vs. initial budgeted cost;</li> <li>- Breakdown of Project costs by NUTS2 region;</li> <li>- Employment effects of the Project: person-days required during implementation as well as permanent new jobs created;</li> <li>- A description of any major issue with impact on the environment or social impacts;</li> <li>- Update on procurement procedures;</li> <li>- Update on the Project's demand or usage and comments;</li> <li>- Any significant issue that has occurred and any significant risk that may affect the Project's operation;</li> <li>- Any legal action concerning the Project that may be on going;</li> <li>- Non-confidential Project-related pictures, if available;</li> <li>- An update on the following Monitoring Indicators: <ul style="list-style-type: none"> <li>o Number of passengers and passenger x km (if possible, split by gender) for all of railway lines of SŽ, and for major sections modernised under this Project;</li> <li>o Number of tonnes and tonne x km transported for all of railway lines of SŽ, and for major sections modernised under this Project;</li> <li>o Number of track x km modernised under this Project;</li> <li>o Number of km of railway lines equipped with ETCS and with GSM-R;</li> <li>o List of level crossings included in the Project and their category before and after the Project.</li> </ul> </li> </ul>	<p>15 months after Project completion</p>
<p><b>Language of reports</b></p>	<p>English</p>



## Schedule B

Definitions of Relevant Interbank Rates

## A. EURIBOR

"EURIBOR" means:

- (a) in respect of a relevant period of less than 1 (one) month, the Screen Rate (as defined below) for a term of 1 (one) month;
- (b) in respect of a relevant period of 1 (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 1 (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 (a) to (c) above:

- (i) "**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), or any successor to that function of EMMI, as determined by the Bank; and
- (ii) "**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11:00 a.m., 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 offices of 4 (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 11:00 a.m., 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 no sufficient 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 11:00 a.m., 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. The Bank shall inform the Borrower without delay of the quotations received by the Bank.

All percentages resulting from any calculations referred to in this Section A of this Schedule B will be rounded, if necessary, to the nearest one thousandth of a percentage point, with halves being rounded up.

If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI (or any successor to that function of EMMI as determined by the Bank) in respect of EURIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

If the Screen Rate becomes permanently unavailable, the EURIBOR replacement rate will be the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk-free rates established by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission, or (ii) the European Money Market Institute, as the administrator of EURIBOR, or (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute,



as the administrator of the EURIBOR, or (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (v) the European Central Bank.

If the Screen Rate becomes permanently unavailable and no EURIBOR replacement rate is formally recommended 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, in respect of CZK:

- (a) in respect of a relevant period of less than 1 (one) month, the Screen Rate (as defined below) for a term of 1 (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 1 (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, "**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 11:00 a.m., Prague time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (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 4 (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 11:00 a.m., 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 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 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.

For the purposes of the foregoing definitions:

- (i) "**Prague Business Day**" means a day on which banks are open for normal business in Prague.
- (ii) All percentages resulting from any calculations referred to in this Section B of this Schedule B will be rounded, if necessary, to the nearest one hundredth of a percentage point, with halves being rounded up.



- (iii) The Bank shall inform the Borrower without delay of the quotations received by the Bank.
- (iv) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of Czech Financial Benchmark Facility (CFBF) (or any successor to that function as determined by the Bank), the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.





**IMPORTANT NOTICE TO THE BORROWER:**

**BY SIGNING BELOW 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 (AS DISBURSEMENT ACCOUNT) RECEIVED BY THE BANK, THE ABOVE DISBURSEMENT OFFER SHALL BE DEEMED AS NOT HAVING BEEN MADE.**

Disbursement Account (as defined in the Finance Contract) to be credited<sup>1</sup>:

Disbursement Account N°: .....

Disbursement 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) (as defined in the Finance Contract):

.....

Signature(s) of the Borrower's Authorised Signatory(ies) (as defined in the Finance Contract):

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<sup>1</sup> The details concerning banking intermediary are also to be provided if such intermediary has to be used to make the transfer to the Beneficiary's Account.

**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. Partial or no Interest Revision/Conversion**

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



## Schedule E

**Certificates to be provided by the Borrower**Form of Certificate from the Borrower (Article 1.4.C)

To: European Investment Bank  
 From: Czech Republic  
 Date:  
 Subject: Certificate for the Finance Contract between European Investment Bank and Czech Republic, acting through the Ministry of Finance dated [●] (the "**Finance Contract**")  
 Project name: CZECH RAIL TEN-T AND SAFETY B  
 Contract Number: 96.456                      Operation Number: 2022-0811

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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 Security or priority or preference of the type referred to under Article 7.2 has been created or is in existence;
- (b) 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;
- (c) no event or circumstance which constitutes or would with the passage of time or the giving of notice or the making of any determination under the Finance Contract (or any combination thereof) constitute a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
- (d) 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;
- (e) the representations and warranties to be made or repeated by us under Article 6.11 are true in all respects;
- (f) no Material Adverse Change has occurred, as compared with the situation at the date of the Finance Contract; and
- (g) the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower is up-to-date and the Bank may rely on the information set out therein.

We undertake to immediately notify the Bank if any the above fails to be true or correct as of the Disbursement Date for the proposed Tranche.

Yours faithfully,

For and on behalf of the Czech Republic

Date:





**Annex I**

**Resolution of Borrower and authorisation of signatory**



## USNESENÍ VLÁDY ČESKÉ REPUBLIKY

ze dne 6. března 2024 č. 154

### o úvěrovém financování na rozvoj dopravní infrastruktury v České republice z prostředků Evropské investiční banky a zajištění dluhového financování rozpočtu Státního fondu dopravní infrastruktury pro rok 2024

#### Vláda

**I. bere na vědomí** informaci o úvěrovém financování na rozvoj dopravní infrastruktury v České republice z prostředků Evropské investiční banky a zajištění dluhového financování rozpočtu Státního fondu dopravní infrastruktury pro rok 2024 obsaženou v části III materiálu čj. 166/24;

#### II. souhlasí

- s přijetím úvěru Ministerstvem financí za Českou republiku od Evropské investiční banky na spolufinancování výdajů vynaložených na rozvoj dopravní infrastruktury v České republice v celkové výši až 24,75 mld. Kč,
- s poskytnutím úvěru Státnímu fondu dopravní infrastruktury Ministerstvem financí z peněžních prostředků získaných přijetím úvěru podle bodu II/1 tohoto usnesení nebo jiným způsobem v celkové výši až 18 mld. Kč,
- s přijetím úvěru Státním fondem dopravní infrastruktury ve výši až 18 mld. Kč na financování investičních akcí, které jsou v souladu s rozpočtem Státního fondu dopravní infrastruktury a v souladu s účelem Státního fondu dopravní infrastruktury podle § 2 odst. 1 zákona č. 104/2000 Sb., o Státním fondu dopravní infrastruktury, ve znění pozdějších předpisů;

#### III. ukládá

- ministru financí
  - sjednat a uzavřít příslušné smlouvy o úvěru za účelem možnosti přijetí jednotlivých tranší peněžních prostředků od Evropské investiční banky na spolufinancování výdajů vynaložených na modernizaci železničních tratí se zaměřením na tratě TEN-T a zvyšování bezpečnosti na tratích,
  - sjednat a uzavřít se Státním fondem dopravní infrastruktury smlouvu o úvěru za účelem poskytnutí peněžních prostředků za obdobných podmínek, za kterých Ministerstvo financí tyto peněžní prostředky získá, a v souladu s bodem II/3 tohoto usnesení,
  - v případě, že bude ve vyjednávání konkrétní tranše příslušného úvěru dosaženo takových podmínek, které budou v porovnání s jinými formami financování rozvoje dopravní infrastruktury v České republice nejvýhodnější, požádat Evropskou investiční banku o přijetí peněžních prostředků prostřednictvím této konkrétní tranše v rámci uzavřené smlouvy o úvěru až do celkové výše 24,75 mld. Kč,

2. ministru dopravy zajistit ve spolupráci se Státním fondem dopravní infrastruktury řádné využití přijatých peněžních prostředků dluhového financování na investice do dopravní infrastruktury a spolupracovat s Ministerstvem financí a Evropskou investiční bankou při poskytování informací o vynaložených peněžních prostředcích krytých úvěrem.

**Provedou:**

ministr financí,  
ministr dopravy

prof. PhDr. Petr Fiala, Ph.D., LL.M.  
předseda vlády  
podepsáno elektronicky