

RECOGNIZED DEALER AGREEMENT FOR CZECH GOVERNMENT SECURITIES

THIS AGREEMENT is made on 19th December 2024 for the purpose of fulfilling the function of the Recognized Dealer (herein subsequently referred to as the "Agreement")

BY AND BETWEEN

(1) **THE CZECH REPUBLIC acting through the Ministry of Finance,**

with its seat at Letenská 525/15, 118 10 Praha 1, Identification Number: 00006947, Tax Identification Number: CZ00006947,

represented by



(hereinafter referred to as the "Ministry of Finance")

and

(2) **Goldman Sachs Bank Europe SE,**

with its seat at Marienurm, Taunusanlage 9-10, 60329 Frankfurt am Main, Germany, Identification Number: HRB 114190 Tax Identification Number: DE 112006422,

represented by



(hereinafter referred to as the "Recognized Dealer")

WHEREAS**(A)**

- 1) Based on the statutory regulations valid in the Czech Republic, the Czech Republic acting through the Ministry of Finance issues Czech Government Securities.
- 2) It is in the best interest of the Czech Republic that the primary market placing of the Czech Government Securities is diversely and adequately dispersed among end-investors, that its bonds are traded on secondary markets characterised by high liquidity and transparency and that the status of the Czech sovereign debt is maintained at the highest level of quality in the primary and secondary market.
- 3) With a view to support issuance, purchase, trading and promotion of Czech Government Securities and of its debt and cash management it is desirable that the Ministry of Finance has appointed certain institutions to become Recognized Dealers in Czech Government Securities.

(B)

- 1) The institution mentioned above as the party to this Agreement has been assigned the status of Recognized Dealer in Czech Government Securities with a view to enhancing the placing of Czech Government Securities, to ensuring their liquidity on the secondary market, and to promoting the Czech sovereign debt on the international market and across investor community.

THE PARTIES HAVE AGREED AS FOLLOWS**1. THE SCOPE OF THE AGREEMENT AND DEFINITIONS**

The scope of the Agreement is to regulate the relationship between the Ministry of Finance and the Recognized Dealer regarding trading and promotion of Czech Government Securities and Ministry of Finance's debt and cash management process.

The Agreement determines the principles governing the activities of the Recognized Dealer and the Ministry of Finance and it sets in particular:

- 1) Privileges and obligations of the Recognized Dealers,
- 2) Privileges and obligations of the Ministry of Finance,
- 3) Selection criteria for the Recognized Dealers,

The following terms in this Agreement shall mean:

“Auction”: A public offering of Czech Government Securities executed in compliance with the Auction Rules.

“Auction Rules”: *Rules for the Primary Sale of Government Securities Organized by the Czech National Bank*, which came into effect on 28 June 2022 as amended or replaced from time to time by the Ministry of Finance in consent with the Primary Dealer Group and the Czech National Bank, as published on the website of the Czech National Bank and the Ministry of Finance.

“Buy-Backs”: Transactions in which the Ministry of Finance repurchases a particular Czech Government Bond in the secondary market for cash by way of a buy-back auction or a fixed-price repurchase tender offer.

“Competitive Part”: The Auction part in which Primary Dealers, Recognized Dealers and the Ministry of Finance may submit bids at competitive prices in compliance with the Auction Rules.

“Crisis Act”: The Act No. 240/2000 Coll., on Crisis Management and on the Amendment of Certain Acts (Crisis Act).

“Czech Government Bonds”: Securities issued by the Czech Republic acting through the Ministry of Finance on the domestic or foreign market with the original maturity longer than 1 year.

“Czech Government Securities”: All of the Czech Government Bonds and all of the short term government securities with the original maturity shorter than 1 year, which are in particular Treasury Bills, issued by the Czech Republic acting through the Ministry of Finance.

“Designated Electronic Trading System” or “DETS”, as the case may be: The electronic trading platform or the electronic trading platforms designated by the Ministry of Finance for trading of Czech Government Bonds.

“EMTN”: The Czech Republic’s Euro Medium Term Note Programme originally established on 23 May 2008, as amended, replaced, or supplemented from time to time, or newly established.

“Exchanges”: Transactions in which the Ministry of Finance offers to exchange one or multiple different Czech Government Securities (generally repurchased at a fixed price) in a predetermined hedge ratio for another one or multiple different Czech Government Securities (issued or sold) in the secondary market by a way of a switch auction or a fixed-price tender offer.

“Government Asset Funds”: Portfolio assets actively managed and invested by the Debt and Financial Assets Management Department of the Ministry of Finance.

“Lending Facility”: Transactions in which the Ministry of Finance provides lending of Czech Government Securities and the borrower provides the Ministry of Finance with collateral in the form of cash or securities.

“Non-competitive Part”: The Auction part in which each Primary Dealer, the Ministry of Finance and, in the case of Czech Government Securities denominated in euro, Recognized Dealers may submit bids at an average price of the Competitive Part in compliance with this Agreement and the Auction Rules.

“Primary Dealer Group” or “Primary Dealers”, as the case may be: A group of institutions that have entered into a Primary Dealer Agreement for Czech Government Securities with the Czech Republic.

“Private Placements”: Transactions in the form of non-public offering of Czech Government Securities directly to a limited number of pre-selected investors and institutions.

“Recognized Dealer Group” or “Recognized Dealers”, as the case may be: A group of institutions that have entered into a Recognized Dealer Agreement for Czech Government Securities with the Czech Republic, including institutions that have been recognized by the Ministry of Finance on the basis of specifically set conditions as dealers exclusively in Czech Government Securities denominated in euro.

“Repurchase Agreement”: Transactions in the form of collateralised loans, including a contractual arrangement between the Ministry of Finance and another counterparty, whereby one agrees to sell a security at a specified price with a commitment to buy the security back at a later date for another specified price.

“Secondary Market Trading”: Any intra-dealer or customer trading of Czech Government Bonds by the Primary Dealers and/or Recognized Dealers, except for the intra-dealer trading on the DETSs.

“Tap Issuances”: Transactions in which the Ministry of Finance sells a particular Czech Government Security in the secondary market for cash by way of an auction or a fixed-price tender offer.

“Trading Day”: A day on which contracts can be executed on the DETSs as defined by the relevant DETS.

2. THE OBLIGATIONS OF RECOGNIZED DEALER

- 2.1 The Recognized Dealer is obliged to be system participant and act as an active market participant at least on one of the chosen DETS, act in accordance with its market rules and financial market regulations, and to contribute on a best efforts basis to the liquidity of the Secondary Market Trading of the Czech Government Bonds.
- 2.2 The Recognized Dealer is obliged to actively assist the Ministry of Finance in the Buy-Backs or Exchanges in line with the request of the Ministry of Finance sent to the Recognized Dealer, especially by providing price guidance and information on the offered terms of the Buy-Backs or Exchanges to the bond holders.
- 2.3 The Recognized Dealer is obliged to display a good code of conduct in the clearing and settlement of the trades with Czech Government Securities as well as in other operations concluded with the Ministry of Finance, with a view to minimising failed transactions.
- 2.4 The Recognized Dealer is obliged to observe and follow all of the applicable laws, statutes and regulations imposing any and all of the selling restrictions for sale of the Czech Government Securities in any country where they are placed or sold by the Recognized Dealer.
- 2.5 The Recognized Dealer is not allowed to negatively comment on activities of the Ministry of Finance based on unsubstantiated information or speculation. The Recognized Dealer is also obliged to actively promote the Czech Government Securities market and market transactions of the Ministry of Finance by adequate analysis, research and publications.
- 2.6 It should be understood by all Recognized Dealers recognised by the Ministry of Finance, that they act and participate in the market at their own risk and that the Ministry of Finance shall not be responsible in any manner for the decisions of any participant in the market and in particular for any losses, direct or indirect, arising in relation to any transaction entered into by such participants.
- 2.7 The Recognized Dealer shall treat all nonpublic information received from the Ministry of Finance and in particular information relating to transactions and outstanding positions confidentially. The Recognized Dealer shall not share this confidential information with any third party unless required to do so by applicable law, a court order or by this code.

3. THE PRIVILEGES OF RECOGNIZED DEALER

- 3.1 The Recognized Dealer has the exclusive right to carry and use the title of "*Recognized Dealer in Czech Government Securities*".
- 3.2 The Recognized Dealer has the right to participate in the Competitive Part of Auctions of Czech Government Bonds organized by the Czech National Bank on behalf of the Ministry of Finance and submit bids of investors.
- 3.3 The Recognized Dealer has the right to participate in the Non-competitive Parts for Czech Government Securities denominated in EUR in accordance with the rules defined in the Auction Rules.
- 3.4 The Recognized Dealer has the right to submit offers for private placement transactions as set out by the Ministry of Finance as stipulated in the "*Terms for Ministry of Finance Private Placements*" as defined in the Annex III of the Agreement.
- 3.5 The Recognized Dealer or an applicant to become a new member of the Recognized Dealer Group has the right to participate in Tap Issuances, Buy-Backs or Exchanges as stipulated in the "*Terms for Ministry of Finance Tap Issuance, Buy-Backs and Exchanges*" as defined in the Annex I of the Agreement.

- 3.6 The Recognized Dealer with whom the Ministry of Finance may enter into a Global Master Repurchase Agreement¹, Global Master Securities Lending Agreement² or Master Agreement for Financial Transactions concluded only in Czech language as *Rámcová smlouva o obchodování na finančním trhu*³ has the right to participate in Lending Facilities, repurchase transactions, Buy-Backs, Tap Issuance or Exchanges and be counterparty in transactions with the Government Asset Funds.
- 3.7 The Recognized Dealer with whom the Ministry of Finance may enter into an ISDA Master Agreement⁴ or Master Agreement for Financial Transactions concluded only in Czech language as *Rámcová smlouva o obchodování na finančním trhu* has the right to be asked for price indication in transactions with financial derivatives including FX transactions in the event that the Ministry of Finance would conduct derivative transactions. All derivative transactions will be documented under an ISDA Master Agreement or Master Agreement for Financial Transactions concluded only in Czech language as *Rámcová smlouva o obchodování na finančním trhu* with the Ministry of Finance.
- 3.8 The Recognized Dealer has the right to use the Lending Facilities set up by the Ministry of Finance as stipulated in the “*Terms for Ministry of Finance Lending Facilities*” as defined in the Annex II of the Agreement with a purpose to improve market efficiency.
- 3.9 The Recognized Dealer is the preferred party along with Primary Dealers for concluding other financial transactions defined by the Ministry of Finance.
- 3.10 The Recognized Dealer has the right to advise and discuss with Debt and Financial Assets Management Department of the Ministry of Finance estimates of the Czech Republic borrowing needs and issuance planning, introduction of new financial instruments, selection of issuing and Buy-Backs or Exchanges methods, operating rules, choice of markets for primary market transactions and developments in government debt markets and issuance activities.

4. SELECTION OF THE RECOGNIZED DEALER GROUP

- 4.1 An applicant to become a member of the Recognized Dealer Group shall submit a written application.
- 4.2 The Ministry of Finance selects members of Recognized Dealer Group for annual periods, starting 1 January and ending 31 December. All periods shall be annual periods. The selection is notified to Recognized Dealers on 30 November each year at the latest. The Ministry of Finance reserves the right to define the number of members of the Recognized Dealer Group as well as the proportion between resident and non-resident members of Recognized Dealer Group.
- 4.3 Only the following entities may become members of the Recognized Dealer Group:
- a) a bank with a banking licence granted pursuant to Article 4 of Act No. 21/1992 Coll., Banking Act, as amended (hereinafter referred to as the “Banking Act”), which on the basis of this licence is authorised to provide investment services pursuant to Article 4 (2) a) to c) and e) of Act No. 256/2004 Coll., Capital Market Act (hereinafter referred to as the “Capital Market Act”),

¹ According to International Capital Market Association and Securities Industry and Financial Markets Association standard.

² According to International Securities Lending Association standard.

³ According to Czech Banking Association standard.

⁴ According to International Swaps and Derivatives Association, Inc. standard.

- b) a branch of foreign bank with a banking licence granted pursuant to Article 5 of the Banking Act, which on the basis of this licence is authorised to provide investment services pursuant to Article 4 (2) a) to c) and e) of the Capital Market Act,
 - c) a foreign entity having its registered office in another member state of the European Union, which on the basis of the single licence pursuant to Article 5c et seq. of the Banking Act is authorised to perform activities pursuant to Article 5d d) and g) of item 4 of the Banking Act on the territory of the Czech Republic,
 - d) a securities dealer pursuant to Article 5 of the Capital Market Act which is authorised to provide investment services pursuant to Article 4 (2) a) to c) and e) of the Capital Market Act,
 - e) a foreign entity providing in accordance with Article 28 of the Capital Market Act investment services pursuant to Article 4 (2) a) to c) and e) of the Capital Market Act through its branch,
 - f) a foreign entity having its registered office in another member state of the European Union, which is authorised on the basis of the single licence pursuant to Articles 24 and 25 of the Capital Market Act to provide investment services pursuant to Article 4 (2) a) to c) and e) of the Capital Market Act on the territory of the Czech Republic,
 - g) a foreign entity having its registered office in another member state of the European Union, which is a bank, bank's branch, securities dealer or securities dealer's branch, and which is authorised to provide investment services pursuant to Article 4 (2) a) to c) and e) of the Capital Market Act on the territory of a member state of the European Union,
 - h) an entity authorised by the United Kingdom Prudential Regulation Authority and regulated by the United Kingdom Financial Conduct Authority and the Prudential Regulation Authority (or any successor bodies) to perform regulated activities including at least: (i) dealing in investments as principal; (ii) dealing in investments as agent; (iii) arranging (bringing about) deals in investments; and (iv) advising on investments.
- 4.4 An applicant to become a member of the Recognized Dealer Group is required to fulfil the following criteria at the time of submitting the application:
- a) To be a member of a group where entities act as primary or recognized dealer (or to have a similar function) for at least three other European Union member states at the same time (applicable to non-resident institutions),
 - b) to have high level of management and depth and experience, dealing capability as well as proven geographic and institutional distribution capacity,
 - c) to prove a record of support of the Czech Government Securities market and promotion of the Czech Government Securities by adequate analysis, research and publications,
 - d) in the opinion of the Ministry of Finance, shall maintain sufficient resources in terms of human resources, financial situation and such organization of its syndicate desk, trading and sales forces to support efficient primary and secondary market of Czech Government Securities,
 - e) in the opinion of the Ministry of Finance, shall maintain the highest standards in financial business practice, consistent with the Ministry of Finance's objective of achieving orderly, efficient and liquid Czech Government Securities market.
- 4.5 The Recognized Dealers are selected by the Ministry of Finance from the present Recognized Dealer Group and from other institutions the Ministry of Finance might decide to consider. The selection will be based the criteria stipulated in this section and other criteria the Ministry of Finance might consider relevant.
- 4.6 The Ministry of Finance is also entitled to replace any of the existing Recognized Dealers who might resign in accordance with Section 7 herein during the time of validity of the Agreement by a new member of the Recognized Dealer Group selected based on criteria set in this section.

5. NOTICES

Each communication to be made hereunder shall, unless stated otherwise, be made in writing by letter, telefax or e-mail to the addresses and telefax number(s) as defined below.

The Czech Republic – Ministry of Finance:

Ministry of Finance
Debt and Financial Assets Management Department
Letenská 525/15, 118 10 Praha 1



Recognized Dealer:

Goldman Sachs Bank Europe SE,
Marienurm, Taunusanlage 9-10,
60329 Frankfurt am Main, Germany



6. GOVERNING LAW AND JURISDICTION

- 6.1 The Agreement shall be governed by and construed in accordance with the Czech law. This rule applies to all and every dispute that may arise out of the Agreement and of the relation established by the Agreement.
- 6.2 If any dispute may arise between the parties hereto in connection with the Agreement, the parties will seek an agreement to resolve it between themselves first. In a case that the agreement to resolve such dispute cannot be reached, the parties hereby submit to the jurisdiction of the courts of the Czech Republic. The parties agree that the competent court to have exclusive jurisdiction to settle any such dispute shall be The Municipal Court in Prague.

7. ENTRY INTO FORCE AND TERMINATION OF THE AGREEMENT

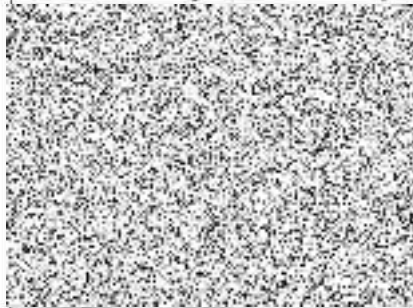
- 7.1 The Agreement is valid and enters into force either on the date of its execution or on 1 January 2025, whichever is the later, and expires on 31 December 2025.
- 7.2 The validity and the effectiveness of the Agreement may be unilaterally and repeatedly extended by the Ministry of Finance for periods of one year, until 31 December of the following calendar year, based on the written notice from the Ministry of Finance sent to the Recognized Dealer by no later than 31 December of respective year.
- 7.3 The Recognized Dealer may terminate the Agreement by giving not less than 90-day written notice sent by registered letter to the Ministry of Finance. The 90-day notice period begins on the first day of the calendar month following the day of delivery of the notice.
- 7.4 The Ministry of Finance may terminate the Agreement at any time by giving a not less than 30 days written notice of termination to the Recognized Dealer. The 30-day notice period begins on the calendar day following the day of the delivery of the notice.

- 7.5 The Agreement has been executed in four counterparts, two in Czech and two in English language. Each of the counterparties of the Agreement shall receive two counterparts, one in Czech and one in English language. Each of the executed counterparts shall be deemed an original. In case of any discrepancy or inconsistency between the Czech and English language version, the English version shall prevail.
- 7.6 The Annexes attached hereto form an unseparable part of the Agreement. The Agreement has following Annexes:
- a) Annex I: Terms for Ministry of Finance Tap Issuances, Buy-Backs and Exchanges
 - b) Annex II: Terms for Ministry of Finance Lending Facilities
 - c) Annex III: Terms for Ministry of Finance Private Placements
 - d) Annex IV: Contact List
- 7.7 Changes and amendments to the Annexes I-III to this Agreement are subject to agreement between the Ministry of Finance and the Recognized Dealer and do not require that this Agreement is amended by written amendment. Changes and amendments to Annex IV to the Agreement are made by written notice to the other counterparty.

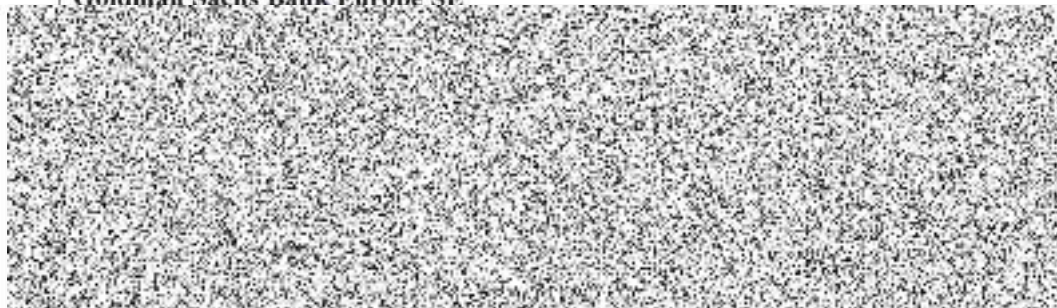
IN WITNESS whereof this Agreement has been concluded on the date stated at beginning.

SIGNATURES

The Czech Republic – Ministry of Finance



Goldman Sachs Bank Europe SE



Annex I: Terms for Ministry of Finance Tap Issuances, Buy-Backs and Exchanges

- 1 The Ministry of Finance may consider Tap Issuances, Buy-Backs and Exchanges via direct participation on the secondary market via DETS as long as the technical solution of DETS allows for such transactions or via another suitable platform (e.g. Refinitiv FX Trading or Bloomberg Terminal) or via e-mail. Execution of these transactions via DETS is a preferred solution. These transactions are executed both to manage the refinancing risk and to support liquidity and efficiency of the secondary market. As an example, in cases where a bond is extraordinarily squeezed, a special reopening is an extremely powerful tool that can be utilized to restore normal trading conditions and support secondary market liquidity.
- 2 The Ministry of Finance may execute Tap Issuances, Buy-Backs or Exchanges any Trading Day 10:00 a. m. – 12:00 p. m. and 2:00 p. m. – 4:00 p. m. (CET) on Trading Days when there is no Auction executed. If the Ministry of Finance decides to execute these transactions on other Trading Days or during different hours, it is obliged to inform Recognized Dealers about its intention to execute such transactions no later than at 4:00 p. m. (CET) on Trading Day one day before such transactions are intended to be executed.
- 3 The Ministry of Finance may execute transactions of a particular Czech Government Securities pursuant to Article 2 of this Annex usually during a week when an Auction of the respective Czech Government Bonds is not executed.
- 4 The Ministry of Finance may consider Tap Issuances and Exchanges only with respect to Czech Government Bonds that it holds in its own asset account. Furthermore, the Ministry of Finance is obliged to make holdings of its asset account public on its web site.
- 5 The Ministry of Finance reserves the right to cancel the Tap Issuances, Buy-Backs or Exchanges within 15 minutes after the execution of transaction on DETS or another suitable platform in the event of evident mistake, where the transaction does not match with the declared intention of the Ministry of Finance, or is considered as inadequate.
- 6 Recognized Dealers are not allowed to submit bids or offers in relation to Tap Issuances, Buy-Backs or Exchanges directly to the Ministry of Finance unless they are asked to do so by the Ministry of Finance.
- 7 The Ministry of Finance is not obliged to ask Recognized Dealers to submit any bids or offers in relation to Tap Issuances, Buy-Backs or Exchanges. The decision to ask Recognized Dealers to submit any bids or offers in relation to Tap Issuances, Buy-Backs or Exchanges is solely upon the Ministry of Finance.
- 8 Recognized dealers may submit a maximum of three bids or offers per issuance that is included in the Tap Issuances, Buy-Backs or Exchanges.
- 9 The Ministry of Finance reserves the right to change the terms for Tap Issuances, Buy-Backs, or Exchanges flexibly if an exceptional and unforeseen event occurs, especially when the Crisis Act is applied.

Annex II: Terms for Ministry of Finance Lending Facilities

- 1 The Ministry of Finance may execute Lending Facilities via Refinitiv FX Trading, Bloomberg Terminal, e-mail or DETSs as long as the technical solution of DETS allows for such transactions.
- 2 The Lending Facility applies to the Czech Government Bonds. The Ministry of Finance may also provide short-term government bonds if it holds them on its own asset account or investment portfolio.
- 3 The Lending Facility is available to Recognized Dealers in Czech Government Securities, who comply with the obligation referred to in Article 3.5.
- 4 In normal market conditions the maximum face amount lending in Czech Government Bond per transaction is CZK 1.5 billion. However, this limit may be raised in the event of abnormal price formation on the Czech Government Bond market, if significant difference between supply and demand of the particular Czech Government Bond persists or if an exceptional and unforeseen event occurs, especially when the Crisis Act is applied.
- 5 The Lending Facility is available as repo transactions and as loans of securities. Recognized Dealers borrow the Czech Government Bonds and the Ministry of Finance borrows CZK liquidity, Czech Government Bonds, Treasury Bills or Czech National Bank Bills in exchange. The Ministry of Finance has reserved the right to not apply collateral in loans of securities in the event of overall shortage of the Czech Government Bonds on the market. The rate at which the Ministry of Finance borrows liquidity and lends Czech Government bonds shall be subject to agreement between a particular Recognized Dealer and the Ministry of Finance and shall be lower than rate of reverse repo transactions in the same maturity and amount executed by the Ministry of Finance with the same or another Recognized Dealer at the same moment. The fee at which the Ministry of Finance lends Czech Government Bonds shall be subject to agreement between a particular Recognized Dealer and the Ministry of Finance.
- 6 The Czech Government Bonds may be borrowed for a period up to 90 days, the demand for lending facility mainly arises from the Recognized Dealer's side
- 7 Transactions may be made on Prague Trading Days between 8:00 a. m. and 4:00 p. m. (CET) usually with agreed settlement one or two trading days later.
- 8 The Ministry of Finance has reserved the right to make discretionary allocations if deemed appropriate.
- 9 Usually no haircut is applied to the Ministry of Finance's Lending Facilities.
- 10 Settlement takes place as agreed between the particular member of the Recognized Dealer Group and the transactions are settled through the CDCP, Clearstream/Euroclear or another central depository of which the Ministry of Finance is member.
- 11 If the Recognized Dealer fails in delivery of a Government Bond borrowed within the Lending Facilities, the Ministry of Finance reserves the right for the cost compensation.
- 12 In case the Ministry of Finance does not possess Czech Government Bonds required by the Recognized Dealer to borrow, the Lending Facility will not be used for that particular security.
- 13 The Ministry of Finance reserves the right not to enter into any such transaction if it finds it not suitable.

Annex III: Terms for Ministry of Finance Private Placements

- 1 The Ministry of Finance may, from time to time, issue and sell notes to investors in privately placed transactions. These notes will be sold to a single investor, or a very limited number of investors, originated on the basis of 'reverse inquiry' from the investor community rather than being actively marketed by a broker dealer. The Ministry of Finance has set out the below terms, subject to which it will enter into such Private Placement transactions. For the avoidance of doubt, the Ministry of Finance reserves the right not to enter into a transaction at its sole discretion and will not be responsible for any losses that any dealer may incur as a result thereof.
- 2 The Ministry of Finance will enter into Private Placement transactions only with Recognized Dealers in good standing. The Ministry of Finance reserves the right to enter into Private Placement transactions on other markets than the CZK, EUR and USD markets with a broker dealer outside the Recognized Dealer Group. With respect to the issuance on the CZK market, the Ministry of Finance will only consider tenors of 15 years or more.
- 3 If the same or similar Private Placement's idea is presented by more than one broker dealer and the Ministry of Finance decides to enter into this transaction, the broker dealer who is able to provide the most favourable conditions to the Ministry of Finance will be selected as a counterparty of the Ministry of Finance. In case of the same conditions, the broker dealer who presented the idea to the Ministry of Finance first (i.e. before the others) will be selected as a counterparty of the Ministry of Finance. The Ministry of Finance shall also prefer the broker dealer who is able to reveal the name of the investor(s).
- 4 Ministry of Finance may publish annually, as a part of its Funding and Debt Management Strategy, a maximum amount or proportion of its international funding target for the year which can be raised via Private Placements. This target may be updated on a quarterly basis. Private placement transactions will be executed in minimum size of CZK 1 billion equivalent, with no stated maximum, for CZK, EUR and USD, and no stated minimum for other currencies, and in maturity longer than 1 year.
- 5 The Ministry of Finance will be open to executing Private Placement transactions in any currency. Irrespective of the currency of issue, the Ministry of Finance will only consider transactions in which the relevant dealer is ready to enter into an associated swap which will result in the Ministry of Finance's cashflows being fully hedged into CZK or EUR for at least first 10 years of life of the privately placed bond. The Ministry of Finance reserves the right not to enter into such a swap at its discretion. The Ministry of Finance will consider only swaps that do not require the counterparties to enter into a CSA or do not require collateralization of the position of either counterparty, unless the Ministry of Finance rules require otherwise.
- 6 The Ministry of Finance will be open to executing Private Placement transactions with any coupon type. Irrespective of the structure of the coupon, the Ministry of Finance will only consider transactions in which an associated swap is executed with the relevant dealer which will result in the Ministry of Finance's cashflows being fully hedged into a vanilla fixed or floating interest rate.
- 7 The Ministry of Finance will consider all-in pricing as the key criterion for the execution of Private Placement transactions. While the Ministry of Finance may execute transactions in various structures, all-in pricing will be assessed for the entire package, i.e. note plus the associated swap which fully hedges the Ministry of Finance into a vanilla fixed or floating interest rate CZK or EUR funding.
- 8 All-in pricing will be the effective spread that the Ministry of Finance will pay, including all fees and expenses related to the transaction, expressed in basis points over the mid-swap rate for the relevant maturity, converted into CZK or EUR. The Ministry of Finance will consider, as a 'soft target', any transactions which will, on an after-swap basis, provide funding at or inside the offer side of Czech Government Bonds or its Eurobond secondary trading levels (interpolated or extrapolated, as required).

- 9 Private placement transactions will be documented under the Ministry of Finance's EMTN programme or, as the case may be, under other types of standard documentation used in the relevant Private Placement market.
- 10 Private Placement transaction related costs have to be fully born by the dealer, including Ministry of Finance's legal and other adviser's costs.
- 11 The Ministry of Finance's objective with respect to Private Placement transaction is to place the notes with buy-and-hold investors. The Ministry of Finance reserves the right to require the dealer to disclose, prior the execution of the transaction, the identity of investor, including name, type, country, and contact details, provided that the dealer is not prohibited to submit such information by law, other binding regulations or contractual agreement with investors.

Annex IV: Contact List

Recognized Dealer for Czech government securities provides the following list of contact persons, their email addresses and telephone numbers of persons who will be acting on behalf of the institution in accordance with the privileges and obligations defined by the Agreement. In case of any change and amendment to the list of contact persons, the Recognized Dealer shall communicate the change or amendment to the Ministry of Finance in accordance with Article 7.7 of the Agreement.

Goldman Sachs Bank Europe SE**Balance Sheet Specialists****Regulation Specialists****Front Office**

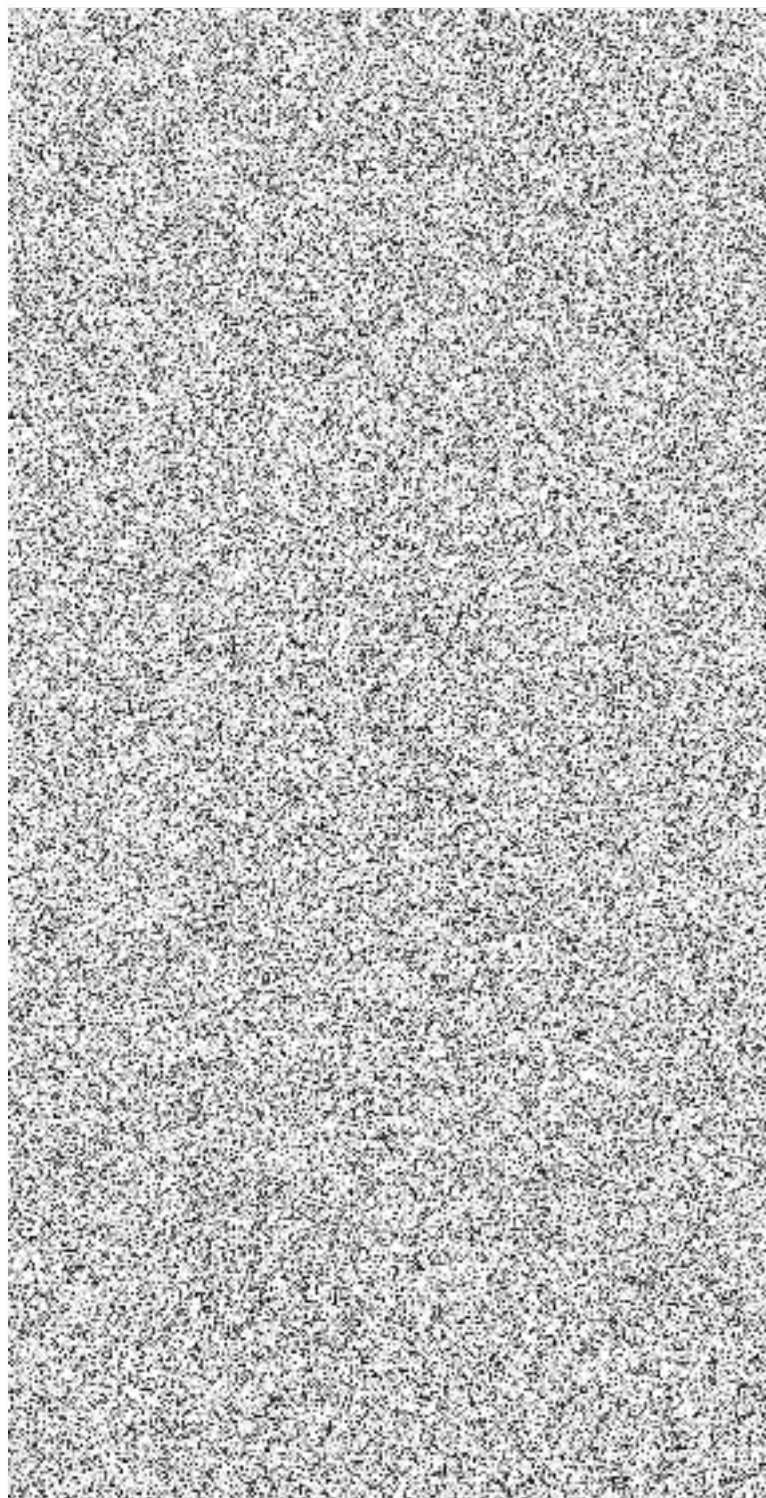
Refinitiv FX Trading codes

Bloomberg dealing codes

Primary auction

Secondary market – DETS

Lending Facilities



CZK money market

Foreign currency money market

FX market

Derivatives

Back Office

Primary auction

Secondary market – DETS

Lending Facilities

CZK money market

Foreign currency money market

FX market

Derivatives

Reporting

The Ministry of Finance – Debt and Financial Assets Management Department

