

České dráhy, a.s.

- and -

Česká spořitelna, a.s.

BROKERAGE AGREEMENT

related to the Commercial Paper Programme



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BROKERAGE AGREEMENT

THIS BROKERAGE AGREEMENT (the “**Agreement**”) has been entered into on7.11..2011 as an innominate agreement in terms of Section 269 of the Czech Commercial Code (Act No. 513/1991 Coll.)

BY AND BETWEEN:

- (1) **České dráhy, a.s.**, with its registered office at Nábřeží L. Svobody 1222, 110 15 Prague 1, Identification No. 70994226, registered in the Commercial Register maintained by the Municipal Court in Prague, File B, Insert No. 8039, acting by Mr. Michal Nebeský, Member of the Board of Directors, and Antonín Blažek, Member of the Board of Directors, (the “**Issuer**”); and
- (2) **Česká spořitelna, a.s.**, with its registered office at Prague 4, Olbrachtova 1929/62, Postal Code: 140 00, Identification No. 45244782, registered in the Commercial Register maintained by the Municipal Court in Prague, File B, Insert No. 1171 (the “**Broker**”).

WHEREAS:

- (A) The Issuer wishes to issue certain promissory notes in amounts denominated in CZK or EUR in order to fund its current business operations.
- (B) The Broker wishes to buy the said promissory notes subject to the terms and conditions agreed herein and, as the case may be, elsewhere in a written understanding between the Issuer and the Broker.
- (C) Subject to the conditions of this Agreement and the Agency Agreement, the Issuer wishes to authorize the Broker, acting in its capacity as the Issuing and Paying Agent, to organize the issuance and payment of the said notes on behalf of the Issuer, and the Broker wishes to act in this capacity.

NOW, THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

1. Definitions

Throughout this Agreement, the terms and phrases listed in the left-hand column below shall have the meaning assigned to them in the corresponding part of the right-hand column; capitalized terms not defined herein shall have the same meaning as in the Information Memorandum (as defined below in this Clause (1)):

“**Agency Agreement**”

the Issuing and Paying Agency Agreement between the Issuer and the Issuing and Paying Agent related to the Programme concluded on7.11..2011;

“Broker”	the entity defined as such in the header of this Agreement;
“Business Day”	except to the extent that the context requires otherwise, a day on which commercial banks are open for general business in Prague and on which transactions in CZK and EUR denominated deposits are carried out on the Prague interbank market;
“Clause”	any numbered section in this Agreement;
“CZK”	the Czech crown, i.e. the current lawful currency of the Czech Republic, or such other currency (converted at the applicable exchange rate) that may replace the Czech crown in the future;
“EUR”	the lawful currency of those EU member states which adopted a single currency under the Treaty establishing the European Community as amended by the Treaty on European Union (in the wording of any later amendments and modifications);
“Firm Subscription Commitment”	has the meaning assigned to it in <u>Annex 5</u> hereto;
“Information Memorandum”	a document drawn up by the Issuer and updated as needed (by way of addenda drafted by the Issuer in accordance with the provisions of this Agreement), which is primarily designed for the purposes of the Broker (and other securities brokers with whom the Issuer entered into agreements similar to this one) and which has been made available at www.ceskedrahy.cz ; in case of any inconsistency between (a) this Agreement or the Agency Agreement (as amended from time to time) and (b) the Information Memorandum (as amended from time to time), the terms of the Agreement and the Agency Agreement shall prevail;
“Issue Date”	the date on which each individual Note is issued, and as of which the Issue Price is credited to the clearing account of the Issuer’s bank, namely the clearing account of Komerční banka or, as the case may be, the clearing account of other Issuer’s bank at the clearing center of the Czech National Bank (for Notes denominated in CZK) or the relevant EUR clearing account (for Notes denominated in EUR).;

“Issue Price”	the amount to be paid to the Issuer for each Note as of the Issue Date;
“Issuer”	České dráhy, a.s.;
“Issuing and Paying Agent”	the Broker in its capacity as the issuing and paying agent under the Agency Agreement;
“Maturity Date”	the date of maturity of the Note as indicated on the face of each Note; the maximum maturity shall in all cases be [REDACTED] following the Issue Date;
“Maximum Yield to Maturity”	the maximum amount of yield to maturity as specified in <u>Annex 5</u> hereto;
“Notes”	promissory notes issued under the Programme, each of which has been issued by the Issuer in accordance with the conditions of the present Agreement, the Agency Agreement, and the Information Memorandum, and conforms in all material respects to the form (for Notes in each respective currency) attached to the Agency Agreement as <u>Annex 1</u> ;
“Prague Time”	the generally accepted reference time in Prague on any given day;
“Principal Amount”	the amount specified on the face of the Note and fixed by the Issuer immediately before its issuance denominated in CZK or in EUR; which shall be paid by the Issuer for each Note as of the respective Maturity Date, whereas Principal Amounts denominated in CZK shall always be a whole multiple of [REDACTED] and Principal Amounts denominated in EUR shall always be a whole multiple of [REDACTED];
“Programme”	programme for the issuance of Notes in accordance with this Agreement and the current Information Memorandum;
“Tranche”	Notes which are issued on the same Issue Date with the same Maturity Date;
“Yield to Maturity”	yield to be paid by the Issuer on the Maturity Date of the Note, which is contained in the Broker’s Bid delivered to the Issuer in accordance with this Agreement and with the Information Memorandum, and which has been

calculated on the basis of the actual number of days over a calendar year of [REDACTED] days and is expressed as a percentage;

“U.S. Securities Act”

the United States Securities Act of 1933, as amended.

2. Appointment

- 2.1 Subject to the conditions set out below, the Issuer hereby appoints the Broker as the broker for trading the Notes within the scope of the Programme throughout the duration of this Agreement; the Issuer has authorized the Broker to exercise such rights, powers and discretion as are specifically conferred upon it by the terms and conditions hereof. The Broker accepts this appointment, based upon the terms and conditions of the present Agreement and in accordance with the Information Memorandum.
- 2.2 The Broker shall be obliged to perform only such duties as are specifically set forth in this Agreement.
- 2.3 The Broker shall act with due expert care pursuant to applicable laws.

3. Issuance of Notes

- 3.1 Unless expressly stipulated otherwise in Annex 5, which deals with a potential Firm Subscription Commitment of the Broker and the potential Commitment Fee, the Issuer is not obliged to issue Notes and the Broker is not obliged to purchase Notes.
- 3.2 From time to time, the Issuer may issue and sell Notes to the Broker, at such prices and subject to such terms on which the Issuer and the Broker agree, in accordance with the conditions of the present Agreement, the Agency Agreement, and the Information Memorandum. The Issuer acknowledges and agrees that the Broker may transfer Notes which it bought from the Issuer to third parties by way of endorsement. While observing all applicable regulatory restrictions, the Broker may, in accordance with the terms and conditions of this Agreement, distribute copies of the Information Memorandum in its current wording or, as the case may be, as amended and published by the Issuer at www.ceskedrahy.cz, for the purpose of making them available to prospective purchasers of Notes.
- 3.3 The maximum Principal Amount of Notes issued by the Issuer and outstanding under the Programme may at no time during the duration of the Programme exceed the amount specified as the Volume of Programme in the Information Memorandum.
- 3.4 The Issuer may issue and the Broker may purchase the Notes in Tranches in accordance with the time schedule given in Annex 1 hereto. Alternatively, the Broker may on its own initiative approach the Issuer regarding the issuance of Notes if the Broker was contacted by an investor who wishes to invest into Notes issued by the Issuer. In such an event, the Issuer may decide, at its sole discretion, to accommodate such a request and issue the respective Notes in accordance with this Agreement, the Agency Agreement, and the Information Memorandum.

3.5 Based on the understanding reached between the Issuer and the Broker regarding the terms of issuance and purchase of Notes, and always in accordance with this Agreement and the Information Memorandum (whereas such understanding must also extend to the Issue Date, the Principal Amount, the Maturity Date, the Issue Price, and the Yield to Maturity) and subject to due satisfaction of the terms of the bidding procedure hereunder by the relevant parties thereto:

- (a) the Issuer shall give order to the Issuing and Paying Agent to issue the respective Note in accordance with the terms of this Agreement and of the Agency Agreement;
- (b) the Broker shall arrange for the payment of the Issue Price as of the Issue Date to the Issuer's account kept with [REDACTED], account number: [REDACTED], BIC: [REDACTED] (for Notes denominated in CZK), or to the Issuer's account kept with [REDACTED], account number [REDACTED] (for Notes denominated in EUR) or, as the case may be, to other accounts of the Issuer kept with banks in the Czech Republic notified by the Issuer to the Issuing and Paying Agent in writing (by fax message or e-mail) at least [REDACTED] Business Day prior to the date on which the Issue Price falls due. For the purposes of all payments of the Issue Price to be performed between the parties hereto (and subject to Clause 3.6 of the Agreement), any payment shall be deemed to have been duly made once (for interbank transfers) the relevant amount is credited to the clearing account of the Issuer's bank at the clearing center of the Czech National Bank for Notes denominated in CZK or the relevant EUR clearing account for Notes denominated in EUR).
- (c) the Broker shall procure that, in its capacity as the Issuing and Paying Agent, it issues any such Note on the Issue Date.

3.6 If a payment under the Programme is to be made by the Broker to the Issuer and, at the same time, a payment is to be made by the Issuer to the Broker, the Parties may agree in writing (including a fax message or e-mail) that the mutual payments shall be set off against each other (so-called netting), and the Broker shall transfer to the Issuer (or, as the case may be, the Issuer shall transfer to the Broker) only the difference after netting.

4. Calculation of Issue Price

4.1 The Issue Price shall be calculated based upon the following formula:

Issue Price of each
individual Note =

$$1 + \frac{\text{Principal Amount} \times (\text{Number of Days} \times \text{Yield to Maturity})}{360} \times 100$$

where

Issue Price has the meaning specified in Clause 1 above.

Principal Amount has the meaning specified in Clause 1 above.

Number of Days specifies the exact number of days from the Issue Date until the Maturity Date of the Note (excluding the Issue Date but including the Maturity Date).

Yield to Maturity has the meaning specified in Clause 1 above.

5. Selling Restrictions

- 5.1 No action has been or will be taken in any jurisdiction by the Issuer or the Broker that would, or is intended to, permit a public offering of the Notes or of a claim arising from the Notes or of an offering document in any jurisdiction in which any such action for that purpose is required. Accordingly, the Broker undertakes that, to the extent that it shall offer or sell any Notes or any interest therein or distribute or publish any offering document, prospectus, Information Memorandum, application form, advertisement, or other document or information within any jurisdiction, it shall comply with any applicable laws and regulations of that jurisdiction, including any applicable restrictions concerning the above activities. More specifically, notwithstanding the above, the Broker represents and warrants that it will not offer or sell any Notes in the United States and that it will adhere to the relevant provisions of the U.S. Securities Act also when offering and selling to third parties. Further, the form of the Notes shall contain a legend in the English language, the text of which is given in Annex 4 hereto.

6. Broker's Standing

- 6.1 The Issuer hereby acknowledges and agrees without reservation that the Broker may also act as a securities broker for other parties, including with respect to the trade in notes issued by other issuers.
- 6.2 The Issuer hereby represents vis-à-vis the Broker that the Issuer independently reviewed all potential risks and benefits inherent in the implementation of the Programme and of the individual transactions under the Programme, and that it made all related decisions without reliance on the Broker. Further, the Issuer represents that, even in the future, it shall make all decisions regarding the implementation of the Programme and of the individual transactions under the same, independently from the Broker. Nothing in this Agreement shall be construed to imply that the Broker provided the Issuer with investment advice, recommendations or other advisory services regarding the Programme or that it will do so in the future.

7. Undertakings

The Issuer undertakes to:

- (a) procure that duly authorized representatives of the Issuer make themselves available at the premises of the Issuing and Paying Agent to sign the forms of the Notes in a number sufficient for the legitimate needs of the Issuing and

Paying Agent in the near future, particularly upon events of relevant corporate governance changes which effect the authorized representatives, or appointments/resignations of particular authorized representatives of the Issuer which may make it impossible for the Issuing and Paying Agent to issue the Notes under the Programme in accordance with applicable laws (if and when applicable);

- (b) give full and prompt answers to all legitimate requests for information by the Broker;
- (c) update the version of the Information Memorandum that is posted on its website www.ceskedrahy.cz whenever it has reason to deem such update necessary and inform the Broker thereof without undue delay via e-mail;
- (d) take no steps that would trigger an obligation to register the Notes under the U.S. Securities Act;
- (e) immediately upon learning of the respective fact notify the Broker of any material change that could have an adverse impact on the Broker's (or an investor's) decision on whether to purchase Notes from the Issuer (or from the Broker), or that could impact the correctness and accuracy of any of the representations and warranties that were provided;
- (f) so long as any Notes remain outstanding and/or the Firm Subscription Commitment (either in part or entirely) is existing in accordance with this Agreement, refrain from securing its Liabilities (as defined below) by a lien or other equivalent third-party rights (together, a "lien") which would limit the Issuer's rights to its current or future property or income, unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and ratably with such Liabilities or in such other manner as approved by the Broker in writing; provided, however, that the foregoing restriction shall not apply to: (a) any lien securing Liabilities (excluding Liabilities under Sections (b) to (g) below), not exceeding the sum [REDACTED] of all consolidated assets of the Issuer as of the date of creating the lien where the value of the consolidated assets shall be determined based on the most recent audited financial statements of the Issuer prepared in accordance with the Czech national accounting standards; or (b) any lien existing over any asset at the time of the acquisition of such asset; or (c) any lien created over any asset securing Liabilities incurred exclusively in connection with, or used exclusively for, the acquisition of such asset or a part thereof by the Issuer; or (d) any lien incurred by law arising in connection with the ordinary course of the Issuer's business, including any potential retention right or a potential set-off right of a bank or a financial institution if such right is based on law and relates to the balance on accounts or term deposits of the Issuer with such bank or financial institution; or (e) any lien created by a court decision if (i) the claims of third persons on the basis of which such lien was created, have been challenged in good faith by the Issuer or (ii) during an appeal proceedings against the said decision on the basis of which such lien was created; (f) any lien securing due and payable Liabilities incurred in connection with any Project Finance provided that the property or income under the lien represent (i) property that is in use (or will be used) in connection with the project to

which the Project Finance relates, or (ii) income or receivables derived from the operation of such property, complaints regarding the supply of such property, or from not finishing such property, its expropriation, sale, loss, or damage; or (g) any lien securing Liabilities towards the company

For the purposes of this provision, “**Liabilities**” shall mean (i) principal amounts of any loans and pertaining accessories, (ii) the nominal value or, as the case may be, the value in excess of the nominal value upon repayment and interest on debt securities, and (iii) any collateral provided by the Issuer with respect to the obligations under (i) and (ii) above in this sentence; whereas, “**Project Finance**” shall mean any arrangement upon which financial means are to be provided mainly and predominantly for financing a project regarding the acquisition, construction, refurbishment, or usage of any property and under the terms of which the funding entity agrees with such property financing and agrees that the income derived from the use, operation, loss, or damage of the property shall be the main source for repayment of the funds, provided that at the time of agreement upon such financing scheme, the parties could have reasonably assumed that the project would generate sufficient income to duly repay the major part of the principal and all interest on the debt incurred in connection with the project;

- (g) maintain its corporate existence, carry on its business substantially in the manner as it is carried out as of the date of this Agreement and use its best efforts to ensure that it remains entitled to conduct its business as it is conducted in all relevant jurisdictions;
- (h) use its best efforts to comply in all material respects with applicable laws to which it is subject, including environmental and accounting laws;
- (i) enter, without the Broker’s prior written consent (such consent not to be unreasonably withheld), into any amalgamation, merger, demerger, reconstruction, or other process of substantially same effect, except for internal restructuring of the Issuer’s business by means of its transfer to, and operation through, the Issuer’s subsidiaries;
- (j) maintain insurance with financially sound and reputable insurer(s) against those risks and to the extent as is usual for companies carrying on the same or substantially similar business in the same or similar markets;
- (k) not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose of any asset in excess of [REDACTED] of the total amount of the Issuer’s assets (calculated on the basis on the Issuer’s most recent audited financial statements) without the prior written consent of the Broker (such consent not to be unreasonably withheld), except for internal restructuring of the Issuer’s business by means of transfer of assets to the Issuer’s subsidiaries;
- (l) promptly inform the Broker about any condition or event relating to the Issuer of which the Issuer becomes aware and which constitutes a material adverse

change in the financial condition or business operations of the Issuer, to the extent that provision of such information to the Broker is not in discrepancy with the Issuer's obligations under applicable laws and contractual arrangements;

- (m) unless the same is published and made available on the Issuer's website, furnish to the Broker upon its written request on a regular basis, but at least semi-annually, the Issuer's annual and/or semi-annual financial statements to the extent that they are available.

8. Representations and Warranties

8.1 As of the date hereof, as of each date on which the Issuer and the Broker agree on the issue and sale of the Notes, and as of each Issue Date, the Issuer hereby makes to the Broker the following representations and warranties:

- (a) the Issuer is a joint-stock company duly organized, existing, and conducting its business in accordance with the laws of the Czech Republic and the Issuer is not subject to any immunity under Czech laws which would have any material adverse impact on the enforceability of its obligations under this Agreement;
- (b) the Issuer has full power and capacity to enter into this Agreement, to issue the Notes and to perform its obligations arising from this Agreement and from the Notes;
- (c) this Agreement constitutes a valid, lawful, and binding obligation of the Issuer enforceable in accordance with the relevant terms and conditions contained herein;
- (d) each Note shall represent a valid, lawful, and binding promissory obligation of the Issuer, enforceable in accordance with its relevant terms and conditions;
- (e) the execution of this Agreement, the issuance of the Notes, and the performance of obligations arising from this Agreement and the Notes have been duly approved by the Issuer in accordance with its corporate documents. The execution of this Agreement, the issuance of the Notes, and the performance of obligations arising from this Agreement and the Notes shall not result in any breach of the generally binding laws and regulations of the Czech Republic, corporate documents of the Issuer, nor shall it result in a violation of the terms of any agreement, preliminary injunction, administrative, judicial or arbitral decision, to which the Issuer is a party or which is binding on the Issuer's assets;
- (f) the obligations of the Issuer arising from the Notes constitute direct, unsubordinated, and unsecured obligations of the Issuer, which shall rank *pari passu* with each other and with all future direct, unsubordinated and unsecured obligations of the Issuer, except for such obligations as may be preferred by the applicable law;

- (g) the information contained in the Information Memorandum and in any of its amendments or updates is true and accurate and not misleading in any material respect as of the date on which they were prepared; the Information Memorandum does not or, as the case may be, will not omit to state any facts of material relevance for the Programme as of the given date; and
- (h) since the date hereof and the date on which the Information Memorandum has been completed or, as the case may be, has been last amended or supplemented, there has been no material change regarding the financial situation of the Issuer which would materially and adversely affect the business, financial situation and operations of the Issuer as a whole and its ability to meet its obligations arising from this Agreement or from the Notes;
- (i) no litigation, arbitration or administrative proceeding before any court, arbitral body or public authority (as far as the Issuer is aware) has been started or threatened against the Issuer which would materially and adversely affect the business, financial situation and operations of the Issuer as a whole and its ability to meet its obligations arising from this Agreement or from the Notes;
- (j) as far as the Issuer is aware, all taxes or similar levies imposed upon the Issuer or its assets have been duly and punctually paid and discharged;
- (k) since the date hereof and as far as the Issuer is aware, no Event of Default has occurred, unless waived by the Broker.

8.2 As of the date hereof, as of each date on which the Issuer and the Broker agree on the issue and sale of Notes, and as of each Issue Date, the Broker hereby makes to the Issuer the following representations and warranties:

- (a) the Broker is a joint-stock company duly organized, existing, and conducting its business in accordance with the laws of the Czech Republic and the country of its incorporation (if different from the Czech Republic);
- (b) the Broker has full power and capacity to enter into, and perform under, this Agreement;
- (c) this Agreement constitutes a valid, lawful, and binding obligation of the Broker enforceable in accordance with the relevant terms and conditions contained herein; and
- (d) the execution of this Agreement and the performance of obligations hereunder have been duly approved by the Broker in accordance with its corporate documents. The execution of this Agreement and the performance of obligations by the Broker ensuing from this Agreement will not result in any breach of the generally binding laws and regulations or the corporate documents of the Broker, nor shall it result in the violation of the terms of any agreement, preliminary injunction, administrative, judicial or arbitral decision, to which the Broker is a party or which is binding on the Broker's assets.

9. Conditions Precedent

9.1 The obligations of the Broker under the Programme are conditional upon satisfaction of conditions specified in (e) below and the Issuer's delivery of the documents listed below in (a), (b), and (d) to the Broker and the Issuer's delivery of the documents listed below in (c) to the Issuing and Paying Agent, no later than [REDACTED] prior to the first Issue Date (and in respect of (c) below, also prior to the relevant Issue Date, as the case may be:

- (a) a list of names and positions (job titles), along with the specimen signature of the individuals who have been authorized or are otherwise entitled:
 - (i) to execute the Notes on behalf of the Issuer;
 - (ii) to sign on behalf of the Issuer all notices and instructions to the Broker in connection with the issue and purchase of any Note and all notices and instructions to the Issuing and Paying Agent related to the Confirmation; and
 - (iii) to take any other action on behalf of the Issuer in connection with the Programme,

unless said authority to act is apparent from the Commercial Register. The Issuer undertakes to notify the Issuing and Paying Agent immediately of any change in any of the above documents;

- (b) the Agency Agreement, properly executed by all parties thereto;
- (c) sufficient number of blank forms of the Notes in each Tranche, which shall have been executed by persons who were duly authorized to do so as of the respective date of signing (and then from time to time replaced by sufficient number of blank forms of the Notes signed by persons duly authorized to do so as of the immediately following Issue Date(s), if and when required pursuant to applicable laws);
- (d) powers of attorney (originals or certified copies), if the authorization of the individuals who execute the forms of the Notes is based on these powers of attorney; and
- (e) no Event of Default has occurred, is continuing and/or would result from issuing the Notes hereunder.

9.2 The Parties have entered into this Agreement in reliance on the facts and circumstances below:

- (a) the correctness and accuracy of the representations and warranties provided by the Issuer and the Broker under this Agreement as of the respective Issue Date of the Notes (except for such circumstances as are specifically communicated to the respective other Party in writing prior to the Issue Date and are confirmed in writing by that other Party, whereas such confirmation shall not be unreasonably withheld or delayed), and the compliance of the Issuer and

the Broker with all obligations arising from this Agreement no later than as of such date; and

- (b) the fact that the issuance and, as the case may be, purchase of the Notes by the Issuer and the Broker complies with all applicable legal regulations, and that the Notes themselves are compliant with such legal regulations, and that all such approvals and consents have been obtained from applicable courts, ministries, and other administrative bodies as may be required for the issuance or purchase of the Notes and for the performances on the basis of the Notes;

whereas upon existence of any event or circumstance to the contrary, this may result in an Event of Default (as defined in Clause 10 hereof) with consequences stipulated hereunder.

10. Events of Default

The Parties agree that, notwithstanding any other provision of this Agreement, the Broker shall not be obliged to bid for or shall not be bound by its Bid for purchase of Notes pursuant to the time schedule provided in Annex 1 hereto, if any of the following events relating to the Issuer occur (the “**Events of Default**”):

- (a) as of the respective Maturity Date, the Issuer fails to repay any of the Notes, or the Issuer is in default with the payment of any fees under this Agreement vis-à-vis the Broker for more than [REDACTED] from the day on which the Broker serves a written notice upon the Issuer;
- (b) the Issuer fails to meet or is in breach of its obligations (other than the payment obligations under (a) above) under this Agreement and no remedy is provided for within [REDACTED] from the day on which the Broker serves a written notice upon the Issuer;
- (c) any present or future Liabilities of the Issuer (as defined in Clause 7(f) hereof), having an aggregate principal amount exceeding [REDACTED] or its equivalent in any other currency or currencies, (i) is not paid by the Issuer as it falls due and remains outstanding even after the lapse of a previously granted grace period for performance (if any) or (ii) becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (assuming no event of default, regardless of its designation, has occurred) at the option of the creditor;
- (d) the Issuer is insolvent, it or a third party files a motion for insolvency, reorganization or discharge from debts or other equivalent application, and such motion is not cancelled, dismissed or suspended within a period of [REDACTED], or any court or other competent authority declares the Issuer insolvent, allows reorganization or discharge from debts or issues other equivalent resolution or an application for a declaration of insolvency in relation to the Issuer is rejected by any court due to the fact that the Issuer has insufficient assets to pay the costs and expenses of the insolvency proceedings;

- (e) a competent Czech court adopts a decision on winding up and liquidating the Issuer and such decision becomes final and binding or the General Meeting of the Issuer adopts a lawful decision on winding up and liquidating the Issuer;
- (f) the Issuer ceases to be, directly or indirectly (through its subsidiaries), authorized, or becomes permanently ineligible, to conduct the business of railway transport or actually ceases to conduct such activity;
- (g) the Czech Republic ceases to hold, directly or indirectly, at least [REDACTED] in the Issuer's registered capital or voting rights and/or fails to maintain factual and legal control over the Issuer;
- (h) any representation made by the Issuer hereunder proves to be materially incorrect or misleading in any respect when made or repeated;
- (i) this Agreement and/or the Agency Agreement cease to constitute legal, valid and binding obligations of the Issuer.

provided, however, that the Broker's obligation to bid for and to purchase Notes under this Agreement shall again become effective and binding on the Broker as soon as the respective Event of Default has been remedied (jointly the “**Events of Continuation**”).

The occurrence of any Event of Default pursuant to this Clause 10 shall not affect the validity or effectiveness of the Agreement. The Issuer shall promptly, no later than within [REDACTED] from the occurrence of any of the Events of Default or the Events of Continuation, inform the Broker in writing of the occurrence of such events.

11. Commitment Fee, Withholding Tax

- 11.1 The Commitment Fee to be paid by the Issuer to the Broker is set out in Annex 5 hereto.
- 11.2 If the Issuer, or, as the case may be, the Issuing and Paying Agent, is required to make any payment in connection with the Notes subject to withholding or deduction for or on account of any present or future taxes, duties or charges of any kind, the Issuer, or, as the case may be, the Issuing and Paying Agent, shall make the payment only after such withholding or deduction, and demonstrate to the Broker, upon its request, the amount so required to be withheld or deducted. Neither the Issuer nor the Issuing and Paying Agent shall be obliged to pay any additional amount to any holder of a Note in respect of such withholding or deduction.

12. Indemnity

- 12.1 The Issuer undertakes to indemnify the Broker and assume liability vis-à-vis the Broker for any damage or loss incurred (a) as a consequence of a breach of obligations contained in this Agreement by the Issuer (including, but not limited to, occurrence of an Event of Default, as defined in Clause 10 hereof), and/or (b) due to the incorrectness or inaccuracy of any representations or warranties provided by the Issuer in this Agreement.

- 12.2 The Broker undertakes to indemnify the Issuer and assume liability vis-à-vis the Issuer for any damage or loss incurred (a) as a consequence of a breach of obligations contained in this Agreement by the Broker, and/or (b) due to the incorrectness or inaccuracy of any representations or warranties provided by the Broker in this Agreement.
- 12.3 If any proceedings (court, arbitration, administrative or other, including investigations by governmental authorities) are initiated in connection with the Programme and among the participants to the proceedings there is any person on whose behalf indemnity is sought under this Clause 12, then that person (the “**Indemnified Party**”) shall promptly notify in writing that party from whom indemnity is sought (the “**Indemnifying Party**”), whereas the latter must, upon the request of the former, hire legal counsel (who must adequately meet such reasonable criteria as are raised by the Indemnified Party for representation of the Indemnified Party and other persons identified by the Indemnified Party in the proceedings) and must pay the fees and expenses of such legal counsel in connection with the proceedings. The Indemnified Party is entitled to hire their own legal counsel for such proceedings; however, in such a case, fees and expenses are borne by the Indemnified Party, unless (i) the Indemnified Party and the Indemnifying Party have a mutual agreement regarding such hiring of legal counsel, or (ii) the participants to said proceedings comprise both the Indemnifying Party and the Indemnified Party, and having them both represented by the same legal counsel is thus not permissible, given the actual or potential conflict of interest. The Indemnifying Party is not obliged to indemnify the Indemnified Party, if the latter accedes to an amicable settlement without the former’s consent.
- 12.4 The provisions regarding indemnity in this Clause 12 shall survive the termination of this Agreement.

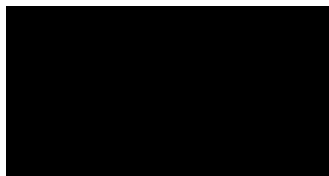
13. **Communication**

Unless set out otherwise in this Agreement, any notice or communication in any form to be given under this Agreement shall be made in Czech (except for the request for a Bid as defined in Annex 1 hereto, which shall be in English in the form specified in Annex 2 hereto, and the Bid, which shall be in English in the form specified in Annex 3 hereto) and may be delivered in person or sent by facsimile, e-mail, or telephone (subject to confirmation via facsimile or e-mail) to the following addresses:

if to the Issuer:

České dráhy, a.s.
Nábřeží L. Svobody 1222
110 15 Praha 1
Czech Republic

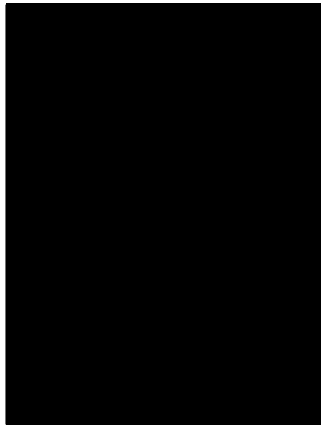
Phone:
Fax:
E-mail:
Attn.:



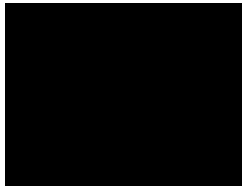
if to the Broker:

Česká spořitelna, a.s.
Budějovická 1518/13b
140 00 Prague 4
Czech Republic

Phone:
Fax:
E-mail:
Attn.:

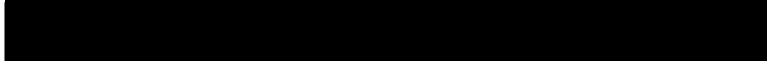


Phone:
Fax:
E-mail:
Attn.:



Phone:
Fax:
E-mail:
Attn.:

(e-mail address of the Broker shall be always used at the same time:



or such other person, address, facsimile number, e-mail address, or telephone number which either Party may communicate to the respective other Party for that purpose in writing (no later than [REDACTED] prior to effective date of such change).

Both Parties hereto agree that the other Party may record any telephone communication in connection with this Agreement.

14. Remedies and Waivers

Failure of either Party to exercise any right or remedy hereunder or any delay by either Party in exercising any right or remedy hereunder shall in no case operate as a waiver thereof, nor shall the individual or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by generally binding law.



15. Severability

If, at any time, any provision hereof is or becomes illegal, invalid, or unenforceable in any respect under the law of any relevant jurisdiction, the legality, validity, or enforceability of the remaining provisions hereof or the legality, validity, or enforceability of such provision under the law of any other jurisdiction shall in no way be affected or impaired thereby.

16. Assignment and Transfer

No party shall be entitled to assign or transfer any or all of its rights, benefits or obligations hereunder without the prior written consent of the other party, save for the Broker who may do so provided that (i) such entity is within the Broker's Group of entities (*i.e.*, affiliated with the Broker), (ii) such entity may perform Broker's duties as stipulated hereunder, (iii) notification of such assignment or transfer is delivered to the Issuer prior to the effective date thereof, and (iv) no adverse impact on performance of the Broker's duties hereunder can be reasonably expected to occur as a consequence thereof. For the avoidance of doubt, the restrictions on assignment and transfer under this Clause 16 shall not apply to the transfer of Notes.

17. Termination

This Agreement shall terminate upon (i) expiry of the appointment period pursuant to Clause 2 and Annex 5, (ii) termination of the Agency Agreement, (iii) mutual written agreement of the Parties, and or (iv) written termination notice given by either Party to the other Party due to a material breach of such other Party's duties hereunder, whereas such termination shall become effective upon a receipt of the notice by the Party notified of the termination. For the avoidance of any doubt, such termination shall not affect any Notes issued by not yet repaid by the Issuer as of that moment. In such case, the relevant provisions of this Agreement (save for, *inter alia*, further utilization of a Firm Subscription Commitment) shall apply until the affected Notes are duly repaid in accordance with the terms of the Programme. In addition thereto, the indemnity provisions in Clause 12 shall remain in full force and effect irrespective of such termination.

18. Governing Law and Dispute Resolution

- 18.1 This Agreement is governed by, and shall be constructed in accordance with, Czech law.
- 18.2 The parties endeavor to settle all matters arising under this Agreement amicably. If the Parties fail to reach an understanding, then the dispute shall be brought before the competent court for the relevant district of Prague, Czech Republic.

19. General Provisions

- 19.1 The headings of Clauses of this Agreement are for convenience only, and shall be disregarded in the interpretation of this Agreement.

- 19.2 Changes and amendments to this Agreement require written form and their contents shall be confirmed by way of signatures of the authorized representatives of both Parties save where this Agreement expressly sets out otherwise.
- 19.3 This Agreement, including Annexes 1 through 5, which are an integral part hereof, and any documents incorporated herein by reference (including the Information Memorandum) constitute the entire understanding between the Parties hereto concerning the subject matter hereof and supersede all previous oral and written agreements and understandings relating to the subject matter hereof. Irrespective of the above, it is held that in the event of conflict between the provisions of this Agreement and those of Annex 5 hereto, the provisions of Annex 5 shall prevail.
- 19.4 The contents of this Agreement are confidential. The Parties undertake to refrain from disclosing any information contained herein to third parties, other than the members of their statutory bodies, employees, agents and advisors, including with respect to the Broker, also the members of statutory bodies, employees, agents, advisors of the entities within the Broker's group (*i.e.*, affiliated with the Broker) and permitted assignees, and unless such disclosure is required by the relevant laws or any binding court decision.
- 19.5 This Agreement has been drawn up in English. If more than one language version exists, then in the event of conflict the English version shall prevail.
- 19.6 This Agreement has been drawn up in two counterparts, of which each Party receives one counterpart, respectively.

We confirm and acknowledge that this Agreement is an expression of the free will to contract on the part of both the Issuer and the Broker and we approve the wording hereof.

České dráhy, a.s.

Signature: _____

Name: Michal Nebeský

Title: Member of the Board of Directors

Signature: _____

Name: Antonín Blážek

Title: Member of the Board of Directors

Česká spořitelna, a.s.

Signature: _____

Name:

Title:

Ing. Jiri Hajek
zástupce ředitele úseku
Group Large Corporates

Signature: _____

Name:

Title:

Milan Sebek
Senior Relationship Manager

ANNEX 1

TIME SCHEDULE FOR ISSUANCE OF NOTES

Bidding Procedure

- On or before 11:00 a.m. (Prague Time), 2 (two) Business Days prior to the intended Issue Date, the Issuer shall inform the Broker by a fax message or e-mail (scanned copy), signed by authorized representatives of the Issuer as per signature specimens delivered to the Broker pursuant to Clause 9.1(a)(ii) of the Agreement, of its intent to issue one or several Note Tranches, in the form of a standardized request for a Bid to issue Notes specified in Annex 2 hereto, stating the required date of issuance (the “**Issue Date**”) of each Tranche, the aggregate volume of Principal Amounts of each Tranche (“**Tranche Volume**”), Maturity Date for each Tranche, and whether the Tranche is to be drawn using the Firm Subscription Commitments (entirely or partially) or not.
- On or before 1:00 p.m. (Prague Time), 2 (two) Business Days prior to the intended Issue Date, the Broker shall inform (and is required to do so up to its Firm Subscription Commitment) the Issuer by a fax message or e-mail of its individual Bids for the Tranche Volume (separating amounts based on the Firm Subscription Commitment and outside of it), and also the respective Maturity Date and Issue Price in the form specified in Annex 3 hereto (the “**Bid**”).
- On or before 2:00 p.m. (Prague Time), 2 (two) Business Days prior to the intended Issue Date, the Issuer shall reply to the Broker by a fax message or e-mail (scanned copy), signed by authorized representatives of the Issuer as per signature specimens delivered to the Broker pursuant to Clause 9.1(a)(ii) of the Agreement, stating that it finally confirms (as specified in Annex 3 hereto) whether it accepts such Bids, as a whole or in part.
- On or before 10:00 a.m. (Prague Time), 1 (one) Business Day prior to the intended Issue Date, the Broker shall confirm to the Issuer by a fax message or e-mail the purchased amounts of the Notes, including details of such amounts that are to be paid to the Issuer, and the Maturity Date, Issue Price, Principal Amounts, and serial numbers of the Notes issued, and the remaining amount under the Broker’s Firm Subscription Commitment (if any).
- On or before 1:00 p.m. (Prague Time), 1 (one) Business Day prior to the intended Issue Date, the Issuer shall send a fax message or e-mail (scanned copy), signed by authorized representatives of the Issuer as per signature specimens delivered to the Broker pursuant to Clause 9.1(a)(ii) of the Agreement, to the Issuing and Paying Agent containing the confirmation of the issuance of Notes in the form set out in Annex 3 to the Agency Agreement (the “**Confirmation**”), and shall instruct the Issuing and Paying Agent to issue the Notes as of the Issue Date.

Broker’s Bid

The Broker may actively contact the Issuer, requesting that it issues Notes, if the Broker is interested at any time during the term of the Programme in purchasing the Notes or if addressed by an investor who intends to invest in the Notes issued by the Issuer. In any such

event, the Broker shall send a fax message or e-mail to the Issuer containing such request and details of the proposed parameters of the Notes, including Maturity Date, Issue Price, and Principal Amounts, indicating at the same time, whether such Notes are to be purchased within or outside of the Broker's Firm Subscription Commitment. The Issuer may then, but is not obliged to, satisfy such request and issue the respective Notes at its sole discretion.

Issue Date

Unless the Parties agree otherwise, as of the Issue Date, the Broker shall arrange for the payment of the Issue Price, or, as the case may be, the aggregate amount of the Issue Prices of all Notes issued as of the same Issue Date, by transfer in a currency in which the Notes are denominated to the Issuer's bank account. Such payment shall be deemed to have been duly made once (for interbank transfers) the relevant amount is credited to the clearing account of the Issuer's bank at the clearing center of the Czech National Bank for Notes denominated in CZK or the relevant EUR clearing account for Notes denominated in EUR.

Maturity Date

As of the Maturity Date, pursuant to the Agency Agreement, the Issuer shall transfer to the Issuing and Paying Agent's account the funds in CZK or EUR (depending on the currency in which the Notes are to be repaid) in the amount sufficient to allow the Issuing and Paying Agent to transfer the aggregate Principal Amount of the individual Notes due to investors as of the Maturity Date. Such payment shall be deemed to have been duly made once (for interbank transfers) the relevant amount is credited to the respective account of the Issuing and Paying Agent, no later than on the maturity date of any such payment. No set-off, whether partial or entire, of the aggregate due and payable Principal Amount against the aggregate Issue Price of any newly issued Notes is permitted, except as provided in Clause 3.6 hereof.

As of the Maturity Date or next Business Day, the Issuing and Paying Agent shall send to the Issuer a fax message or e-mail informing it of the repayment of the Notes, their serial numbers, and confirmation that the repaid Notes have been designated as such pursuant to the repayment clause and invalidated pursuant to the Agency Agreement.

ANNEX 2
STANDARD REQUEST FOR A BID TO ISSUE NOTES

related to the purchase of Notes issued under
the Commercial Paper Programme of České dráhy, a.s.

To: **Česká spořitelna, a.s.**

Telephone: [•]
Facsimile: [•]
E-mail: [•]
Attn. [•]

From: **České dráhy, a.s.**

Telephone: [•]
Facsimile: [•]
E-mail: [•]
Attn. [•]

Date: [•]

We hereby inform you about our intention to issue a Note Tranche with the following specifications:

Tranche Volume: [•], of which:

- [•] on the basis of Brokers' Firm Subscription Commitments;
- [•] outside of Broker's Firm Subscription Commitments.

Issue Date: [•]

Maturity Date: [•]

Accordingly, we ask you to inform us about your Bids, separating:

- Bids under the Firm Subscription Commitment for the aggregate Principal Amount of up to [CZK/EUR •]; and
- Bids outside of the Firm Subscription Commitment for the aggregate Principal Amount of up to [CZK/EUR •].

On behalf of **České dráhy, a.s.**

Name: [•]
Signature: [•]
Title: [•]

**ANNEX 3
STANDARD BID**

Bid No. [●]

related to the purchase of Notes issued under
the Commercial Paper Programme of České dráhy, a.s.

To: **České dráhy, a.s.**

Telephone: [●]

Facsimile: [●]

E-mail: [●]

Attn. [●]

From: **Česká spořitelna, a.s.**

Telephone: [●]

Facsimile: [●]

E-mail: [●]

Attn. [●]

a. Bid within the Firm Subscription Commitment:

Date of Bid	Issue Date	Tranche Volume (in [CZK/EUR])	Issue Price (in [CZK/EUR])	Principal Amount (in [CZK/EUR])	Yield to Maturity (in %)	Maturity Date
[●]	[●]	[●]	[●]	[●]	[●]	[●]

b. Bid outside of the Firm Subscription Commitment:

Date of Bid	Issue Date	Tranche Volume (in [CZK/EUR])	Issue Price (in [CZK/EUR])	Principal Amount (in [CZK/EUR])	Yield to Maturity (in %)	Maturity Date
[●]	[●]	[●]	[●]	[●]	[●]	[●]

On behalf of **Česká spořitelna, a.s.**

Name: [●]

Signature: [●]

Title: [●]

Date: [●]

We hereby accept the above-specified bid [under a. in whole/in part (in the amount of [CZK/EUR ●]) and under b. in whole/in part (in the amount of [CZK/EUR ●])] on behalf of České dráhy, a.s.

Name: [●]

Signature: [●]

Title: [●]

Date: [●]

ANNEX 4
U.S. SELLING RESTRICTIONS

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY U.S. STATE SECURITIES LAW, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.”

ANNEX 5 SPECIAL PROVISIONS

Term of Appointment

Pursuant to Clause 2.1 hereof, the term of the Broker's appointment shall be till [REDACTED]. Upon expiration of such term, this Agreement may be renewed for another [REDACTED] even repeatedly, subject to approval of both the Issuer and the Broker. Provided that (i) the Issuer serves a written notice of renewal to the Broker at least [REDACTED] prior to expiry of the relevant to date existing term of appointment of the Broker, and, (ii) no Event of Default has occurred and is threatening, the respective Broker will determine such request and informs the Issuer not later than by [REDACTED] prior to expiry of the relevant term of appointment whether it accepts such extension by another period of time or not.

Firm Subscription Commitment

The Broker undertakes to submit Bids for, and to purchase upon Issuer's instructions given pursuant to the relevant provisions of Annex 1 hereto and the Information Memorandum, the Notes, up to the aggregate Principal Amount, an outstanding amount of which (representing the aggregate Principal Amount of the Notes issued under the Programme and subscribed by the Broker but not yet duly repaid, or not yet to be duly repaid, by the Issuer as of the respective Issue Date specified in the relevant submission of Bids by the Broker) at any given time during the term hereof shall not exceed [REDACTED] or its equivalent in EUR (the "**Firm Subscription Commitment**") for a Yield to Maturity not exceeding the Maximum Yield to Maturity.

The Broker and the Issuer may agree in writing (in the form of an amendment to this Annex 5) on decreasing the Firm Subscription Commitment to any amount, including [REDACTED]. Such decrease of the Firm Subscription Commitment does not automatically result in the termination of the Agreement; the Broker shall continue its participation in the Programme with such decreased Firm Subscription Commitment. Following the agreement on decreasing the Broker's Firm Subscription Commitment to [REDACTED] the Broker shall continue its participation in the Programme without a Firm Subscription Commitment.

Foreign Exchange Rate

For the purposes of determining the EUR equivalent of the Firm Subscription Commitment (or the CZK equivalent, if the Firm Subscription Commitment is fixed in EUR, as the case may be), the relevant conversion rate shall be the exchange rate published by the Czech National Bank [REDACTED] prior to the Issue Date.

Maximum Yield to Maturity

If duration of the Reference Period (as defined further in this Annex 5) is up to (and including) 12 months, the maximum Yield to Maturity means [REDACTED] above PRIBOR (if Notes are denominated in CZK) for the relevant Reference Period or [REDACTED] above EURIBOR (if Notes are denominated in EUR) for the relevant Reference Period.

If duration of the Reference Period (as defined further in this Annex 5) is longer than [REDACTED] but [REDACTED], the maximum Yield to Maturity means [REDACTED] above [REDACTED]

the interest rate calculated for the term of the Reference Period on the basis of linear interpolation of (a) PRIBOR for the Reference Period being [REDACTED] and CZK IRS for the Reference Period being [REDACTED] (if Notes are denominated in CZK) or (b) EURIBOR for the Reference Period being [REDACTED] and EUR IRS for the Reference Period being [REDACTED] (if Notes are denominated in EUR) or, as case may be, upon other funding rate mutually agreed between the Issuer and the Agent.

If duration of the Reference Period (as defined further in this Annex 5) is equal to [REDACTED], the maximum Yield to Maturity means [REDACTED] above CZK IRS for the Reference Period being [REDACTED] (if Notes are denominated in CZK) for the relevant Reference Period or [REDACTED] above EUR IRS for the Reference Period being [REDACTED] (if Notes are denominated in EUR) or, as case may be, upon other funding rate mutually agreed between the Issuer and the Agent.

The Maximum Yield to Maturity shall not apply if the Broker's Firm Subscription Commitment is [REDACTED] CZK or if the Broker's Firm Subscription Commitment has been used in full.

"PRIBOR" for the given Reference Period (as defined in this Annex 5 below) means an interest rate p.a. for CZK denominated deposits (rounded off to two decimal places), as displayed on the PRBO page of the "Reuter Screen Service" (or on any other screen replacing it) at 11:00 a.m. (Prague Time) on the Reference Date (as defined in this Annex 5 below) for the term of such Reference Period. If PRIBOR related to the given Reference Period as a rate per annum cannot be ascertained in the above-specified manner, it shall be ascertained on the basis of average rates for CZK deposits (rounded off to two decimal places) as an amount approximately corresponding to the Principal Amounts and for the period of time corresponding to the given Reference Period, which are offered to the Broker by at least 3 (three) banks operating on the Prague interbank market at around 11:00 a.m. (Prague Time) on the Reference Date. Based on the figures given, the Broker shall calculate an average of these rates rounded off to 2 (two) decimal places. Such resulting rate shall be "PRIBOR" applicable to the respective Reference Period. Where any Reference Periods are beyond standard practice and approved by both parties, the Broker shall determine PRIBOR with reference to PRIBOR applicable to the standard period immediately following.

"EURIBOR" for the given Reference Period (as defined in this Annex 5 below) means an interest rate p.a. for EUR denominated deposits (rounded off to two decimal places) as displayed on the EURIBOR01 page of the "Reuter Screen Service" (or on any other screen replacing it) at 11:00 a.m. (Brussels Time) on the Reference Date (as defined in this Annex 5 below) for the term of such Reference Period. If EURIBOR cannot be ascertained in the above-specified manner, it shall be ascertained on the basis of average rates for EUR deposits (rounded off to two decimal places) as an amount approximately corresponding to the Principal Amount and for the period of time corresponding to the given Reference Period, which are offered to the Broker by at least 3 (three) banks operating on the Brussels interbank market at around 11:00 a.m. (Brussels Time) on the Reference Date. Based on the figures given, the Broker shall calculate an average of these rates rounded off to 2 (two) decimal places. Such resulting rate shall be "EURIBOR" applicable to the respective Reference Period. Where any Reference Periods are beyond standard practice and approved by both parties, the Broker shall determine EURIBOR with reference to EURIBOR applicable to the standard period immediately following.

“EUR IRS” for the given Reference Period (as defined in this Annex 5 below) means an interest rate p.a. for EUR denominated deposits as displayed on the EURIRSFIX=IFPX page /ASK/ of the “Reuter Screen Service” (or on any other screen replacing it) at 4:00 p.m. (Brussels Time) on the Reference Date (as defined in this Annex 5 below) for the term of such Reference Period. If EUR IRS related to the given Reference Period as a rate per annum cannot be ascertained in the above-specified manner, it shall be ascertained on the basis of average rates for EUR deposits (rounded off to two decimal places) as an amount approximately corresponding to the Principal Amounts and for the period of time corresponding to the given Reference Period, which are offered to the Broker by at least 3 (three) banks operating on the Brussels interbank market at around 4:00 p.m. (Brussels Time) on the Reference Date. Based on the figures given, the Broker shall calculate an average of these rates rounded off to 2 (two) decimal places. Such resulting rate shall be “EUR IRS” applicable to the respective Reference Period. Where any Reference Periods are beyond standard practice and approved by both parties, the Broker shall determine CZK IRS with reference to EUR IRS applicable to the standard period immediately following.

“CZK IRS” for the given Reference Period (as defined in this Annex 5 below) means an interest rate p.a. for CZK denominated deposits (rounded off to two decimal places), as displayed on the CZKIRS page /ASK/ of the “Reuter Screen Service” (or on any other screen replacing it) at 4:00 p.m. (Prague Time) on the Reference Date (as defined in this Annex 5 below) for the term of such Reference Period. If CZK IRS related to the given Reference Period as a rate per annum cannot be ascertained in the above-specified manner, it shall be ascertained on the basis of average rates for CZK deposits (rounded off to two decimal places) as an amount approximately corresponding to the Principal Amounts and for the period of time corresponding to the given Reference Period, which are offered to the Broker by at least 3 (three) banks operating on the Prague interbank market at around 4:00 p.m. (Prague Time) on the Reference Date. Based on the figures given, the Broker shall calculate an average of these rates rounded off to 2 (two) decimal places. Such resulting rate shall be “CZK IRS” applicable to the respective Reference Period. Where any Reference Periods are beyond standard practice and approved by both parties, the Broker shall determine CZK IRS with reference to CZK IRS applicable to the standard period immediately following.

“Brussels Time” for the purposes hereof means the generally accepted reference time in Brussels any given day.

“Reference Period” for the purposes hereof means the period from the Issue Date to the Maturity Date of the respective Notes.

“Reference Date” for the purpose of determining PRIBOR, EURIBOR, CZK IRS or EUR IRS rates means the second Business Day preceding the Issue Date of the respective Notes.

If a Market Disruption Event occurs and the Broker or the Issuer so requires, the Broker and the Issuer shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the relevant PRIBOR, EURIBOR, CZK IRS or EUR IRS (as applicable) rates. Any alternative basis so agreed shall be binding on all Parties. If no such agreement between the Parties has been reached, the Broker shall not be obliged to bid for or shall not be bound by its Bid for purchase of Notes under its Firm Subscription Commitment.

“Market Disruption Event”

- (a) for the purpose of determining PRIBOR or EURIBOR rates means a situation when at or about 11.00 a.m. on the Reference Date the “Reuter Screen Service” (or on any other screen replacing it) displaying the PRIBOR or EURIBOR (as applicable) rates for the relevant Reference Period is not available and none of the Reference Banks supplies a rate to the Broker to determine the PRIBOR or EURIBOR (as applicable) rates for the relevant Reference Period;
- (b) for the purpose of determining CZK IRS or EUR IRS rates means a situation when at or about 4.00 p.m. on the Reference Date the “Reuter Screen Service” (or on any other screen replacing it) displaying the CZK IRS or EUR IRS (as applicable) rates for the relevant Reference Period is not available and none of the Reference Banks supplies a rate to the Broker to determine the CZK IRS or EUR IRS (as applicable) rates for the relevant Reference Period.

Commitment Fee

If the Issuer does not use the Broker’s Firm Subscription Commitment and does not issue Notes in the framework of such Firm Subscription Commitment, it shall pay the Broker a fee from the unused portion thereof during the Term of Appointment (the “**Commitment Fee**”). Such unused portion shall be deemed to mean the absolute value of the difference between the Principal Amount of the Notes purchased by the Broker under the Broker’s Firm Subscription Commitment and the amount of its Firm Subscription Commitment. The Commitment Fee shall be payable as of the end of every [REDACTED] and then as of the termination date hereof, at all times against an invoice issued by the Broker. The Commitment Fee shall accrue on an actual number of days over a calendar year of [REDACTED]. The Commitment Fee shall amount to [REDACTED].

No Commitment Fee shall be paid if the respective Broker’s Firm Subscription Commitment is [REDACTED] or if the Broker’s Firm Subscription Commitment has been used in full.