**LD 2162 (2023)**

**AMENDMENT AGREEMENT**

**to the Framework LOAN Agreement dated 22 APRIL 2024**

### between

**COUNCIL OF EUROPE DEVELOPMENT BANK**, international organisation with its headquarters at 55, Avenue Kléber, 75116 Paris, France(the “***CEB***”)

*and*

**BRNĚNSKÉ VODÁRNY A KANALIZACE, A.S.**, incorporated in the Czech Republic and registered in the commercial register maintained by the Regional Court in Brno, file number B 783, with identification number 463 47 275, with its corporate seat at Pisárecká 555/1a, Pisárky, 603 00, Brno, the Czech Republic (the **“*Borrower*”** and together with the CEB, the **“*Parties*”** and each a **“*Party*”**),

**WHEREAS**

1. The Parties have entered into a framework loan agreement dated 22 April 2024 in relation to the financing of the reconstruction and the extension of the wastewater treatment plant in Brno-Modrice which entered into force pursuant to Clause 20 of the framework loan agreement with respect to a Loan Amount of EUR 58,700,000 (the “***Framework Loan Agreement***”).
2. The Parties wish to amend the Framework Loan Agreement on the terms and conditions set forth in this amendment agreement (the “***Amendment Agreement***”) for the purposes of incorporating into the Framework Loan Agreement an interest rate revision mechanism.

**the Parties hereby agree as follows:**

1. The following definitions contained in Sub-clause 1.1 (*Definitions*) of the Framework Loan Agreement shall be amended to read as follows:

**“Day Count Convention”** means the convention for determining the number of days between two dates and the number of days in a year specified in the relevant Disbursement Notice or Interest Rate Revision Notice, if any.

**“Fixed Interest Rate”** means the interest rate per annum specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

**“Floating Interest Rate”** means the interest rate per annum determined by adding or subtracting the Spread specified in the applicable Disbursement Notice (or Interest Rate Revision Notice, if any) to or from, as the case may be, the Reference Rate.

For the avoidance of doubt, when the determination of the Floating Interest Rate results in a negative interest rate (due to a quoted negative Reference Rate, to the operation of a Spread that is subtracted from the Reference Rate or to any other circumstances), the interest to be paid by the Borrower for the Interest Period shall be deemed to be zero.

**“Interest Determination Date”** means, for the purposes of determination of a Floating Interest Rate, the day falling two (2) Business Days prior to the first day of the Interest Period, unless otherwise specified in the relevant Disbursement Notice or Interest Rate Revision Notice, if any.

**“Interest Payment Dates”** means the dates for the payment of interest corresponding to the relevant Interest Period specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

**“Market Disruption Event”** has the meaning specified under Sub-clause 4.11.

**“Maturity Date”** means the last Principal Repayment Date for each Tranche specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

**“Principal Repayment Date(s)”** means the date(s) for the repayment(s) of principal under each Tranche specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

**“Spread”** means, in connection with Floating Interest Rate Tranches, the fixed-spread to the Reference Rate (being either plus or minus) specified in basis points in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

1. The following definitions shall be added to Sub-clause 1.1 (*Definitions*) of the Framework Loan Agreement in the respective alphabetical order:

**“Amount subject to Interest Rate Revision”** has the meaning specified under Sub-clause 4.10.

**“Interest Rate Revision”** means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis which can be offered for the remaining term of a Tranche or until the next Interest Rate Revision Date, if any.

**“Interest Rate Revision Date”** means the two (2) possible interest rate revision dates with respect to a Tranche, each being an Interest Payment Date, specified by the CEB in the Disbursement Notice.

**“Interest Rate Revision Notice”** has the meaning specified under Sub-clause 4.10.

**“Interest Rate Revision Request”** has the meaning specified under Sub-clause 4.10.

**“Outstanding Principal Amount”** has the meaning specified under Sub-clause 4.10.

1. Sub-clause 4.3 (*Disbursement Procedure*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following sub-clause:

“The disbursement of each Tranche is determined through the following procedure:

1. Disbursement Request

Prior to each disbursement, the Borrower shall submit to the CEB a disbursement request substantially in the form set out under Appendix 3 hereto (hereinafter, a **“Disbursement Request”**).

A Disbursement Request shall specify the proposed:

1. Currency(ies) and amount(s) for the Tranche;
2. Disbursement Date; such Disbursement Date shall be a Business Day falling at least five (5) Business Days after the date of the Disbursement Request;
3. Principal Repayment Date(s), including the Maturity Date, taking into account that the Principal Repayment Period for each Tranche shall not exceed (i) twenty-five (25) years without a grace period or (ii) twenty (20) years including a grace period not greater than three (3) years;
4. maximum Fixed Interest Rate or maximum Spread to the Reference Rate applicable until the Maturity Date or until the Interest Rate Revision Date, if any;
5. Interest Period and Interest Payment Dates;
6. Interest Rate Revision Date, if any;
7. Day Count Convention and Business Days; and
8. Borrower’s account for payments.

Each Disbursement Request delivered to the CEB shall be irrevocable, unless otherwise agreed in writing by the CEB.

1. Disbursement Notice

If the CEB receives a Disbursement Request that complies with the Disbursement Request requirements set out in Sub-clause 4.3(a) above, and if all other relevant Disbursement Conditions as defined in Sub-clause 4.5 (*Disbursement Conditions*) below have been fulfilled by the Borrower, the CEB shall deliver to the Borrower a disbursement notice substantially in the form set out under Appendix 3 hereto (hereinafter, a **“Disbursement Notice”**). Each Disbursement Notice shall be delivered at least two (2) Business Days before the proposed Disbursement Date.

A Disbursement Notice shall specify:

1. the Currency(ies) and the amount(s) for the Tranche;
2. the Disbursement Date;
3. the Principal Repayment Period and Principal Repayment Date(s), including the Maturity Date;
4. the Fixed Interest Rate or the Spread to the Reference Rate;
5. the Interest Period and the Interest Payment Dates;
6. the Interest Rate Revision Date, if any, for the Tranche;
7. the Day Count Convention and the Business Days; and
8. the Borrower’s and the CEB’s accounts for payments.

A Disbursement Notice matching the elements included in a Disbursement Request shall constitute an irrevocable and unconditional commitment on the part of the Borrower to borrow from the CEB and on the part of the CEB to disburse to the Borrower the Tranche under the terms and conditions specified in the Disbursement Notice.

Notwithstanding the above, if the CEB has not delivered a Disbursement Notice within twenty (20) Business Days following the receipt of a Disbursement Request, the relevant Disbursement Request shall be deemed as cancelled.”

1. Sub-clause 4.4 (*Disbursement Period*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following sub-clause:

“Unless otherwise agreed in writing by the CEB, the Borrower shall not be entitled to:

(a) the issue of a Disbursement Request for the first Tranche beyond twenty-one (21) months after the execution of the Agreement by the Parties;

(b) the issue of any further Disbursement Request beyond eighteen (18) months after the last disbursement; or

(c) the issue of any further Disbursement Request beyond the day falling fifteen (15) Business Days before the Closing Date.”

1. Paragraph (b) (*Prepayment Costs*) of Sub-clause 4.7 (*Prepayment*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following paragraph:

“The costs resulting from prepayment in accordance with Sub-clause 4.7(a) (hereinafter, the **“Prepayment Costs”**) shall be determined by the CEB on the basis of the costs to it of redeploying the amount to be prepaid from the Prepayment Date to (i) the Maturity Date or (ii) the Interest Rate Revision Date, if any, including any related costs, such as unwinding any underlying hedging arrangements. The costs of redeployment will be established on the basis of the difference between the original rate and the redeployment rate, which shall be determined by the CEB on the basis of market conditions on the date of the Prepayment Notice.”

1. Sub-clause 4.8 (*Interest Determination*) of the Framework Loan Agreement shall be deleted in its entirety and replaced with the following sub-clause:

“The Borrower shall pay interest on the principal of each Tranche from time to time outstanding during each Interest Period at the Fixed Interest Rate/Floating Interest Rate specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any.

Interest shall (i) accrue from and including the first day of the Interest Period to but excluding the last day of such Interest Period; and (ii) be due and payable on the Interest Payment Dates specified in the applicable Disbursement Notice or Interest Rate Revision Notice, if any. Interest shall be calculated on the basis of the Day Count Convention specified in the relevant Disbursement Notice or Interest Rate Revision Notice, if any.

In the case of Floating Interest Rate Tranches, the CEB shall determine on each Interest Determination Date the interest rate applicable during the relevant Interest Period in accordance with the Agreement and promptly give notice thereof to the Borrower. Each determination by the CEB shall be final, conclusive and binding upon the Borrower unless shown by the Borrower to the satisfaction of the CEB that any such determination has involved manifest error.”

1. The following sub-clause shall be added as new Sub-clause 4.10 (*Interest Rate Revision*) to the Framework Loan Agreement and replace the current Sub-clause 4.10 (*Market Disruption Event*) of the Framework Loan Agreement:

“If an Interest Rate Revision Date has been included in the Disbursement Notice for a Tranche, the following provisions shall apply.

* + 1. Mechanics

If the Borrower exercises an option to revise the interest rate of a Tranche on the first and/or the second Interest Rate Revision Date with respect to each Tranche, the Borrower shall give a written notice to the CEB at least ten (10) Business Days prior to the Interest Rate Revision Date substantially in the form set out under Appendix 3 hereto (hereinafter, the “**Interest Rate Revision Request**”) specifying that the interest rate with respect to the full amount of the Tranche outstanding on the Interest Rate Revision Date (hereinafter, the “**Outstanding Principal Amount**”), or the part thereof (hereinafter, the “**Amount subject to Interest Rate Revision**”), as the case may be, be revised on the Interest Rate Revision Date, indicating the maximum Fixed Interest Rate or maximum Spread to the Reference Rate acceptable to the Borrower, and requesting the CEB to submit to it an Interest Rate Revision Notice.

Upon receipt of the Interest Rate Revision Request, the CEB shall send a written notice to the Borrower substantially in the form set out under Appendix 3 hereto (hereinafter, the “**Interest Rate Revision Notice**”), not later than five (5) Business Days prior to the Interest Rate Revision Date, indicating:

(i) the Fixed Interest Rate or Spread to the Reference Rate that applies to the Outstanding Principal Amount or the Amount subject to Interest Rate Revision, as the case may be, from and including the Interest Rate Revision Date onwards; and

 (ii) that such Fixed Interest Rate or Spread to the Reference Rate shall apply until the Maturity Date or until the new Interest Rate Revision Date, if any, and that interest is payable annually in arrears on designated Interest Payment Dates.

* + 1. Effects of Interest Revision

Prior to the first Interest Rate Revision Date, the relevant provisions of the Agreement and the Disbursement Notice shall apply to the entire Tranche. From and including the first Interest Rate Revision Date onwards, the provisions contained in the first Interest Rate Revision Notice relating to the new Fixed Interest Rate/Floating Interest Rate shall apply to the Outstanding Principal Amount or the Amount subject to Interest Rate Revision specified in the first Interest Rate Revision Notice, as the case may be, until the second Interest Rate Revision Date, if any, or until the Maturity Date.

Prior to the second Interest Rate Revision Date, the relevant provisions of the Agreement and the first Interest Rate Revision Notice shall apply to the Outstanding Principal Amount or the Amount subject to Interest Rate Revision contained in the first Interest Rate Revision Notice, as the case may be. Unless the second Interest Rate Revision Date is the Maturity Date, from and including the second Interest Rate Revision Date onwards, the provisions contained in the second Interest Rate Revision Notice relating to the new Fixed Interest Rate/Floating Interest Rate shall apply to the Outstanding Principal Amount or the Amount subject to Interest Rate Revision specified in the second Interest Rate Revision Notice, as the case may be, until the Maturity Date.

If, on any Interest Rate Revision Date, the Amount subject to Interest Rate Revision does not equal the Outstanding Principal Amount on that Interest Rate Revision Date, the Borrower shall repay the difference between the Outstanding Principal Amount and the Amount subject to Interest Rate Revision on that Interest Rate Revision Date, without indemnity.

If the CEB has not delivered an Interest Rate Revision Notice within the deadline specified above, the relevant Interest Rate Revision Request shall be deemed as cancelled.

* + 1. Non-fulfilment of Interest Revision

If the Borrower does not submit an Interest Rate Revision Request or if the CEB has not delivered an Interest Rate Revision Notice within the deadline specified above, the Borrower shall repay the Outstanding Principal Amount on the Interest Rate Revision Date, without indemnity.”

1. Sub-clause 4.10 (*Market Disruption Event*) of the Framework Loan Agreement shall become Sub-clause 4.11 (*Market Disruption Event*) of the Framework Loan Agreement.
2. Appendix 3 to the Framework Loan Agreement shall be deleted in its entirety and replaced with a new Appendix 3, in the form attached hereto as annex 1.
3. In addition to the disbursement conditions set out under Sub-clause 4.5(a) of the Framework Loan Agreement, the Borrower shall provide to the CEB as conditions precedent to the Disbursement Request for the first Tranche to be disbursed under the Framework Loan Agreement:
4. a legal opinion in English issued by the Borrower’s external legal advisors confirming to the CEB’s satisfaction, substantially in the form set out under annex 2 to this Amendment Agreement, that this Amendment Agreement has been duly executed by authorised representatives of the Borrower and that the Borrower has the corporate power and capacity to enter into this Amendment Agreement; and
5. evidence in English (*e.g.*, statute, resolution, power of attorney, etc.) to the CEB’s satisfaction of the person(s) authorised to execute this Amendment Agreement on behalf of the Borrower, together with the authenticated specimen of the signature(s) of such person(s).
6. All other terms and conditions of the Framework Loan Agreement that are not hereby amended shall remain in full force and effect. The amendments made by this Amendment Agreement are without prejudice to any other rights of the CEB. Terms defined in the Framework Loan Agreement shall have the same meaning herein, unless otherwise specified.
7. As of the entry into force of this Amendment Agreement, references in the Framework Loan Agreement to “the Agreement”, “hereunder”, “herein” and like terms or to any provision of the Framework Loan Agreement shall be construed as a reference to the Framework Loan Agreement as amended by this Amendment Agreement. This Amendment Agreement shall in no way be deemed to be a novation of the Framework Loan Agreement.
8. The provisions of Clause 8 (*Representations and warranties*), Clause 9 (*Third Parties*), Clause 10 (*Non-waiver*), Clause 11 (*Transfer*), Clause 12 (*Illegality*), Clause 13 (*No Hardship*), Clause 14 (*Governing Law*), Clause 15 (*Disputes*), Clause 16 (*Data Protection*), Clause 17 (*Notices*), Clause 18 (*Taxes and Expenses*) and Clause 19 (*Discharge*) of the Framework Loan Agreement are hereby incorporated, *mutatis mutandis*, into this Amendment Agreement as if set out in full herein and as if references therein to “the Agreement” and like terms are references to this Amendment Agreement.
9. This Amendment Agreement shall enter into force upon (i) its execution by the Parties and (ii) notification by the Borrower to the CEB of the publication of the Amendment Agreement in the registry of contracts (in Czech: *Registr smluv*), as required by the applicable Czech law, such publication to be done within thirty (30) calendar days upon reception by the Borrower of the Amendment Agreement duly executed by the Parties.

The CEB and the Borrower hereby agree that the following information shall be redacted when this Amendment Agreement is published in the registry of contracts:

(a) any personal data included in this Amendment Agreement; and

(b) names and signatures of signatories of this Amendment Agreement.

IN WITNESS THEREOF the Parties have caused the Agreement to be executed in three (3) originals, each of which is equally valid. One (1) original is kept by the CEB and two (2) originals are kept by the Borrower.

Prague, on 12.5.2025

For **BRNĚNSKÉ VODÁRNY A KANALIZACE, A.S.**

………………………………………… …………………………………………

Name: Name: XXX

Title: Title: XXX

Paris, on 6.5.2025

For **COUNCIL OF EUROPE DEVELOPMENT BANK**

………………………………………… …………………………………………

Name: XXX Name: XXX

Title: XXX Title: XXX

**ANNEX 1**

**Appendix 3**

**DISBURSEMENT REQUEST (TEMPLATE)**

***LD*** [●] ***(***[●]***) – [•] Tranche***

With reference to the Framework Loan Agreement dated [●] as amended from time to time (hereinafter, the “**Agreement”**) between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and Brněnské vodárny a kanalizace, a.s. (hereinafter, the “**Borrower**”), the Borrower hereby requests the CEB, in accordance with Sub-clause 4.3(a) of the Agreement, to proceed with the disbursement of a Tranche under the specific terms and conditions set out below.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

|  |  |
| --- | --- |
| Currency/Amount | [●] |
| Disbursement Date | [●] |
| Maximum Principal Repayment Period | [●] years [including a grace period of [●] years] |
| Principal Repayment Period until the Interest Rate Revision Date | [●] years |
| Principal Repayment Date(s) until the Interest Rate Revision Date | [●] |
| Interest Rate Revision Date | [●] |
| Maximum Maturity Date | [●] |
| Interest Rate until the Interest Rate Revision Date | Fixed | Maximum [●] *per annum* |
| Floating | Reference Rate: | [●]-month EURIBOR/PRIBOR *per annum* |
| Spread | Maximum [●] basis points |
| Interest Period until the Interest Rate Revision Date | [Quarterly] [Semi-annually] in arrears  |
| Interest Payment Dates until the Interest Rate Revision Date | The interest payment will take place on [●] every year and for the first time on [●] |
| Day Count Convention until the Interest Rate Revision Date | Modified Following Business Day Convention |
| Business Day | [●] |
| Borrower’s Account  |

|  |  |
| --- | --- |
| Beneficiary’s Name | [●] |
| Beneficiary’s Bank | Name  | [●] |
| City | [●] |
| SWIFT | [●] |
| IBAN | [●] |
| Reference | [●] |
| Correspondent Bank (if applicable) | Name | [●] |
| City | [●] |
| SWIFT | [●] |
| IBAN | [●] |

 |

[•], on [•]

For the Borrower

[INSERT NAME(S)/TITLE(S)]

**DISBURSEMENT NOTICE (TEMPLATE)**

***LD*** [●] ***(***[●]***) – [•] Tranche***

In response to your Disbursement Request dated [●] with reference to the Framework Loan Agreement dated [●] as amended from time to time (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and Brněnské vodárny a kanalizace, a.s. (hereinafter, the “**Borrower**”), the CEB hereby notifies to the Borrower, in accordance with Sub-clause 4.3(b) of the Agreement, the terms and conditions of the disbursement of the relevant Tranche.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

|  |  |
| --- | --- |
| Currency/Amount | [●] |
| Disbursement Date | [●] |
| Maximum Principal Repayment Period | [●] years [including a grace period of [●] years] |
| Principal Repayment Period until the Interest Rate Revision Date | [●] years |
| Principal Repayment Date(s) until the Interest Rate Revision Date | [●] |
| Interest Rate Revision Date | [●] |
| Maximum Maturity Date | [●] |
| Interest Rate until the Interest Rate Revision Date | Fixed | [●] *per annum* |
| Floating | Reference Rate:   | [●]-month EURIBOR/PRIBOR *per annum* |
| Spread | [●] basis points |
| Interest Period until the Interest Rate Revision Date | [Quarterly] [Semi-annually] in arrears  |
| Interest Payment Dates until the Interest Rate Revision Date | The interest payment will take place on [●] every year and for the first time on [●]  |
| Day Count Convention until the Interest Rate Revision Date | Modified Following Business Day Convention |
| Business Day | [●] |
| Borrower’s Account  |

|  |  |
| --- | --- |
| Beneficiary’s Name | [●] |
| Beneficiary’s Bank | Name  | [●] |
| City | [●] |
| SWIFT | [●] |
| IBAN | [●] |
| Reference | [●] |
| Correspondent Bank (if applicable) | Name | [●] |
| City | [●] |
| SWIFT | [●] |
| IBAN | [●] |

 |
| CEB’s account  |

|  |  |
| --- | --- |
| Beneficiary’s Name | Council of Europe Development Bank |
| Beneficiary’s SWIFT | CEFPFRPP |
| Beneficiary’s Bank | Name |  |
| City |  |
| SWIFT |  |
| IBAN |  |

 |

Paris, on [•]

For the CEB

[INSERT NAME(S)/TITLE(S)]

**INTEREST RATE REVISION REQUEST** **(TEMPLATE)**

*LD* [●] *(*[●]*) – [•] Tranche*

With reference to the Framework Loan Agreement dated [●] as amended from time to time (hereinafter, the “**Agreement**”) between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and Brněnské vodárny a kanalizace, a.s. (hereinafter, the “**Borrower**”) and the Disbursement Notice dated [●] whereby the CEB disbursed to the Borrower on [●] an instalment of [●] (Tranche [●]), the Borrower hereby requests the CEB, in accordance with Sub-clause 4.10 of the Agreement, to proceed with the Interest Rate Revision of the relevant Tranche under the specific terms and conditions set out below.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

|  |  |
| --- | --- |
| Outstanding Principal Amount at the Interest Rate Revision Date | [●] |
| Amount subject to Interest Rate Revision  | [●] |
| Difference between (i) the Outstanding Principal Amount and (ii) the Amount subject to Interest Rate Revision on the Interest Rate Revision Date, repayable by the Borrower to the CEB on the Interest Revision Date | [●] |
| Interest Rate Revision Date | [●] |
| Principal Repayment Period [until the Interest Rate Revision Date/until the Maturity Date] | [●] years |
| Principal Repayment Date(s) [until the Interest Rate Revision Date/until the Maturity Date] | [●] |
| Maturity Date  | [●] |
| Interest Rate [until the Interest Rate Revision Date/until the Maturity Date] | Fixed | Maximum [●] *per annum* |
| Floating | Reference Rate: | [[●]-month EURIBOR/PRIBOR] *per annum* |
| Spread | Maximum [●] basis points |
| Interest Period [until the Interest Rate Revision Date/until the Maturity Date] | [Quarterly] [Semi-annually] in arrears  |
| Interest Payment Dates [until the Interest Rate Revision Date/until the Maturity Date] | The interest payment will take place on [●] every year and for the first time on [●] |
| Day Count Convention [until the Interest Rate Revision Date/until the Maturity Date] | Modified Following Business Day ConventionACT/360 for a Floating Interest Rate in EUR30/360 for a Fixed Interest Rate in EUR |
| Business Day | [●] |

[•], on [•]

For the Borrower

[INSERT NAME(S)/TITLE(S)]

**INTEREST RATE REVISION NOTICE** **(TEMPLATE)**

*LD* [●] *(*[●]*) – [•] Tranche*

In response to your Interest Rate Revision Request dated [●] with reference to the Framework Loan Agreement dated [●] as amended from time to time (hereinafter, the “**Agreement**”) and the Disbursement Notice dated [●] between the Council of Europe Development Bank (hereinafter, the “**CEB**”) and Brněnské vodárny a kanalizace, a.s. (hereinafter, the “**Borrower**”), the CEB hereby notifies to the Borrower, in accordance with Sub-clause 4.10 of the Agreement, the terms and conditions of the Interest Rate Revision of the relevant Tranche.

Terms defined in the Agreement shall have the same meaning herein, unless otherwise specified.

|  |  |
| --- | --- |
| Outstanding Principal Amount at the Interest Rate Revision Date | [●] |
| Amount subject to Interest Rate Revision  | [●] |
| Difference between (i) the Outstanding Principal Amount and (ii) the Amount subject to Interest Rate Revision on the Interest Rate Revision Date, repayable by the Borrower to the CEB on the Interest Revision Date | [●] |
| Interest Rate Revision Date | [●] |
| Principal Repayment Period [until the Interest Rate Revision Date/until the Maturity Date] | [●] years |
| Principal Repayment Date(s) [until the Interest Rate Revision Date/until the Maturity Date] | [●] |
| Maturity Date  | [●] |
| Interest Rate [until the Interest Rate Revision Date/until the Maturity Date] | Fixed | Maximum [●] *per annum* |
| Floating | Reference Rate: | [[●]-month EURIBOR/PRIBOR] *per annum* |
| Spread |  [●] basis points |
| Interest Period [until the Interest Rate Revision Date/until the Maturity Date] | [Quarterly] [Semi-annually] in arrears  |
| Interest Payment Dates [until the Interest Rate Revision Date/until the Maturity Date] | The interest payment will take place on [●] every year and for the first time on [●] |
| Day Count Convention [until the Interest Rate Revision Date/until the Maturity Date] | Modified Following Business Day ConventionACT/360 for a Floating Interest Rate in EUR30/360 for a Fixed Interest Rate in EUR |
| Business Day | [●] |

Paris, on [•]

For the CEB

[INSERT NAME(S)/TITLE(S)]

**ANNEX 2**

**Legal Opinion**

# **Introduction**

## **Basis of instructions**

We have acted as Czech legal advisers to the Obligor (as defined below) as borrower in relation to the Amendment (as defined below). The Obligor (as our client) has asked us to address this Opinion to the Beneficiaries.

## **Entity and documents covered by this Opinion**

This Opinion relates to the Obligor and to an executed copy of an amendment no. 1 to the Framework Loan Agreement (as defined below) dated [●] 2025 and registered in the registry of contracts (in Czech: Registr smluv) on [●] 2025 between the Obligor as borrower and CEB (as defined below) as lender (the **Amendment** and the Original Framework Loan Agreement (as defined below) as amended by the Amendment as the **Framework Loan Agreement**).

## **Defined terms**

### Words defined in the Framework Loan Agreement have the same meanings in this Opinion unless they are expressly defined herein.

### In this Opinion:

1. **Act on Preventive Restructuring** means Act No. 284/2023 Coll., on Preventive Restructuring.
2. **Authorising Resolution** is defined in Schedule 1 (Documents reviewed).
3. **Beneficiaries** means:
	1. CEB; and
	2. any other person who we agree with in writing may rely on this Opinion.

**Business Corporations Act** means Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended.

1. **CEB** means COUNCIL OF EUROPE DEVELOPMENT BANK, international organisation with its headquarters at 55, Avenue Kléber, 75116 Paris, France.
2. **Civil Code** means Act No. 89/2012 Coll., Civil Code, as amended.
3. **Commercial Register** means the Czech Commercial Register (obchodní rejstřík) maintained pursuant to Act No. 304/2013 Coll., on Public Registers of Legal Entities and Individuals, as amended.
4. **Constitutional Documents** is defined in Schedule 1 (Documents reviewed).
5. **Czech Arbitration Act** means Czech Act No. 216/1994 Coll., on arbitration proceedings and enforcement of arbitration award, as amended.
6. **Documents** means the documents listed in Schedule 1 (Documents reviewed).
7. **Governing Law** means the governing law pursuant to clause 13 of the Amendment in connection with clause 14 of the Framework Loan Agreement pursuant to which the Amendment shall be governed by the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and, secondarily, if necessary, by French law.
8. **Insolvency Act** means Act No. 182/2006 Coll., Insolvency Act, as amended.
9. **Insolvency Register** means the Czech insolvency register (insolvenční rejstřík) maintained pursuant to the Insolvency Act.
10. **Obligor** means Brněnské vodárny a kanalizace, a.s., a joint stock company established under the laws of the Czech Republic, with its registered office at Pisárecká 555/1a, Pisárky, 603 00 Brno, the Czech Republic, ID No. 463 47 275, registered in the commercial register maintained by the Regional Court in Brno under file No. B 783.
11. **Original Framework Loan Agreement** means the framework loan agreement dated 22 April 2024 and registered in the registry of contracts (in Czech: Registr smluv) on 30 April 2024 between the Obligor as borrower and CEB as the lender.
12. **Register of Beneficial Owners** means register of beneficial owners (evidence skutečných majitelů) maintained by the Ministry of Justice in accordance with Section 11 et seq. of Act No. 37/2021 Coll., Act on Register of Beneficial Owners (zákon o evidenci skutečných majtelů), as amended.
13. **Restructuring Register** means the Czech restructuring register (restrukturalizační rejstřík) to be maintained pursuant to the Act on Preventive Restructuring.

### References to **this Opinion** are references to the whole of this opinion and any part of it.

## **Searches and enquiries completed and documents reviewed**

For this Opinion:

#### we have completed only the searches and enquiries referred to in paragraph 2 (Searches and enquiries); and

#### we have not examined any other contracts, instruments, corporate records or other documents save for the Documents.

#### We have not made any other enquiries or searches in respect of any parties to the Amendment or any matter of fact, for the purposes of giving this Opinion.

## **Scope of the Opinion**

### This Opinion is limited to Czech law in force as published in the Collection of Laws and International Treaties of the Czech Republic and the EU law directly applicable in the Czech Republic, in effect as of the date of signing of the Amendment. We express no opinion as to matters governed by any law other than Czech law. We undertake no responsibility to notify or advise you on any change in law or fact after the date thereof that would alter the scope or substance of the opinions expressed herein.

### This Opinion is limited to the matters expressly set forth herein and no opinion is to be implied or inferred beyond the matters expressly so stated.

### We give this Opinion:

#### on the basis of the assumptions set out in Schedule 2 (Assumptions); and

#### subject to the qualifications set out in Schedule 3 (Qualifications).

## **Reliance and disclosure**

### No person may rely on this Opinion except for the Beneficiaries. They may rely on it only:

#### in connection with the Amendment; and

#### on condition that:

##### it is interpreted in accordance with, and our obligations and liability in connection with it are governed by, Czech law; and

##### any dispute arising from it is subject to the exclusive jurisdiction of the Czech courts.

### No person may, without our written consent and subject to paragraph 1.6.3 disclose this Opinion, or any copy of it, to any other person.

### Subject to paragraph 1.6.4, a Beneficiary may disclose this Opinion to:

#### any person to whom disclosure is required:

##### by law, court order or the mandatory rules or regulations of any competent supervisory or regulatory body; or

##### in connection with any judicial proceedings relating to the Framework Loan Agreement;

#### the officers, employees, auditors and professional advisers of any Beneficiary;

#### any person who is not at the time of the disclosure a Beneficiary, but:

##### to whom a Beneficiary has assigned or transferred (or may potentially assign or transfer) its rights and/or obligations under (and in accordance with) the Framework Loan Agreement; or

##### with (or through) whom a Beneficiary has entered into (or may potentially enter into) any sub-participation in relation to the Framework Loan Agreement,

and any such person's professional advisers.

### The following conditions apply to any disclosure under paragraph 1.6.3:

#### the disclosure is made only to inform the recipient of the terms of the Opinion, but not so the recipient may rely on it in any way; and

#### we accept no responsibility or legal liability to the recipient.

### This Opinion is given by [•] which assumes liability, and is responsible, for it. No individual owes or shall owe any duty of care to any person for this Opinion.

## **Our relationship with the Beneficiaries**

The Beneficiaries may only rely on this Opinion on the following basis:

#### we have acted for, and taken instructions solely from, the Obligor in relation to the Amendment and we are giving this opinion to you in such capacity and upon express instruction of the Obligor (as our client);

#### we have not advised, and we have no obligation now or in the future to advise, any Beneficiary in relation to the Amendment or on any of the matters referred to in this Opinion;

#### we do not assume any responsibility to any Beneficiary for any commercial matters in relation to the Amendment and we have not assumed any responsibility or duty of care to any Beneficiary to protect their rights and interests when negotiating the Amendment; and

#### no Beneficiary may request or require that we stop acting for the Obligor in relation to the Amendment now or in the future on account of our having given this Opinion, whether on the basis of a deemed conflict of interest or otherwise.

# **Searches and enquiries**

### We have undertaken the following searches and enquiries for this Opinion in relation to the Obligor:

#### On [●] 2025 we examined the extract from the Commercial Register dated [●] 2025 (the Commercial Register Extract);

#### on [●] 2025 we examined the extract from the Register of Beneficial Owners dated [●] 2025; and

#### on [●] 2025 we examined the extract from the Insolvency Register dated [●] 2025 at [●] (the Insolvency Search).

# **Opinion**

We are of the opinion that:

## **Valid existence**

### The Obligor is a joint-stock company (akciová společnost) validly existing under Czech law, and established without any time limitation.

## **Authorisation and due execution**

The Amendment has been duly authorized by all necessary corporate action on the part of the Obligor and validly executed by the Obligor giving rise to legally valid, binding and enforceable undertakings for the Obligor.

## **Capacity**

The Obligor has the corporate power and capacity (právní osobnost a svéprávnost) to enter into and perform the Amendment.

## **All approvals**

No licenses, approvals, authorizations, exemptions, filings, notarisations, registrations or consents of Czech state authorities are necessary in connection with the execution of the Amendment by the Obligor in order to give rise to legally valid, binding and enforceable undertakings for the Borrower and for the Amendment to be admissible in evidence in the Czech Republic.

## **No violation of law**

The execution of the Amendment by the Obligor does not and will not result in any violation of (i) the Obligor’s Constitutional Documents or (ii) Czech law applicable to companies generally.

## **Choice of law**

The submission by the Obligor to the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949) and secondarily to the laws of France is legally valid and binding on the Obligor under the laws of the Czech Republic.

## **Arbitration**

The submission by the Obligor to the Arbitral Tribunal set forth under Chapter 4 of the CEB’s Loan Regulations with respect to any dispute arising out of the Amendment is legally valid and binding on the Obligor under the laws of the Czech Republic. An arbitral award rendered against the Obligor by the respective Arbitral Tribunal set forth under Chapter 4 of the CEB’s Loan Regulations in connection with the enforcement of the Amendment would be enforceable in the Czech Republic in accordance with the terms of Article 3 of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949).

## **No filing**

No filing, recording or registration with any public or official body or agency in the Czech Republic is necessary in relation to the Obligor’s entry into the Amendment and in order to ensure the enforceability of the Amendment except for the registration of the Amendment in the registry of contracts (in Czech: Registr smluv) in accordance with the Czech Act No. 340/2015 Sb. on special conditions for effectiveness of certain contracts, publication of such contracts and on registry of contracts.

## **Stamp duties**

No Czech stamp duty or registration, documentary or similar tax or fee is payable on the execution of the Amendment or to render them admissible in evidence in the Czech Republic.

1. – Documents reviewed

For this Opinion we have reviewed originals or copies of the following documents:

1. The Original Framework Loan Agreement.
2. The Amendment.
3. The copy of the articles of association (*stanovy*) of the Obligor dated 9 June 2023 (the **Constitutional Documents**).
4. The copy of the (partially redacted) minutes of Board of Directors of the Obligor dated [●] 2025 (the **Authorising Resolution**).
5. Council of Europe Development Bank Loan Regulations adopted by the Administrative Council by Resolution 1587, on 17 November 2016 (the **CEB’s** **Loan Regulations**).
6. – Assumptions

For the purposes of this Opinion, we have assumed:

**Veracity and bona fides**

1. the genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals, the completeness and conformity to originals of all documents submitted to us as copies and the authenticity of the originals of such copies;
2. that all agreements, deeds, schedules or documents which may be related to the Documents have been fully disclosed to us;
3. that there are no contractual or other restrictions (other than as other than under the reviewed documents listed in Schedule 1 above, if any) binding on any of the parties to the Documents or any other person which would adversely affect the opinions expressed herein;
4. that all representations set out in the Amendment as to matters of fact (but, for the avoidance of doubt, excluding any matters of Czech law on which we specifically opine herein) were true and accurate when made and remain true and accurate as at the date hereof;
5. that the Documents provided for our review are complete, correct and up-to-date (and have not been amended and/or rescinded), and that the Constitutional Documents and Authorising Resolution reflect the status of the Obligor as of the date of signing of the Amendment;
6. that the Obligor has not received a court summons regarding asset declaration; and
7. that all the information stated on excerpts from public registries, including the Commercial Register, the Register of Beneficial Owners and the Insolvency Register (including the Insolvency Register accessible at www.justice.cz), and on certificates, confirmations and other documents issued by, or published at official notice boards of, public authorities are true, correct and accurate and remain true, correct and accurate as at the date hereof;

**Capacity, authorisation, execution and validity**

1. the capacity (*právní osobnost a svéprávnost*), power and authority to act of all the parties to the Documents (except for the Obligor);
2. the capacity (*právní osobnost a svéprávnost*) of all natural persons representing any party to the Documents (including the Obligor, if applicable);
3. that all necessary capacity, authorizations, licenses, resolutions and other conditions for the valid execution and performance of the Documents by all parties thereto (except for the Obligor) were given, obtained or complied with;
4. that the members of the Board of Directors of the Obligor meet all legal prerequisites and conditions required for their appointment and acting in their respective functions;
5. that the Documents (other than the Amendment) have been duly adopted and executed, remain in full force and effect, and have not been amended in any way relevant to the opinions expressed herein;
6. that each member of the Board of Directors was able to validly exercise its voting rights for the purpose of the Authorising Resolution, no conflict of interest (actual or potential) arises in connection with the Documents or otherwise between the Obligor and its shareholder, member of the Board of Directors, member of the Supervisory Board or any of their close persons, affected persons or controlled persons (*osob blízkých, ovlivněných nebo ovládaných*), or any other person acting as a “*de facto* director” (*osoba, která se fakticky nachází v postavení člena voleného orgánu, přestože jím není*), the Authorising Resolution has not been amended or rescinded or its redacted part does not affect in any respect the opinion statements provided herein and neither the general meeting nor the Supervisory Board has prohibited the entering by the Obligor into the Amendment.
7. to the extent to which it is relevant, the relevant corporate bodies of the Obligor have been informed in advance about entering into the Amendment, pursuant to Sections 55 and 56 of the Business Corporations Act, which was confirmed in the Authorising Resolution.
8. that there are no facts or circumstances in existence and no events have occurred which would render the Amendment void or voidable or repudiated or frustrated or capable of rescission by reason of fraud, duress, undue influence, mistake or misrepresentation on the part of any of the parties thereto;
9. that the Amendment has been duly executed and delivered by each party thereto (other than the Obligor) in accordance with all applicable laws and their respective constitutional documents.
10. that the Amendment has been entered into by each of the parties hereto in good faith, for the benefit of each of them respectively (and without the intention of any party to curtail its creditors), for consideration, on arms' length commercial terms and under the terms usual in business dealings (*za podmínek obvyklých v obchodním styku*), in accordance with fair business dealings (*poctivý obchodní styk*), commercial customs (*obchodní zvyklosti*), good morals (*dobré mravy*) and public policy (*veřejný pořádek*);
11. that the Amendment has not been entered into by any party in connection with any unlawful activity or with the intention or purpose of avoiding or circumventing (*obcházení*) any legal obligation;
12. that none of the terms of the Amendment is considerably unfavorable (*zvlášť nevýhodný*) to the Obligor, and there is no gross disproportion in mutual performances (*hrubý nepoměr vzájemných plnění*) under the Amendment;
13. that, as of the date of this Opinion, none of the parties to the Amendment is insolvent or in liquidation or subject to a voluntary dissolution, no application has been submitted to the relevant court for the insolvency liquidation, bankruptcy, winding-up or similar proceeding (including any criminal proceedings which could result in any of the above) against any of them and no preventive restructuring of any of them has been initiated (provided that to the extent assumptions are made with respect to the Obligor, we have made the Insolvency Search for the purposes of this paragraph and the Insolvency Search revealed no entries which were inconsistent with the foregoing assumptions); and that entering by the Obligor to the Amendment and performance of any transactions thereunder shall not result in insolvency of the Obligor;
14. that the funds provided under the Framework Loan Agreement shall not be used for the purposes of any financing or refinancing of an acquisition of any shareholding interest in the Obligor or in any company which controls the Obligor within the meaning of Section 75 of the Business Corporations Act;
15. that the Amendment is legal, valid and binding under Czech law (but, for the avoidance of doubt, excluding any matters of Czech law on which we specifically opine herein);

**Foreign law**

1. that the Amendment constitutes valid and legal obligations binding on and enforceable against the parties thereto (and are not subject to avoidance by any person) under all applicable laws other than Czech law, in particular the Governing Law, and in all applicable jurisdictions other than the Czech Republic, in particular French jurisdiction, and all conditions required to be fulfilled in connection with the Amendment under all such applicable laws, other than that of the Czech Republic, have been duly fulfilled;
2. that the obligations expressed to be assumed by the parties to the Amendment constitute their legal, valid, binding and enforceable obligations under the Governing Law;
3. that the submission to the arbitration contained in the Amendment is legal, valid and binding as a matter of all applicable laws (other than the laws of the Czech Republic);
4. that the choice of the Governing Law as the governing laws of the Amendment is a valid choice of law under all applicable laws (other than the laws of the Czech Republic) and would be upheld as a valid choice of law by the courts of all relevant jurisdictions (other than the courts of the Czech Republic);
5. that all deeds, instruments, assignments, agreements and other documents in relation to the matters contemplated by the Documents and this Opinion, insofar as any of such deeds, instruments, assignments, agreements and other documents may need to be performed in any jurisdiction other than the Czech Republic, have been or will be duly performed and are not and will not be illegal or ineffective by virtue of such other laws; and
6. that there are no provisions of the laws of any applicable jurisdiction outside the Czech Republic which would be contravened by the execution or the delivery of the Documents and that none of the opinions expressed hereunder will be affected by the laws (including the public policy) of any applicable jurisdiction outside the Czech Republic.
7. – Qualifications

**Limitations arising from insolvency law and preventive restructuring**

1. This Opinion is subject to any limitations arising from insolvency, bankruptcy, moratorium, reorganization, preventive restructuring, debt restructuring, liquidation and other laws of general application relating to or affecting the rights of creditors in any applicable jurisdiction, including the Insolvency Act and the Act on Preventive Restructuring.

**Qualifications related to court enforcement or insolvency proceedings and preventive restructuring**

1. The Insolvency Register may not display all insolvency petitions or insolvency proceedings promptly upon their commencement. In particular the insolvency court may decide not to publish information regarding an insolvency petition filed by a creditor in case the insolvency court has reasonable doubts about merits of the insolvency petition.
2. The Act on Preventive Restructuring provides that certain specific resolutions of the restructuring courts and other documents relating to preventive restructurings shall be published in the Restructuring Register. However, as of the date of this Opinion, the Restructuring Register has not yet been made publicly available. In such case, the Act on Preventive Restructuring provides that the documents to be published in the Restructuring Register shall be instead published at the official notice board of the competent restructuring court. The official notice board of each Czech court is accessible also electronically at www.justice.cz; however, searches in electronic versions of the official notices boards may be unreliable and may not display all resolutions of the restructuring courts and other documents relating to preventive restructurings.
3. A translation of any document into Czech certified by certified translator is necessary to ensure the enforceability or admissibility in evidence of such document in the Czech Republic.
4. The following assets will be exempt from execution proceedings in the Czech Republic:
	1. any funds which are deposited with a Czech bank and which are designated for the payment of wages (or wages compensation or other amounts compensating remuneration for work) of employees on the wage payment day which follows the day when such a bank receives the decision from the court of the Czech Republic ordering the transfer of the funds to the creditor(s) to enforce his/her claim;
	2. any compensatory payments to be paid by an insurance company under the relevant asset insurance policy provided that these funds shall be used for the purposes of (a) the construction of a new building (if the insured building was destroyed) or (b) the re-construction of an existing building (if the insured building was damaged);
	3. movables and/or immovables which the debtor necessarily needs to carry out its business activity (except for movables or immovables subject to a pledge or a mortgage (*zástavní právo*) securing the relevant claim which is being thus enforced) and other movables or immovables the forced sale of which would contravene good morals;
	4. receivables for money and securities which, pursuant to the Financial Collaterals Act (No. 408/2010 Coll., as amended) or pursuant to foreign law, are subject to financial collateral arrangement in accordance with Directive of the European Parliament and of the Council No. 2002/47/EC, dated 6 June 2002, on financial collateral arrangements.
5. Assets used for military, national security or diplomatic purposes and other assets excluded pursuant to Czech law (including but not limited to Act No. 44/1988 Coll. on the Protection of Mineral Wealth) may enjoy immunity from suit, execution, attachment or other legal process in any proceedings taken in the Czech Republic.

**General limitations arising from the law**

1. Act No. 240/2000 Coll., Czech Crisis Management Act, as amended, provides for measures in states of emergency and other crisis situations. There are circumstances under that Act in which the Obligor may be obligated to contribute its tangible assets towards relief efforts.

**General limitations of this Opinion**

1. For the purposes of the opinion given in paragraph 3.1 (*Valid existence*) above, we have relied solely upon the Commercial Register Extract and the Constitutional Documents.
2. For the purposes of the opinion given in paragraph 3.5 (*No violation of law*) above the words "laws applicable to companies generally" refer to laws applicable to companies irrespective of the character of their business or of the assets that they own.
3. We have not advised and do not express any opinion on any corporate benefit or directors' liability issues in relation to the Documents.
4. The opinions expressed herein are subject to certain further qualifications as to matters of Czech law, namely:
	1. the performance of an obligation shall be generally deemed to be unattainable if the law passed after the conclusion of the contract prohibits the conduct agreed in the contract;
	2. a party whose interests conflict with the interests of another party may not represent the latter party as an attorney (unless the latter party knew or must have known of such a conflict) and the latter party may not validly waive its right to revoke a power of attorney which appoints the former party at any time (except in specific circumstances); and
	3. a waiver of a right may not be valid if made by a weaker party (*slabší strana*).
5. We provide no opinion on any potential consent, approval or permit which may be required under any corporate documents of the parties (other than the Obligor) or and/or laws under which they are established or laws of any jurisdiction where any of their assets may be located (other than Czech law).
6. We express no opinion as to whether the Amendment breaches any other agreement, arrangement or instrument, except for the Constitutional Documents and the Authorising Resolution.
7. We express no opinion as to any taxation or tax related issues (save for the opinion expressed in paragraph 3.10 (*Stamp duties*) above).
8. Where an assumption is stated to be made in this letter, we have not made any investigation with respect to the matters that are subject of such assumption.

**Other qualifications**

1. In the Czech Republic it is not possible to search any public registers to determine conclusively whether there are any petitions or pending litigation against a particular entity, which could materially affect the opinions expressed herein and, therefore our opinions expressed herein are subject to the effect of any petitions or litigations involving any party to the Amendment.
2. The opinions expressed herein may be affected by sanctions, embargoes or other similar measures imposed by the Czech Republic, the United Nations, the Organization for Security and Co-operation in Europe or the European Union with respect to a party to the Amendment, a person controlling or being otherwise affiliated to such party, or the country where such party or other person is domiciled, holding funds or carrying on business, to the extent that such sanctions, embargoes or other similar measures are not incompatible with the CEB’s privileges and immunities under the rules of the CEB as specified in the provisions of Article 1, paragraph 3, of the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949).
3. This Opinion expresses and describes Czech legal concepts in the English language rather than in the original Czech language and such expressions and/or descriptions may not be identical in meaning to the underlying Czech legal concepts. Accordingly, any issues of interpretation arising in respect of this Opinion will be determined by Czech authorities in accordance with Czech law and we express no opinion as to the interpretation that Czech authorities may give to any such expressions or descriptions.