CZECH BANKING ASSOCIATION

On the basis of standard documentation published by the European Banking Federation

MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS

SUPPLEMENT TO THE DERIVATIVES ANNEX

OPTION TRANSACTIONS

Edition 2009

This Supplement complements the General Provisions, the Derivatives Annex and each Supplement to such Annex which form part of a Master Agreement for Financial Transactions based on the form published by the CBA.

1. Purpose, Interpretation

(1) *Purpose.* The purpose of this Supplement ("Options Supplement") is to govern Transactions ("Option Transactions") in which one party (the "Seller") grants to the other party (the "Buyer"), against payment of an agreed premium (the "Premium") or any other consideration, the right (the "Option") to

(a) purchase, in the case of a Call, or sell, in the case of a Put, a specified amount, quantity or number of currencies, securities, financial instruments, commodities, precious metals, energy or any other assets (an "Underlying Asset") against payment of an agreed price, whereby both obligations are to be settled (i) by delivering or transferring the specified amount, quantity or number of the Underlying Asset against payment of the agreed price, in the case of an Option Transaction to which "Physical Settlement" applies, or (ii) in the case of an Option Transaction to which "Cash Settlement" applies, by paying a Cash Settlement Amount based on the difference of the agreed price (the "Strike Price") for the Underlying Asset and the price (the "Settlement Price") for such Underlying Asset on the Valuation Date,

(b) request the payment of a Cash Settlement Amount based on the difference of an agreed level (the "Strike Level") of interest or exchange rates, credit spreads, prices, market or economic indices, statistics, weather conditions, economic conditions or any other measurement (an "Underlying Measurement") and the level (the "Settlement Level") of such Underlying Measurement on the Valuation Date,

(c) cause an underlying Transaction (the "Underlying Transaction") to become effective, whereby the Underlying Transaction is to be settled (i) by making all payments and deliveries or transfers to be made by the parties in accordance with the terms of the Underlying Transaction, in the case of an Option Transaction to which "Physical Settlement" applies or (ii), in the case of an Option Transaction to which "Cash Settlement" applies, by paying a Cash Settlement Amount based on the value of the Underlying Transaction on the Valuation Date, if such value, from the Buyer's perspective, is a positive number, or

(d) terminate a specified Transaction to the effect that all obligations under the terminated Transaction or under the Agreement related to the terminated Transaction, which otherwise would have become due on or after the Exercise Date shall be replaced by an obligation to pay a Cash Settlement Amount based on the value of the terminated Transaction and owed by the Seller if such amount is a positive number and by the Buyer if such amount is a negative number.

(2) *Interpretation.* This Supplement forms an integral part of the Derivatives Annex. The term "Annex" as used in Section 1(3) of the General Provisions should be construed as to include this Supplement. In the event of any conflict between different parts of the Derivatives Annex and this Supplement, this Supplement shall prevail.

2. Option Transactions

(1) *Styles.*

"American Option" means an Option Transaction in which the Option is exercisable on each Exercise Business Day during a period from (and including) the Commencement Date to (and including) the Expiration Date.

"Bermuda Option" means an Option Transaction in which the Option is exercisable on each Exercise Business Day so agreed to between the parties (each a "Scheduled Exercise Date") and on the Expiration Date, subject to adjustments in accordance with Section 3(6) of the General Provisions.

"European Option" means an Option Transaction in which the Option is exercisable on the Expiration Date.

"Asian Option" means an American Option, Bermuda Option or European Option in which the Settlement Price or the Settlement Level is calculated on the Valuation Date as the average of prices or levels determined for the Underlying Asset or Underlying Measurement on each Averaging Date.

(2) *Types.*

"Call" means an Option Transaction that, upon exercise (i), in case of Section l(l)(a)(i) of this Supplement, obliges the Seller to deliver or transfer the specified amount, quantity or number of the Underlying Asset against payment of the agreed price, or (ii), in case of Section l(l)(a)(ii) or l(l)(b) of this Supplement, entitles the Buyer to request payment of the Cash Settlement Amount if the Settlement Price exceeds the Strike Price or the Settlement Level exceeds the Strike Level.

"Put" means an Option Transaction that, upon exercise (i), in case of Section l(l)(a)(i) of this Supplement, obliges the Buyer to deliver or transfer the specified amount, quantity or number of the Underlying Asset against payment of the agreed price, or (ii), in case of Section l(l)(a)(ii) or l(l)(b) of this Supplement, entitles the Buyer to request payment of the Cash Settlement Amount if the Strike Price exceeds the Settlement Price or the Strike Level exceeds the Settlement Level.

(3) *Definitions of Dates.*

"Expiration Date" means the Exercise Business Day agreed between the parties beyond which an Option can not be exercised any more, subject to adjustments in accordance with Section 3(6) of the General Provisions.

"Commencement Date" means the Exercise Business Day agreed as such between the parties (subject to adjustments in accordance with Section 3(6) of the General Provisions) or, failing such agreement, the Trade Date.

"Averaging Date" means each date agreed as such between the parties (subject to adjustments in accordance with Section 3(6) of the General Provisions) or, failing any agreement, each Exercise Business Day from (and including) the Commencement Date to (and including) the Expiration Date.

"Exercise Date" means each Exercise Business Day on which an Option is exercised or deemed to be exercised.

"Exercise Business Day" means each day during the Exercise Period on which an Option may be exercised, that is either

(a) a Business Day (as defined in Section 3(7) of the General Provisions) in (i) the place(s) agreed between the parties or, failing such agreement, (ii) the place(s) determined pursuant to the terms of any applicable Supplement or, failing such terms (iii) the city specified in the address of the Seller's Office or

(b) an Exchange Business Day.

"Valuation Date" means the Exercise Business Day agreed as such between the parties (subject to adjustments in accordance with Section 3(6) of the General Provisions) or, failing such agreement, the Exercise Date.

3. Premium

The Buyer shall pay to the Seller the Premium on the date or dates (each a "Premium Payment Date") agreed between the parties (subject to adjustments in accordance with Section 3(6) of the General Provisions) or, failing such agreement, the date that is two Business Days immediately following the Trade Date.

4. Exercise

(1) *Exercise by Notice.* The Buyer is entitled to exercise an Option by giving notice (the "Exercise Notice"), which may be given orally, including by telephone, to the Seller's Office during the Exercise Period. An Exercise Notice is irrevocable. If an Exercise Notice is given orally, the Buyer shall promptly send to the Seller a confirmation of such notice in the manner specified in Section 8(1) of the General Provisions. The absence of such confirmation shall not affect the validity of the exercise of the Option.

"Seller's Office" means the office and contact details specified as such in the terms of an Option Transaction or, if none is specified, the office through which the Seller enters into the relevant Option Transaction.

(2) *Exercise Period.*

"Exercise Period" means the period from (and including) the Earliest Exercise Time to (and including) the Latest Exercise Time on a day that is,

(i) in the case of an European Option, the Expiration Date,

(ii) in the case of an American Option, each Exercise Business Day from (and including) the Commencement Date to (and including) the Expiration Date and

(iii) in the case of a Bermuda Option the Expiration Date and each Scheduled Exercise Date.

"Earliest Exercise Time" means the time agreed as such pursuant to the terms of an Option Transaction or, failing such agreement, 11:00 a.m. local time in the city specified in the address of the Seller's Office.

"Latest Exercise Time" means the time agreed as such pursuant to the terms of an Option Transaction or, failing such agreement, close of business in the city specified in the address of the Seller's Office.

(3) *Exercise Time.* An Exercise Notice which is received by the Seller at any time other than on an Exercise Business Day during the Exercise Period shall be invalid, unless such notice is received

(i) prior to the Earliest Exercise Time on an Exercise Business Day, in which case it shall be deemed to be received at the Earliest Exercise Time,

(ii) in respect of an European Option only, on any Exercise Business Day prior to the Expiration Date, in which case such notice shall be deemed to be received at the Earliest Exercise Time on the Expiration Date, or

(iii) in respect of an American Option only, after the Latest Exercise Time on an Exercise Business Day other than the Expiration Date, in which case it shall be deemed received at the Earliest Exercise Time on the following Exercise Business Day.

(4) *Automatic Exercise.* If the parties agree to apply "Automatic Exercise" to an Option Transaction, then the unexercised amount or number of the Underlying Asset or the unexercised number of Options under such Option Transaction ("Unexercised Quantity") shall be deemed to be automatically exercised at the Latest Exercise Time on the Expiration Date if at such time the Buyer would be entitled to request payment of the Cash Settlement Amount, unless the Buyer notifies the Seller prior to such time at the Seller's Office, orally, including by telephone, or in writing, that it does not wish Automatic Exercise to apply.

(5) *Conditional Exercise.* The parties may specify in relation to an Option Transaction that the Option may only be exercised if a specified event has occurred ("Knock-in Event") or not occurred ("Knock-out Event") or if the price of the Underlying Asset or the level of the Underlying Measurement agreed as such between the parties ("Barrier") has been reached or crossed or not.

(6) *Partial Exercise.* If the parties agree to apply "Partial Exercise" to an Option Transaction, then the Buyer shall be entitled to exercise less than the entire amount or number of Options, provided that the Exercise Notice specifies the amount or number (the "Exercise Quantity") of Options exercised. Any Exercise Quantity must be

(i) equal to or greater than the minimum quantity agreed between the parties (the "Minimum Exercise Quantity") and

(ii) equal to or an integral multiple of the number agreed between the parties (the "Integral Multiple") in respect of the relevant Option Transaction.

Any exercise

(i) which does not specify an Exercise Quantity will be deemed to be an exercise of the Unexercised Quantity,

(ii) of less than the Minimum Exercise Quantity is invalid,

(iii) which refers to an Exercise Quantity which is not equal to or an integral multiple of the Integral Multiple will be deemed to be an exercise of a number of Options equal to the nearest smaller integral multiple of the Integral Multiple.

(7) *Multiple Exercise.* If the parties agree to apply "Multiple Exercise" to an American Option or Bermuda Option, then the Buyer shall be entitled to exercise parts of or the entire Unexercised Quantity once or several times during the Exercise Period, provided that any Exercise Notice specifies the Exercise Quantity. Except for the exercise of the entire Unexercised Quantity on the Expiration Date, any Exercise Quantity must be

(i) equal to or greater than the Minimum Exercise Quantity,

(ii) equal to or less than the maximum quantity agreed between the parties (the "Maximum Exercise Quantity") and

(iii) equal to or an integral multiple of the Integral Multiple, each as agreed in respect of the relevant Option Transaction.

Any exercise (i) which does not specify an Exercise Quantity will be deemed to be an exercise of the Unexercised Quantity,

(ii) of more than the Maximum Exercise Quantity will be deemed to be an exercise of the Maximum Exercise Quantity,

(iii) of less than the Minimum Exercise Quantity is invalid and

(iv) which refers to an Exercise Quantity which is not equal to or an integral multiple of the Integral Multiple will be deemed to be an exercise of a number of Options equal to the nearest smaller integral multiple of the Integral Multiple. As a consequence of any such exercise of Options in a quantity of less than the Unexercised Quantity the Unexercised Quantity shall be reduced accordingly.

5. Cash Settlement

(1) *Cash Settlement Amount.*

"Cash Settlement Amount" means the amount agreed between the parties or, failing such agreement, an amount in the Cash Settlement Currency determined by the Calculation Agent on the Valuation Date in accordance with the applicable Cash Settlement Method.

"Cash Settlement Method" means

(a) the methodology or formula agreed between the parties in respect of the individual Option Transaction or defined in any applicable Supplement or, failing such agreement or Supplement,

(b) in case of Section l(l)(a)(ii) or l(l)(b) of this Supplement, the following method: the Cash Settlement Amount shall be calculated by the Calculation Agent on the Valuation Date based on the Settlement Price or Settlement Level determined on such date or, in case of Asian Options, on each Averaging Date; the Cash Settlement Amount shall be equal to the product of

(i) the difference between the Settlement Price and the Strike Price or, as the case may be, the Settlement Level and the Strike Level and

(ii) in case of Section l(l)(b) of this Supplement, the agreed amount per unit of the Underlying Measurement,

(iii) the Exercise Quantity and

(iv) the agreed factor, if any,

(c) in case of Section l(l)(c) or l(l)(d) of this Supplement, the method specified in Section 7(l)(a) of the General Provisions and applied as if the Buyer were the Calculation Party.

(2) *Payment of the Cash Settlement Amount.* The Cash Settlement Amount shall be paid on the Settlement Date agreed as such between the parties or, failing such agreement, two Business Days following the Valuation Date.

6. Taxes and Duties

If "Physical Settlement" applies to an Option Transaction, the Buyer shall bear all taxes and duties necessarily falling due in connection with the delivery or transfer of the Underlying Asset.