CZECH BANKING ASSOCIATION

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

MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS

PRODUCT ANNEX FOR SECURITIES LOANS

Edition 2009

This Annex supplements the General Provisions which form part of any Master Agreement for Financial Transactions based on the form published by the CBA.

1. Purpose, Applicability

(1) *Purpose.* The purpose of this Annex ("Securities Lending Annex") is to govern Transactions ("Securities Loans") in which one party (the "Lender") lends to the other (the "Borrower") Securities (the "Loaned Securities") for a determined or initially undetermined period of time. Any reference in this Annex to a Transaction shall be construed as a reference to a Securities Loan.

(2) *Applicability* If this Annex forms part of a Master Agreement between any two parties, such Master Agreement (including this Annex) shall apply to any Securities Loan between such parties which is to be conducted by each party through a Booking Office specified in such Master Agreement in respect of Securities Loans.

2. Deliveries and Returns

(1) *Initial Delivery.* On the date agreed for the delivery of the Loaned Securities (the "Delivery Date"), the Lender shall transfer such Loaned Securities to the Borrower.

(2) *Return.* On the date agreed for the return of the Loaned Securities (the "Return Date"), the Borrower shall transfer to the Lender Securities of the same kind and quantity as the Loaned Securities.

(3) *Interpretation.* Any reference in this Annex to the Loaned Securities or other Securities in the context of the return or retransfer thereof, or to any rights or other assets to be transferred pursuant to Section 3(4), shall be construed so as to mean a reference to Securities, rights or assets of the same kind and quantity as (also referred to below as the "Equivalent" of) such Loaned Securities or other Securities, rights or assets, respectively.

(4) *On Demand Transactions.* The parties may agree that Securities Loans are terminable on demand, in which case the Return Date shall be the date specified in the demand notice sent by either party to the other, provided that the period between the taking effect of such notice and the Return Date so specified shall be not less than the minimum period customarily required for the delivery of Securities of the relevant kind. In the absence of a demand notice, the Return Date for a Transaction terminable on demand shall be the day which falls 364 days after the Delivery Date.

(5) *Late Delivery*

(a) *Failure by Lender.* If the Lender fails to transfer the Loaned Securities to the Borrower on the applicable Delivery Date, the Borrower may, at any time while such failure continues:

(i) require the Lender to pay to the Borrower an amount equal to the excess, if any, of the Borrower's Alternative Borrowing Cost over the pro rata portion of the Lending Fee attributable to the period of the delay, each calculated for the period from (and including) the Delivery Date to (but excluding) the earlier of the date on which the Loaned Securities are transferred to the Borrower and the Return Date (which in the case of a Transaction terminable on demand shall be deemed to be the earliest date on which the Loaned Securities would be required to be returned following a demand by the Lender);

"Alternative Borrowing Cost" of a party means the cost (including fees and expenses), as determined by such party, which such party has or would have reasonably incurred in borrowing the Equivalent of the Loaned Securities in the market for the relevant period; and

(ii) if the parties have not agreed on measures to promptly remedy the failure, give notice to the Lender that the Return Date shall be advanced so as to occur immediately, whereupon the obligations of the parties to lend or return the Loaned Securities (respectively) shall cease and no deliveries or payments shall be due between them other than, if applicable, pursuant to (i).

(b) *Failure by Borrower.* If the Borrower fails to return the Loaned Securities on the applicable Return Date, the Lender may, at any time while such failure

continues:

(i) require the Borrower to pay to the Lender an amount equal to the higher of (a) the Lender's Alternative Borrowing Cost and (b) the Lending Fee, each calculated for the period from (and including) the Return Date to (but excluding) the date of actual return of the Loaned Securities or, if earlier, the date specified in the notice, if any, given pursuant to (ii); and

(ii) if the parties have not agreed on measures to promptly remedy the failure, give notice to the Borrower requiring cash settlement in lieu of delivery on a date to be specified in such notice, whereupon the obligation of the Borrower to return the Loaned Securities shall cease and the Borrower shall pay to the Lender an amount equal to the Acquisition Cost for such Securities;

"Acquisition Cost" means the cost (including fees and expenses), as determined by the Lender, which the Lender has or would have reasonably incurred in purchasing the Equivalent of the Loaned Securities in the market on the date so specified for cash settlement.

(c) *Partial Delivery.* If the Lender or the Borrower transfers some, but not all, of the Loaned Securities on the date specified in sub-paragraph (a) or (b), respectively, the respective other party may, at its option, either accept such transfer and exercise its rights under those sub-paragraphs with respect to the residual Loaned Securities or decline such acceptance and exercise its rights with respect to all Loaned Securities.

(d) *Remedies.* Beyond the remedies provided in this subsection 5, neither party shall in the event of any failure by the other party to transfer or return Loaned Securities, be entitled to recover any additional damage as a consequence of such failure, and such failure shall not constitute an Event of Default under Section 6(l)(a)(iii) of the General Provisions. This paragraph (d) is without prejudice to any remedy available in the event of a failure by a party to perform any other obligation (including any obligation to make a payment under this subsection (5)).

(6) *Special Events.* If, during the term of a Transaction and in respect of some or all of the Loaned Securities:

(i) a payment of any interest or dividend or any other distribution of money or other property by the issuer of the Loaned Securities (collectively a "Distribution", which term shall include a repayment of principal and a payment in the case of a capital reduction) would, as a result of any change in law or in the application or official interpretation thereof occurring after the date on which such Transaction is entered into, be subject to any deduction or withholding in respect of a tax or other duty or would give rise to a tax credit;

(ii) a notice of early redemption has been validly given;

(iii) a public redemption, exchange, conversion or compensation offer or a public purchase bid is made or announced;

(iv) subscription or other preferential rights which are not freely transferable are granted, or non-fungible property is distributed, to the holders; or

(v) if specified in the Special Provisions, a tax credit or tax entitlement is attached to any interest or dividend paid to the holders (whether or not subparagraph (i) would otherwise apply)

then, subject to any other agreement between the parties, the Return Date for such Securities shall, automatically in the case of (v) and otherwise upon demand by either party, be advanced to the third Business Day before, in the case of (i), (ii) and (v), the expected payment or redemption date or before, in the case of (iii) and (iv), the last day on which such bid or offer may be accepted or the day on which such rights or assets are granted or distributed.

3. Distributions, Subscription Rights

(1) *Cash Distributions.* If during the term of a Securities Loan any Distribution of money is made by the issuer to the holders of the Loaned Securities, the Borrower shall pay to the Lender, on the date of such Distribution, an amount in the same currency as, and equal to, the amount received by the holders in respect of such Distribution.

(2) *Withholding Taxes. Tax Credits* If a Distribution is subject to withholding tax and/or gives rise to a tax credit, the amount payable by the Borrower under subsection 1 shall be equal to the full amount to which the Lender would be entitled, as previously notified by it, in respect of such Distribution if it were the owner of the Loaned Securities, including the amount of

(a) any applicable withholding tax to the extent that the Lender would be entitled to apply for an exemption from, or a refund of, such tax and

(b) any tax credit available to the Lender subject to the fulfillment of the Lender's obligations stipulated in Article 10(4)(b).

For tax purposes, the parties hereby confirm that the Distribution of money belongs to the Lender as an economic owner of the Securities. The Borrower shall be obliged to announce to the issuer of the Securities that the Lender is an economic owner of the Securities and the only recipient of the Distributed money. Thereby, the issuer shall be acquainted with the relevant type of tax to be imposed.

(3) *Subscription Rights.* If subscription rights which are freely transferable are granted with respect to the Loaned Securities, the Borrower shall transfer to the Lender not later than on the third day on which such rights are traded, the Equivalent of the subscription rights attributable to such Loaned Securities. If the rights are not so transferred by such date, the Lender may purchase their Equivalent in the market for the account of the Borrower. Should the Lender be unable so to purchase the rights, it may require the Borrower to pay to it an amount equal to the Market Value of such rights prevailing on the next following trading day for such rights.

(4) *Non-cash Distributions.* Any freely transferable bonus shares, non-cash Distributions and ancillary rights (other than subscription rights) which are issued, made or allotted with respect to the Loaned Securities during the term of a Securities Loan shall be transferred to the Lender on the Return Date.

(5) *Transfer Obligations.* For the avoidance of doubt, the provisions of subsections 1 through 4 shall

apply whether or not the Borrower retains the ownership of the Loaned Securities during the term of the Transaction.

4. Lending Fee

The Borrower shall pay to the Lender for each Securities Loan a fee (the "Lending Fee") equal to the rate per annum agreed in respect of such Securities Loan and calculated on the value of the Loaned Securities agreed by the parties for this purpose. The Lending Fee shall be calculated for the period from (and including) the Delivery Date or, if later, the date of actual transfer of the Loaned Securities to the Borrower, to (but excluding) the Return Date or, if later, the date of actual return of the Loaned Securities to the Lender, based on the actual number of days in such period and a 360-day year. Unless otherwise agreed, the Lender shall calculate the Lending Fee at the beginning of each month for the preceding month or, if earlier, on the Return Date, and send the Borrower a statement setting forth such Lending Fee. The Lending Fee shall be payable on the second Business Day following the receipt of such statement sent by the Lender.

5. Margin Provisions

Any obligations of the parties to transfer cash or Securities as Margin under certain circumstances shall be performed in accordance with the provisions of the applicable Margin Maintenance Annex published by the CBA, or with any other rules to be separately agreed.

Suggested Form of Confirmation

To:
From:
Date:

We refer to our telephone conversation and hereby confirm our agreement to enter into a Securities Loan Transaction [which shall be subject to the CBA Master Agreement for Financial Transactions between us]. The terms of the Transaction are as follows:

Reference Number:
Transaction Date:

Lender [Company name, ID, registered office]:
Borrower [Company name, ID, registered office]:

Delivery Date:
Return Date: [(date)] [on demand]
Delivery place:
Return place:

Loaned Securities (designation, type):
Securities Code:
Amount/Number of Loaned Securities:

Lending Fee Rate: ... % p.a.
Total Lending Fee:
Value of the Loaned Securities for purposes of Lending Fee calculation:

[Distribution amount payable to Lender:] [Gross without deduction] [plus ... % tax credit]
[net after deduction of... % withholding tax]

[Margin:][1] [Cash Margin:... (specify currency and amount)]
[Margin Securities:... (specify type and amount); applicable Valuation Percentage: %]
[other:... (specify details)]

Total amount of the provisions and charged costs:

[Margin Ratio (Haircut)[2]:

Borrower's account:
Lender's account:

Delivery system:
Delivery period:

[Agency]: The Transaction is an Agency Transaction. [Name of Agent] is acting as agent for [name or identifier of Principal].

[Additional provisions:]

Please confirm that the foregoing correctly sets forth the terms of our agreement by countersigning this Confirmation and returning it to [ ] or by sending us a confirmation substantially similar to this Confirmation, which confirmation sets forth the material terms of the Securities Loan to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely

[Signature] [Signature of counterparty]

[1] Relevant if the Margin is to be provided in respect of the relevant individual Transaction.
[2] The terms "Margin Ratio" and "Haircut" have the same meaning; either or both may be used.