

**SPECIMEN CONTRACT ON AN OWNER ACCOUNT
IN THE SKD**

**The Czech National Bank
Na Příkopě 28, Prague 1,
Company Identification Number 48136450**

represented by

.....
.....
(hereinafter only the “CNB”)

and

.....
(Name, registered office)

represented by

.....
.....
(hereinafter only the “Client”)

hereby conclude this

**CONTRACT
On an Owner Account in the SKD**

**Article 1
Subject of the Contract**

(1) Under this Contract an owner account (hereinafter only the “owner account”) as a type of asset account will be opened for the Client, who shall thereby become a participant in the Short-Term Bond System operated by the Czech National Bank (hereinafter only the “SKD”). If the Client has already concluded one or more contracts on an asset account in the SKD, he becomes a participant on the basis of the first concluded contract on an asset account.

(2) The full name of the Client as recorded in the SKD is
1st part:
2nd part :

(3) The abbreviated name of the Client as recorded in the SKD is

(4) The Client’s code used in the SKD is

(5) The CNB undertakes to open and maintain for the Client an owner account in the SKD designated.....

(6) The CNB shall open the owner account in accordance with paragraph (1) not later than the following business day from the date when this Contract comes into effect.

Article 2 Rights and Obligations

(1) The rights and obligations of the contracting parties are specified in this Contract and in the valid Rules of the SKD, including their appendices (hereinafter only the “Rules”) which were issued by the CNB.

(2) By signing this Contract the Client states that he is familiar with the Rules and undertakes to abide by them with the exception stated in paragraph (3). The Client also states that he shall familiarise himself with changes and amendments to the Rules.

(3) If any of the provisions of this Contract differs from those of the Rules, the provisions of this Contract shall prevail.

(4) The Client undertakes to refrain from any behavior that might harm the interests of other SKD participants.

Article 3 Maintenance of the Owner Account

(1) The CNB shall maintain the owner account in accordance with the conditions stipulated by law¹⁾ and the Rules.

(2) The owner account may be used to record only those securities owner of account, for that the account was open. The owner of the securities is the Client, on whose account the securities are registered.

Article 4 Access to the Account

(1) The agent who has access to the owner account in accordance with this Contract is:

full name 1st part

 2nd part,

abbreviated name.....,

agent's code

registered office

(2) In the event that the CNB, under the conditions and in the manners stated in Appendix No. 4 to the Rules - Conditions for the Opening and Maintenance of an Asset Account in the SKD, changes the designation of the owner account, the agent named in paragraph (1) shall continue to have access to this owner account.

(3) The agent's statement confirming these facts is given in an appendix hereto and is an integral part hereof.

¹⁾ Act No. 87/2012 Coll., Civil Code, Act No. 256/2004 Coll., on Undertaking on the Capital Market

Article 5 Cash Account

(1) For the receipt of payments connected to transactions in this owner account, the following cash account shall be used:

No.

maintained with.....

(2) The Client undertakes that he will not cancel the cash account specified in paragraph (1) during the period when it is recorded in the SKD.

Article 6 Scope of Authorizations

(1) The Client is authorized to act within the SKD with the following scope of authorizations:

a) to issue securities within the SKD as of the date on which this Contract comes into effect,

b) to purchase on the primary market as of the date on which this Contract comes into effect,

c) to purchase on the secondary market as of the date on which this Contract comes into effect,

d) to sell on the secondary market as of the date on which this Contract comes into effect.

(2) The authorizations under paragraph (1) relate within the SKD to all types of securities recorded in the SKD in accordance with the issue conditions of the specific securities.

(3) The CNB may in accordance with the Rules revoke all of the Client's authorizations stated in paragraph (1) or block his access to his owner account.

Article 7 Specimen Signatures

(1) The Client undertakes to provide the CNB with specimen signatures of the persons who are authorized:

a) to sign on behalf of the Client applications for the opening of an asset account,

b) to sign on behalf of the Client instructions and reports submitted to the operator in writing,

c) to handle on behalf of the Client any objections,

d) to sign on behalf of the Client his notification necessary for the registration of a new issue.

(2) If the Client has already concluded one or more contracts on an asset account, he is obliged to give the specimen signatures only in the case of the first concluded contract and further in the case of any change concerning the specimen signatures.

(3) The Client's specimen signatures must be signed by the statutory body or by the persons that are authorized to conclude contracts on an asset account in the SKD. The specimen signatures may be changed at any time and are valid from the business day following the date of their delivery to the CNB.

Article 8

Contact Addresses

(1) The Client undertakes to hand over to the CNB, on the prescribed forms, a list of the contact persons, their addresses and e-mail addresses in which he will state whether they are authorized:

a) to sign contracts with the CNB,
b) to be sent account statements,
c) to be sent other information, particularly tax documents, announcements of changes to the Rules and to handle corrections of errors.

(2) If the Client has already concluded one or more contracts on an asset account, he is obliged to give the contact addresses only in the case of the first concluded contract and further in the event of any changes concerning the contact addresses.

(3) The Client's list of contact persons and their addresses stated in paragraph (1) must be signed by the statutory body or the persons that are authorized to conclude contracts on an asset account in the SKD. The contact addresses or persons may be changed at any time. The changes are valid from the business day following the date of their delivery to the CNB.

(4) In the event of a change in the contact address or person the Client is obliged to notify the CNB of such change without delay, but not later than within ten calendar days.

(5) The CNB shall send all correspondence for the Client to the relevant contact person and address recorded in the SKD. The contracting parties agree that any mail sent to the Client's contact address shall be deemed to be delivered the third business day after the day on which the mail was sent, and the fifteenth business day if it was sent to an address in some other country. This also applies in the event when the mail is returned by the post as undelivered or undeliverable.

Article 9

Access to the SKD

(1) The Client's access to the owner account within the SKD is mediated by his agent specified in Article 4 of this Contract.

(2) The Client communicates with the CNB electronically through his agent or agents, with the exceptions specified in the Rules.

Article 10

Execution of Payments

(1) The Client's payments relating to transactions in the SKD in the owner account which, according to parts four and five of the Rules, the SKD executes by a third party instruction to the CERTIS system, will be effected from his agent's payment account.

(2) Payments to the Client relating to transaction in the SKD in the owner account, which according to parts four and five of the Rules the SKD executes by a third party instruction to the CERTIS system, will be credited to the Client's cash account specified in Article 5 paragraph (1) of this Contract.

Article 11

Fees

(1) Fees connected with the opening and maintaining of this asset account and with transaction in the same shall be paid by the agent named in Article 4.

(2) The amount of the fees pursuant to paragraph (1) and the time-limits for their payment are stipulated in the valid CNB's Schedule of Charges for Financial and Business Services.

Article 12

Corrections of Errors and Liability for Errors

(1) The Client is responsible for the completeness and accuracy of the instructions sent by him and of the reports relating to transaction in the SKD as well as for the completeness and accuracy of the documents that he provides to the agent.

(2) The CNB is only liable for errors that have demonstrably occurred in the SKD while processing the instructions and reports relating to transaction in the SKD. The CNB is not liable for errors in processing that occurred as a result of erroneous instructions and reports and the Client shall not make any claims upon the CNB in relation thereto.

(3) If any errors have demonstrably occurred during the processing of orders for purchase from the primary sale, the participant that processed the orders shall be liable for the errors.

(4) If any errors have demonstrably occurred during the submitting of orders for purchase from the primary sale or during the transmission of the results of the processing of orders for purchase from the primary sale according to paragraph (3) to the SKD records, the agent that performed these activities shall be liable for the errors.

(5) The Client undertakes to inform the CNB or, as the case may be, the agent, of any errors immediately after their detection. The Client undertakes to pay the CNB an amount that corresponds to the fee for acts necessary for the processing of a written instruction for any unjustified notifications of errors and for claims for correction of errors lodged later than one week after their detection.

Article 13

Other Arrangements

(1) The Client undertakes to notify the CNB without delay any changes in the facts stated in the Application for Participation in the SKD and appendices thereto, or an update of the certification of these facts, and changes in the facts which are the subject of the records of the SKD relating to the owner account or changes in other data in the records of the SKD.

(2) The Client who is an issuer undertakes not to submit the issuer's notification necessary for the registration of an issue for the same issue to the Central Depository, if he has already submitted this notification to the CNB and the proceedings with respect to it have not been finished yet or his application was granted. At the same time he undertakes not to submit the respective issuer's notification to the CNB, if he has already submitted a notification concerning the same issue to the Central Depository, and the proceedings with respect to it have not been finished yet or his application was granted.

(3) The Client who is an issuer consents to the publishing of the data from the issuer's notification on the intent to issue securities in the SKD and on the scope of his authorizations pursuant to Article 6 paragraphs (1) and (2) of this Contract in the information surveys provided by the SKD to the other participants.

(4) The Client consents to the fact that the CNB, under the conditions and in the manners stated in Appendix No. 4 to the Rules – Conditions for the Opening and Maintenance of an Asset Account in the SKD,

- a) may transfer securities from this owner account to some other owner account of the Client,
- b) may change the designation of the owner account and carry out the respective acts.

(5) In the event of a change in the designation of the owner account pursuant to paragraph (4), the Client undertakes to conclude with the CNB without delay the respective amendment to this Contract.

(6) The Client declares to be a tax resident of the state where is his residence or address declared in this Contract. The Client declares to be the real owner of income from the revenues on securities recorded on the owner's account and also declares that such income is considered, according to the tax law of the state whose tax resident the Client is, the Client's income.

(7) Paragraph 8 et seq. of this Article shall apply if, within the SKD, the client buys securities, the yields on which are not subject to an exemption from tax pursuant to a special legal rule, i.e. do not qualify as yields on bonds pursuant to the act governing bonds and income stemming from the right to redemption of bonds issued by the Czech Republic, another EU Member State or an EEA country.

(8) If the Client is a tax resident of the Czech Republic, the Client undertakes to retain and, whenever for a period of ten years after the maturity of the securities, to present on request, for the purposes of a tax check of the CNB, the statement proved declared facts (to be valid at the moment when securities are mature) according to (6).

(9) If the Client is a tax resident of a country with which the Czech Republic has an international double-tax treaty, the Client can apply the benefits ensuing from the appropriate double-tax treaty or, if the Client is a resident in an EU Member State or EEA country, the benefits ensuing from this fact where tax security should otherwise be withheld. In this case the Client undertakes to present to the CNB, at least once a year, an updated certificate of his tax residency in the given state issued by the appropriate tax authority. The Client undertakes to retain and, whenever during the period of ten years after the maturity of the securities, to present on request, for the purposes of a tax check of the CNB, the statement (to be valid at the moment when securities are mature) that the Client is the real owner of the income arising from the yields on the securities registered on the Client's account in compliance with the tax legislation of the state of which the Client is a tax resident.

(10) Where withholding tax is applied and where the procedure pursuant to (9) is not applied, the Client may apply, at the securities' maturity, the withholding tax rate according to the relevant provision of the Act² for a foreign entity which is a tax resident in a EU or EEA country or in a third country with which the Czech Republic has concluded a double-tax treaty or an agreement or contract to exchange information in tax matters for the area of income taxes, or a country which is a party to a multilateral international treaty containing provisions on the exchange of tax information in the area of income taxes applicable also to the Czech Republic (the "contracting states"). In this case, the Client undertakes to retain and, whenever for a period of ten years after the maturity of the securities, to present on request, for the purposes of a tax check of the CNB, the statement proved his declared facts (to be valid at the moment when securities are mature) according to (6).

(11) The Client at the same time undertakes to inform the CNB of any potential change concerning the ownership of the above income. In his information, he shall state the name of the real owner of the income and the state where the owner of the income is the tax resident. The Client shall be obliged to provide, without any delay the statement of the real owner proved the tax residence of the real owner. If the real owner of the income is a foreign entity who requires that benefits are applied ensuing from the appropriate double-tax treaty, the Client shall be obliged to

² Article 36(1)(b) of Act No. 586/1992 Coll., on Income Taxes, as amended

provide, without any delay, certificate of his tax residency in the given state issued by the appropriate tax authority. The Client shall be obliged to provide the statement of this foreign entity that he really is the owner of the income and the given income is, according to the tax law of the given state, considered its income.

(12) The Client is obliged to pay the CNB for any damage caused as a result of stating untrue data or of failing to submit relevant documents when called upon by the CNB to do so under (8), (9), (10) and (11) or if the tax administrator during a tax check does not accept the submitted item of evidence or the statements as evidential.

Article 14

Extinction of the Contractual Obligation

- (1) This Contract is concluded for an indefinite period of time.
- (2) The contract obligation may become extinct
 - a) by agreement between the contracting parties,
 - b) by notice given by one of the contracting parties,
 - c) by withdrawal from the Contract by either of the contracting parties,
 - d) as a result of termination of the participation of the Client's agent in the SKD, unless the Client, within three months of this fact, notifies the CNB of a change of the agent,
 - e) by cancellation of this owner account under the conditions stipulated by law.
- (3) The Client shall be entitled to repudiate this contractual obligation in writing at any time without giving a reason. The Contract shall become extinct on the fifth business day after the delivery of the notice to the CNB.
- (4) The CNB shall be entitled to repudiate this Contract in writing at any time in the event that the Client has breached his obligations ensuing from this Contract or the Rules. The CNB shall repudiate the contract on the basis of a justified written request by the agent having access to the customer account based on the fact that no securities have been recorded in the owner's asset account for one year before the day of submission of the request. The CNB shall send a notice of withdrawal to the Client by registered mail, to the contact address and person authorized to sign a contract with the CNB pursuant to Article 8 paragraph (1), letter a) of this Contract. The contractual obligation shall become extinct on the fifth business day after the delivery of the notice to the Client.
- (5) The CNB shall be entitled to withdraw from this Contract with immediate effect in the event that the Client has breached seriously his obligations ensuing from this Contract or the Rules. The CNB shall send a notice of withdrawal from the Contract to the Client by registered mail, to the contact address and person pursuant to Article 8, paragraph (1), letter a) of this Contract. The contractual obligation shall become extinct on the day of delivery of the notice of withdrawal from the Contract to the Client.
- (6) The CNB shall be also entitled to withdraw from the Contract, if it detects any material facts which might jeopardize in a substantial manner the Client's ability to meet his obligations under this Contract or the Rules (for example execution of a decision directed against the Client or imminent bankruptcy).
- (7) If the CNB sends the Client a notice of withdrawal from the Contract pursuant to the preceding paragraphs, it may at the same time avail itself of its authorization pursuant to Article 6, paragraph (3).
- (8) Unless the CNB becomes aware that the notice was delivered earlier, the day of delivery of the notice pursuant to paragraph (4) and withdrawal from the Contract pursuant to paragraphs (5) and (6) shall be the third business day after the day on which the notice was sent and the fifteenth business day if the notice was sent to an address in some other country. This also applies in the event when the notice is returned by the post as undelivered or undeliverable.
- (9) If extinction of the contractual obligation pursuant to paragraph (2), letters a) to d) occurs and there are still securities recorded in the owner account, the Client is obliged to transfer

these securities without undue delay to some other asset account. Only for these purposes is he authorized to issue an instruction to register a transfer, which will be settled by the SKD in accordance with the Rules, as if the Contract were still effective. The owner account shall be cancelled not later than on the following business day after the day when there are no securities recorded in it.

(10) The extinction of the contractual obligation does not relieve the Client of his duty to meet all his obligations ensuing from this Contract.

Article 15
Final Provisions

(1) The contracting parties undertake to resolve any possible disputes based on this Contract firstly by negotiations on the level of their representatives who are authorized to conclude this Contract. If any dispute which has arisen cannot be resolved in this way, the contracting parties agree that the authorities competent to consider and resolve disputes arising from this Contract shall be the courts of the Czech Republic.

(2) The CNB shall hand over, upon request, the Rules to the Client and shall inform the Client about the publishing of the Rules and any changes thereto on the CNB website via e-mail messages sent to the person stated in the Client’s form Contact Persons and Addresses of the Client – Authorization C).

(3) The CNB shall announce each change to the Rules, including the stipulation of an adequate space of time in which it is necessary for the participants to familiarise themselves with the respective change, on the CNB website. The change of the Rules or their appendixes takes effect in the moment of the publication if the CNB does not fix another moment of effect.

(4) Any changes and amendments to this Contract may be executed only in writing and with the approval of both contracting parties.

(5) This Contract is concluded pursuant to the provision of Article 1746(2) of Act No. 89/2012 Coll., the Civil Code, as amended.

(6) The rights and obligations arising from the Client’s participation in the SKD shall be governed by the legal order of the Czech Republic.

(7) This Contract is executed in 3 counterparts, of which the CNB, the Client and the Client’s agent stated in Article 4 of this Contract each shall receive one.

(8) The Contract becomes valid and effective on the day of its signing by both contracting parties.

(9) This Contract is made in the Czech and English languages. The Czech version shall be decisive in case of any differences³.

In Prague, on.....

In, on

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.....

.....

The CNB

The Client

³ This paragraph shall be included in the contract only in case that the contract with a tax non-resident is being concluded.

Appendix

Statement

The Agent

represented by

.....

hereby confirms the facts stated in Article 4 of the Contract on the Owner Account in the SKD, designated in the SKD

which is concluded between

the Czech National Bank, Na Příkopě 28, Prague 1

and

.....

In, on.....

.....

The Agent