

Česká spořitelna, a.s.

(Incorporated as a stock corporation in the Czech Republic under registered number 45244782)

Securities Note

as part of the base prospectus consisting of separate documents

in relation to the

Covered Bonds Programme

Under this covered bonds programme (the "**Programme**"), Česká spořitelna, a.s. (the "**Issuer**" or "**Česká spořitelna**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue covered bonds in series (each a "**Series**") and tranches (each a "**Tranche**") available in the English language under Czech law (the "**Covered Bonds**") as further specified in relation to the specific issue of Covered Bonds in the relevant final terms (the "**Final Terms**") which supplement this securities note, as supplemented from time to time (the "**Securities Note**").

The Programme foresees four different options of terms and conditions ("**Terms and Conditions**") of the Covered Bonds under which Covered Bonds may be issued depending on the type of interest which applies to the Covered Bonds as specified in the relevant Final Terms. Accordingly, the following types of Covered Bonds may be issued under the Programme: (i) Covered Bonds with a fixed interest rate (Option I); (ii) Covered Bonds with a floating interest rate (Option II); (iii) Covered Bonds without periodic interest payments (Option III); and (iv) Covered Bonds with a fixed to floating interest rate (Option IV). Covered Bonds may be issued as (i) mortgage covered bonds (*hypoteční zástavní listy*); (ii) public covered bonds (*veřejnoprávní zástavní listy*); and (iii) mixed covered bonds (*smíšené zástavní listy*). Subject to compliance with all relevant laws, regulations and directives, the Covered Bonds will have a minimum maturity of one month and a maximum maturity of 30 (thirty) years. The Covered Bonds will have a minimum denomination of EUR 100,000 or the relevant equivalent of EUR 100,000 in Czech koruna ("**CZK**") or in other currencies at the relevant time.

Together with the registration document of Česká spořitelna dated 2 December 2021, as supplemented from time to time (the "**Registration Document**"), this Securities Note forms part of the base prospectus consisting of separate documents within the meaning of Article 8(6) of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") (the Registration Document and this Securities Note together, the "**Prospectus**").

This Securities Note has been drawn up in accordance with Annexes 15 and 28 of the Commission Delegated Regulation (EU) 2019/980, as amended and has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* - the "**FMA**") in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation in conjunction with the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*). **The FMA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Covered Bonds that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.**

Application may be made (i) for the Programme and/or any Series of Covered Bonds to be admitted to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*); and (ii) to admit any Series of Covered Bonds to trading on the Regulated Market of the Prague Stock Exchange (*Burza cenných papírů Praha*) (together the "**Markets**"). References in this Securities Note to Covered Bonds being listed (and all related references) shall mean that such Series of Covered Bonds have been admitted to trading on one or more of the Markets. The Markets are regulated markets for the purposes of Directive 2014/65/EU, as amended (*Markets in Financial Instruments Directive II – "MiFID II"*). Unlisted Series of Covered Bonds may also be issued pursuant to this Programme. The relevant Final Terms in respect of any Series of Covered Bonds will specify whether or not such Series of Covered Bonds will be admitted to trading on one or more of the Markets.

The Issuer has requested the FMA to provide the Czech National Bank ("**CNB**") as competent authority of the Czech Republic with a certificate of approval attesting that the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) has been drawn up in accordance with the Prospectus Regulation (the "**Notification**"). The Issuer may from time to time request the FMA to provide to competent authorities of member states of the European Economic Area ("**EEA**") further Notifications concerning the approval of the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document).

Each Tranche of Covered Bonds (i) issued as book-entry securities will be recorded at the relevant owner's account maintained (x) by *Centrální depozitář cenných papírů, a.s.* as the central depository or (y) in the follow-up records (*navazující evidence*) of the central records (*centrální evidence*); or (ii) issued as certificated securities will be represented by a permanent global note which will be kept by Česká spořitelna as fiscal agent who is entitled to keep the respective records of financial instruments under Czech law.

Prospective investors should have regard to the factors described under the section headed "**1. Risk Factors**" in this Securities Note. This Securities Note does not describe all of the risks of an investment in the Covered Bonds, but the Issuer believes that all material and specific risks relating to an investment in the Covered Bonds have been described.

The Prospectus comprises a base prospectus relating to non-equity securities for the purposes of Article 8(6) of the Prospectus Regulation. In respect of each individual series of Covered Bonds Final Terms will be filed with the notification office (*Meldestelle*) of the Austrian Control Bank (*Oesterreichische Kontrollbank AG*) as part of the notification to the issuance calendar (*Emissionskalender*) maintained with the Austrian Control Bank. Such filing of the relevant Final Terms to the Austrian Control Bank qualifies as a filing with the FMA as competent authority (Article 8 (5) of the Prospectus Regulation).

The Prospectus is valid for 12 months after the approval of this Securities Note. The obligation by the Issuer to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Any decision to purchase the Covered Bonds should be made on a consideration of the Prospectus as a whole (comprising this Securities Note and the Registration Document) and including the relevant Final Terms.

The Prospectus is to be read in conjunction with any supplement to this Securities Note and/or the Registration Document and all documents which are incorporated by reference in the Registration Document (see the section "*Documents Incorporated by Reference*"). Such documents shall be incorporated in, and form part of the Prospectus, save that any statement contained in a document which is incorporated by reference therein shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained therein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall, except as so modified or superseded, not constitute a part of the Prospectus. Full information on the Issuer and any Tranches of Covered Bonds is only available on the basis of the combination of the Prospectus as a whole (comprising this Securities Note and the Registration Document) and the relevant Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in the Prospectus in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of the Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries and participations taken as a whole (the "**FSČS**") since the date hereof or the date upon which the Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or FSČS since the date hereof or the date upon which the Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Any significant new factor, material mistake or material inaccuracy relating to the information included in this Securities Note which may affect the assessment of any Covered Bonds issued under the Programme and which arises or is noted between the time when this Securities Note is approved and the closing of the offer period of such Covered Bonds or the time when trading on a regulated market begins, whichever occurs later, will be included and published in a supplement to this Securities Note in accordance with Article 23 of the Prospectus Regulation.

The distribution of the Prospectus and the offering or sale of Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may include Covered Bonds in bearer form that are subject to U.S. tax law requirements. The Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons except in certain transactions permitted by U.S. tax regulations and the Securities Act. For a description of certain restrictions on offers and sales of Covered Bonds and on distribution of the Prospectus, see the sections "*2. General Information*" and "*6. Subscription and Sale*".

The Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Covered Bonds.

Neither the Prospectus nor any financial statements supplied in connection with the Programme or any Covered Bonds are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of the Prospectus or any financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in the Prospectus or any financial statements and its purchase of Covered Bonds should be based upon any such investigation as it deems necessary.

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97 ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any natural person.

The Prospectus has been prepared on the basis that any offer of Covered Bonds in any member state of the EEA (each, a "**Relevant State**") will only be made to the public pursuant to the rules under the Prospectus Regulation, or according to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer of Covered Bonds in that Relevant State which are the subject of an offering contemplated in the Prospectus as completed by the relevant Final Terms in relation to the offer of those Covered Bonds may only do so:

- (i) (a) if a prospectus for such offer has been approved by the competent authority in that Relevant State or (b), where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, in either case published, all in accordance with the Prospectus Regulation,
- (ii) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Except to the extent sub-paragraph (i) above may apply, the Issuer has not authorised and will not authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

The relevant Final Terms in respect of any Covered Bonds include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**Distributor**") should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance Rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any dealer (if any) subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither any dealer (if any) nor any of their respective affiliates (if any) will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

Prospective holders of Covered Bonds (each a "**Holder**") should note that the tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from Covered Bonds. Prospective Holders should consult their tax advisers as to the relevant tax consequences of the ownership and disposition of Covered Bonds. A summary of selected tax aspects regarding the purchase, holding and disposal of the Covered Bonds is included in this Securities Note in section "7. *Taxation*".

Benchmark Regulation Statement in relation to Administrator's Registration

Amounts payable under the Covered Bonds may be calculated by reference to a specific benchmark which is provided by an administrator.

As at the date of this Securities Note, the specific benchmark(s) are not yet determined. The relevant Final Terms may set out the name of the specific benchmark(s) and the relevant administrator and whether such relevant administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmark Regulation**").

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DOCUMENTS INCORPORATED BY REFERENCE

This Securities Note should be read and construed in conjunction with each set of Final Terms relating to any Covered Bonds that are offered under the Programme at the time of this Securities Note which has been previously filed with the FMA and/or the notification office (*Meldestelle*) of the Austrian Control Bank (*Oesterreichische Kontrollbank AG*). The following sections of the following documents relating to the Programme, which have been previously published, are incorporated by reference into this Securities Note:

Securities Note/Section	Page reference in the securities note
The securities note in relation to the Covered Bonds Programme dated 30 March 2021	
Terms and Conditions of the Covered Bonds	20 – 79
Form of Final Terms - PART A., provided that the reference to the securities note dated 30 March 2021 should be replaced by a reference to this Securities Note	80 – 88
The prospectus supplement no. 1 dated 14 July 2021 to the securities note in relation to the Covered Bonds Programme dated 30 March 2021	3 – 6

For the avoidance of doubt, such parts of the above listed previously published documents relating to the Programme which are not explicitly listed in the table above, are not incorporated by reference into this Securities Note as these parts are either not relevant for the investor or covered elsewhere in this Securities Note. Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Under this Securities Note, the Issuer may also publicly offer further tranches of covered bonds which have been issued under the securities note dated 30 March 2021, as supplemented. Such notes may include all covered bonds: (a) for which either (i) the first day of the subscription period; or (ii) the issue date is after 30 March 2021; and (b) which have not already been redeemed or cancelled or otherwise repaid by the Issuer.

DOCUMENTS AVAILABLE FOR INSPECTION

Electronic versions of the following documents will be available on the Issuer's website under "www .csas.cz" (see also the links set out below in brackets):

- (i) each set of Final Terms for Covered Bonds that are publicly offered or admitted to trading on a regulated Market
("www .csas.cz/en/documents-to-download#/1100/Covered-Bonds-Programme");
- (ii) this Securities Note and any supplement to this Securities Note
("https://www.csas.cz/banka/content/inet/internet/en/covered-bonds-programme-securities-note-2022.pdf")
("www .csas.cz/en/documents-to-download#/1100/Covered-Bonds-Programme");
- (iii) the securities note dated 30 March 2021 incorporated by reference into this Securities Note
("https://www.csas.cz/static_internet/en/Redakce/Ostatni/Ostatni_IE/Prilohy/covered-bonds-programme-securities-note.pdf");
- (iv) the prospectus supplement no. 1 dated 14 July 2021 incorporated by reference into this Securities Note
("https://www.csas.cz/banka/content/inet/internet/en/prospectus-supplement-no-1-dated-14-july-2021.pdf"); and
- (v) the Registration Document and any supplement to the Registration Document
("www .csas.cz/en/documents-to-download#/1020/Registration-Document").

SUPPLEMENT TO THE PROSPECTUS

The Issuer is obliged by the provisions of the Prospectus Regulation that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to the

information included in the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) which may affect the assessment of any Covered Bonds and which arises or is noted between the time when this Securities Note is approved and the closing of the offer period of such Covered Bonds or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Securities Note and/or the Registration Document or publish a consolidated Securities Note and/or Registration Document (Article 23(6) of the Prospectus Regulation) for use in connection with any subsequent offering of the Covered Bonds and shall supply to the FMA and the stock exchange operating any markets such number of copies of such supplement to this Securities Note and/or to the Registration Document or such consolidated Securities Note and/or Registration Document as relevant applicable legislation require.

RESPONSIBILITY STATEMENT

The Issuer, with its registered office at Olbrachtova 1929/62, Prague 4, Post Code 14000, Czech Republic, is responsible for the information given in this Securities Note.

The Issuer hereby declares that, to the best of its knowledge, the information contained in this Securities Note is in accordance with the facts and makes no omission likely to affect its import.

1. RISK FACTORS

Prospective Holders of the Covered Bonds, which are the subject of the Prospectus and the relevant Final Terms, should consider the following risk factors, which are specific to the Covered Bonds and which are material for taking an informed investment decision and should make such decision only on the basis of the Prospectus as whole (comprising this Securities Note and the Registration Document), including the relevant Final Terms.

No person should acquire Covered Bonds without a thorough understanding of the mechanism of the relevant Covered Bonds and without being aware of the potential risk of loss. Any prospective Holder should carefully examine whether an investment in the Covered Bonds is appropriate given his or her personal circumstances and financial situation.

Prospective investors should also read the detailed information set out elsewhere in the Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Words and expressions defined in the section entitled "4. Terms and Conditions of the Covered Bonds" shall have the same meanings in this section "1. Risk Factors".

The risk factors herein are organised into the following categories below depending on their nature (with the most material risk factor mentioned first in each of the following categories):

- 1.1 Risk factors relating to the structure of the interest rate of the Covered Bonds
- 1.2 Risk factors relating to certain provisions of the Terms and Conditions of the Covered Bonds
- 1.3 Risk factors relating to an early redemption of the Covered Bonds
- 1.4 Risk factors relating to the status of the Covered Bonds
- 1.5 Risk factors relating to the investment in the Covered Bonds
- 1.6 Risk factors relating to tax and legal matters
- 1.7 Risk factors relating to the pricing of, costs associated with and market in the Covered Bonds
- 1.8 Risk factor relating to the settlement
- 1.9 Risk factor relating to currencies
- 1.10 Risk factor relating to conflicts of interest

1.1 Risk factors relating to the structure of the interest rate of the Covered Bonds

Holders of Fixed Rate Covered Bonds are exposed to the risk that the market price of such Covered Bonds falls as a result of changes in the market interest rate.

A Holder of Fixed Rate Covered Bonds is exposed to the risk that the market price of such Covered Bonds falls as a result of changes in the market interest rate. While the nominal interest rate of Fixed Rate Covered Bonds as specified in the relevant Final Terms is fixed during the life of such Covered Bonds, the current interest rate on the capital market for issues of the same maturity (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the market price of Fixed Rate Covered Bonds also changes, but in the opposite direction. If the market interest rate increases, the market price of Fixed Rate Covered Bonds typically falls, until the yield of such Covered Bonds is approximately equal to the market interest rate. If the market interest rate falls, the market price of Fixed Rate Covered Bonds typically increases, until the yield of such Covered Bonds is approximately equal to the market interest rate.

Holders of Floating Rate Covered Bonds may be exposed to the risk of fluctuating interest rate levels which make it impossible to determine the yield of such Covered Bonds in advance, and are exposed to the risk of uncertain interest income.

Floating Rate Covered Bonds which are Covered Bonds with a floating rate until, but excluding, the Maturity Date tend to be volatile investments. A Holder of Floating Rate Covered Bonds is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Covered Bonds in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Floating Rate Covered Bonds.

If Floating Rate Covered Bonds are structured to include caps or floors, a margin or any combination of those features, the market price may be more volatile than those for Floating Rate Covered Bonds that do not include these features.

The interest payments of Floating Rate Covered Bonds and Fixed to Floating Rate Covered Bonds are linked to a benchmark and are therefore exposed to the risks of financial benchmarks and reference rate discontinuity. A discontinuity of the original benchmark (including a material alteration of the methodology for its calculation) could affect the return under the Covered Bonds due to fall back provisions and may adversely affect the trading market and the market price of the Covered Bonds.

The interest payments of Floating Rate Covered Bonds and Fixed to Floating Rate Covered Bonds will be calculated by reference to a benchmark rate specified in the relevant Final Terms (referred to as the "**Original Benchmark Rate**" for such Covered Bonds).

Interest rates or other types of rates which are deemed to be a "benchmark" ("**Benchmark**") have become the subject of regulatory scrutiny and recent national and international regulatory reform. Some of these reforms, such as the Benchmark Regulation, are already effective while others are still to be implemented. These reforms may cause an Original Benchmark Rate to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

The Benchmark Regulation could have a material impact on Covered Bonds linked to or referencing a Benchmark, in particular, including in any of the following circumstances:

- the administrator of the relevant Original Benchmark Rate could lose its authorisation as an administrator under the Benchmark Regulation and may not be able to obtain another form of registration under the Benchmark Regulation; or
- the methodology or other terms of the relevant Original Benchmark Rate could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Covered Bonds, including the calculation agent determination of the rate.

If a Benchmark Event occurs, the Issuer shall use reasonable endeavours to appoint an independent advisor, which must be an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets. Such independent advisor will be tasked with determining whether an officially recognised successor rate or an alternative rate, possibly after application of adjustments or spreads, can replace the Original Benchmark Rate affected by the Benchmark Event.

If, prior to the 10th Business Day prior to the relevant Effective Date, no independent advisor is or can be appointed by the Issuer or if an independent advisor is appointed by the Issuer, but fails to determine an officially recognised successor rate or, as the case may be, an alternative rate, then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a successor rate or, as the case may be, an alternative rate, which, possibly after application of adjustments or spreads, shall replace the Original Benchmark Rate affected by the Benchmark Event.

Any such adjustments or spreads applied by the independent advisor or the Issuer, as the case may be, are intended to be applied in order to produce an industry-accepted replacement benchmark rate, however the relevant adjustments or spreads may not be successful in doing so and the relevant Series of Covered Bonds may still perform differently than if the original Benchmark had continued to be used.

If the independent advisor or the Issuer, as the case may be, determines a successor rate or an alternative rate, such rate will replace the previous Benchmark for purposes of determining the relevant interest rate. Such determination will be binding for the Issuer, the Paying Agent(s) and the Holders. Any amendments pursuant to these fall-back provisions will apply from (and including) the Determination Day selected by the independent advisor or the Issuer.

Uncertainty as to the continuation of the applicable Original Benchmark Rate and the rate that would be applicable in case of a Benchmark Event in relation to such Original Benchmark Rate may adversely affect the trading market and the market price of the relevant Series of Covered Bonds. The same risks as described above may also apply to any rate qualifying as a Benchmark that would replace the Original Benchmark Rate due to the application of the fall-back provisions under the relevant Series of Covered Bonds.

Fixed to Floating Rate Covered Bonds bear interest at a rate that converts from a fixed rate to a floating rate. A Holder bears the risk that after such conversion, the new interest rate may be lower than the then prevailing interest rates or the spread on the Fixed to Floating Rate Covered Bonds may be less favourable than the then prevailing spreads on comparable floating rate covered bonds relating to the same reference rate(s).

Fixed to Floating Rate Covered Bonds bear interest at a rate that converts from a fixed rate to a floating rate. The conversion of the interest rate will affect the market price of the Covered Bonds. If the interest rate converts from a fixed rate to a floating rate, the spread on such Covered Bonds may be less favourable than then prevailing spreads on comparable floating rate covered bonds relating to the same reference rate(s). In addition, the new floating rate may at any time be lower than the interest rates payable on other Covered Bonds. Furthermore, the risks set out above with regard to Fixed Rate Covered Bonds also apply in relation to the period for which a fixed rate of interest is being paid and the risks set out above with regard to Floating Rate Covered Bonds also apply in relation to the period for which a floating rate of interest is being paid.

A Holder of Covered Bonds without periodic interest payments is exposed to the risk that the market price of such Covered Bonds falls as a result of changes in the market interest rate. Market prices of Covered Bonds without periodic interest payments are more volatile than market prices of Fixed Rate Covered Bonds and are likely to respond to a greater degree to market interest rate changes than interest bearing Covered Bonds with a similar maturity.

Covered Bonds without periodic interest payments do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A Holder of Covered Bonds without periodic interest payments is exposed to the risk that the market price of such Covered Bonds falls as a result of changes in the market interest rate. Market prices of Covered Bonds without periodic interest payments are more volatile than market prices of Fixed Rate Covered Bonds and are likely to respond to a greater degree to market interest rate changes than interest bearing instruments with a similar maturity.

In the case of a cap, a Holder will not be able to benefit from any actual favourable development beyond the cap.

If the interest rate of an issue of Covered Bonds is not fixed but will be determined according to the structure of the Covered Bonds as set out in the relevant Final Terms, such an issue may also incorporate a cap. The effect of a cap is that the amount of interest will never rise above the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similarly structured Covered Bonds without a cap.

1.2 Risk factors relating to certain provisions of the Terms and Conditions of the Covered Bonds

The cover assets for the Covered Bonds may not at all times be sufficient in order to cover the Issuer's obligations under the Covered Bonds and/or replacement values may not be added in due time to the cover fund.

Covered Bonds are secured or covered by assets which meet the requirements set out in the Czech Act No. 190/2004 Coll., on bonds (the "**Czech Act on Bonds**"). Payment claims of Holders of Covered Bonds are collateralized through different (types of) cover pools with different cover assets (*krycí aktiva*).

In the event of insolvency or enforcement proceedings regarding the Issuer and/or its assets, the respective cover assets are separated from the Issuer's other assets and may not be used to satisfy claims of creditors of the Issuer other than the Holders of Covered Bonds which are covered by these cover assets.

However, the cover assets of the respective cover pool for Covered Bonds may not at all times be sufficient in order to cover the obligations under the Covered Bonds and/or replacement values may not be added in due time to the respective cover pool. The respective cover pools are managed separately and do not collateralize all Covered Bonds, but only those, which are allocated to the respective cover pool. Accordingly, investors cannot rely that the assets of the respective cover pool, to which their Covered Bonds are not allocated, may be used to satisfy their claims.

If the relevant Final Terms provide for resolutions of Holders, certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.

If the relevant Final Terms provide for resolutions of Holders, either to be passed in a meeting of Holders or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder

against the Issuer under the relevant Terms and Conditions of the Covered Bonds may be amended or reduced or even cancelled.

If the relevant Final Terms provide for the appointment of a Joint Representative, a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Covered Bonds against the Issuer.

If the relevant Final Terms provide for the appointment of a Joint Representative, either in the relevant Terms and Conditions of the Covered Bonds or by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Covered Bonds against the Issuer, such right passing to the Joint Representative who is then exclusively responsible to claim and enforce the rights of all Holders.

1.3 Risk factors relating to an early redemption of the Covered Bonds

In the event that any Covered Bonds are redeemed prior to their maturity, a Holder of such Covered Bonds may be exposed to the risk that his investment will have a lower than expected yield.

The relevant Final Terms will indicate whether the Issuer may have the right to redeem the relevant Series of Covered Bonds prior to maturity (an optional call right) or whether the Issuer will under certain circumstances have the right to early redeem the relevant Series of Covered Bonds if there is a change in the applicable tax treatment of the Covered Bonds. If the Issuer redeems the relevant Series of Covered Bonds prior to maturity or the relevant Series of Covered Bonds is subject to early redemption due to a change in the applicable tax treatment of the Covered Bonds, a Holder of such Covered Bonds is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. The Issuer might exercise its optional call right if the yield on comparable Covered Bonds in the capital markets falls, which means that the Holder may only be able to reinvest the redemption proceeds in Covered Bonds with a lower yield or with a similar yield of a higher risk.

The Terms and Conditions of the Covered Bonds provide for a right of early redemption by the Issuer only and thus, Holders usually receive a higher yield on their Covered Bonds than they would if they were also granted a right to early redeem the Covered Bonds reflecting the higher risk of early redemption the Holders of such Covered Bonds are exposed to. Excluding the Holders' right to redeem Covered Bonds prior to their maturity is often a precondition for the Issuer being able to hedge its exposure under the Covered Bonds. Thus, without early redemption by Holders being excluded, the Issuer would not be able to issue Covered Bonds at all, or the Issuer would factor the potential hedging break costs into the redemption amount of the Covered Bonds, thus reducing the yield Holders receive from the Covered Bonds.

In case of an early redemption of any Covered Bonds, there is a risk that Holders may not be able to reinvest proceeds from the Covered Bonds in such a way that they earn the same rate of return.

Holders may be subject to the risk that any return earned from an investment in the Covered Bonds may not in the event of an early redemption of any Covered Bonds be able to be reinvested in such a way that they earn the same rate of return as the redeemed Covered Bonds.

1.4 Risk factors relating to the status of the Covered Bonds

Claims of Holders under the Covered Bonds which are not covered by the respective cover pool may be subject to write-down or conversion into instruments of ownership upon the occurrence of a certain trigger event (statutory loss absorption).

The CNB as the Czech resolution authority pursuant to the Act No. 374/2015., on Recovery and Resolution in the Financial Market, as amended ("**Czech Crisis Resolution Act**") is provided with uniform and effective resolution tools and resolution powers to achieve the resolution objectives.

The Czech Crisis Resolution Act, among other things, entitles CNB to intervene in Czech banks (including the Issuer) likely to fail or failing. The discretion of CNB as regards its resolution powers under the Czech Crisis Resolution Act is beyond the control of the Issuer.

The conditions for such resolution are:

- (a) the determination that the institution is failing or likely to fail has been made by the CNB; and
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and

(c) a resolution action is necessary in the public interest.

One of the resolution tools is the bail-in tool. When applying the bail-in tool, the CNB shall exercise the write-down and conversion powers in accordance with the following sequence to: (i) Common Equity Tier 1 (CET 1); (ii) Additional Tier 1 ("**AT 1**") instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings to the extent required; and (v) the rest of bail-inable liabilities (including certain senior debt, *inter alia*, claims of Holders under the Covered Bonds which are not covered by the respective cover pool) in accordance with the hierarchy of claims in normal insolvency proceedings, including the ranking provided for in Article 374 and following of the Act No. 182/2006 Coll., on Bankruptcy and Settlement (Insolvency Act), as amended ("**Czech Insolvency Act**") which has implemented Article 108 of the Directive 2014/59/EU, as amended ("**BRRD**"), to the extent required (sequence of write-down and conversion or so-called "loss absorbing cascade").

If the bail-in tool is applied to claims of Holders under the Covered Bonds which are not covered by the respective cover pool, these claims may also be subject to write-down or conversion into instruments of ownership.

The decision to write down or convert the Covered Bonds which are not covered by the respective cover pool may be unpredictable and it may depend on many factors which are outside of the Issuer's control. Any resolution tool, its proposal or the uncertainty about the CNB's acceptance (even if such resolution tool may not be taken by the CNB) can significantly negatively affect the market price of the Covered Bonds and may lead to a partial or entire loss for the investors.

Furthermore, CNB is entitled to suspend any payments of the Issuer (including payments associated with the Covered Bonds) pursuant to the conditions stipulated in the Czech Crisis Resolution Act. CNB is also entitled to postpone the maturity of Covered Bonds up to 18 months, even repeatedly, including the maturity of interest in respect of the Covered Bonds and may further limit any exercise of rights related to the Covered Bonds as a resolution tool pursuant to the Czech Crisis Resolution Act. The adoption of any such resolution tool taken by the CNB might materially affect the Holders' rights under the Covered Bonds or the Issuer's ability to meet its obligations under the Covered Bonds.

In case of the commencement of insolvency proceedings opened over the assets of the Issuer under the Czech Insolvency Act, deposits have a higher ranking than claims of Holders under the Covered Bonds which are not covered by the respective cover pool.

According to Section 374 of the Czech Insolvency Act, in insolvency proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to claims of deposits and senior unsecured creditors:

- (a) claims of: (i) insured deposits up to the insurance coverage level pursuant to Section 41e (2) of the Czech Act No. 21/1992 Coll. on Banks, as amended ("**Czech Act on Banks**"); and (ii) the Czech Deposit Insurance Fund originated pursuant to Section 41h (2) of the Czech Act on Banks or pursuant to Section 221 (6) of the Czech Crisis Resolution Act;
- (b) claims of: (i) deposits from natural persons and small and medium-sized enterprises which exceed the insurance coverage level provided for under Section 41e (2) of the Czech Act on Banks; and (ii) deposits from natural persons, small and medium-sized enterprises which would have been insured deposits under Section 41c of the Czech Act on Banks if they had not been made through a branch located in a state which is not a member state of the EU or EEA;
- (c) claims of ordinary senior unsecured creditors (such as claims of Holders under the Covered Bonds which are not covered by the respective cover pool); and
- (d) unsecured claims resulting from debt instruments within the meaning of Section 374b of the Czech Insolvency Act which has implemented Article 108 (2) BRRD, (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the ranking under Section 374b of the Czech Insolvency Act.

The respective cover pool is primarily aimed to satisfy the claims of the Holders of the Covered Bonds. If the aggregate value of the cover assets in the respective cover pool is lower than the aggregate value of the debts covered by the respective cover pool, Holders of the Covered Bonds may register their claims to the extent that they are not covered by the respective cover pool at the relevant insolvency court. As a result, these claims of the Holders of the Covered Bonds which are not covered by the respective cover pool would be satisfied along with the other unsecured and non-subordinated claims of the other creditors (but with a priority over unsecured non-preferential claims) pursuant to the Czech Insolvency Act.

In case of the commencement of insolvency proceedings opened over the assets of the Issuer, claims of Holders under the Covered Bonds which are not covered by the respective cover pool would be junior to claims listed above in points (a) and (b). Therefore, such Holders will only receive payment of their claims if and to the extent that such claims (which are senior to them) have been discharged in full. This insolvency hierarchy is also relevant for the sequence of write-down and conversion where the Issuer is placed under resolution.

If the Covered Bonds do not become or cease to be compliant with Article 129 CRR, the Holders may experience adverse consequences such as an adverse effect on the market value or regulatory treatment of these Covered Bonds.

Provided that respective statutory or regulatory requirements are met, the Issuer has an option to issue Covered Bonds which are compliant with Article 129 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation – "CRR"*) and which are eligible for preferential treatment under the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement CRR, as amended ("**CRR Covered Bonds**"). The value of the CRR Covered Bonds can be derived from their status as being compliant with Article 129 CRR. If the CRR Covered Bonds lose this status due to the Issuer not complying with respective statutory or regulatory requirements or due to a change in respective applicable laws, the Holders may experience adverse consequences such as an adverse effect on the market value or regulatory treatment of these Covered Bonds.

1.5 Risk factors relating to the investment in the Covered Bonds

Credit ratings of Covered Bonds (if any) may not adequately reflect all risks of the investment in such Covered Bonds, credit rating agencies could assign unsolicited credit ratings, and credit ratings may be suspended, downgraded or withdrawn, all of which could have an adverse effect on the market price and trading price of the Covered Bonds.

A credit rating of Covered Bonds (if any) may not adequately reflect all risks of the investment in such Covered Bonds. Credit rating agencies could decide to assign credit ratings to the Covered Bonds on an unsolicited basis. Equally, credit ratings may be suspended, downgraded or withdrawn. Any such unsolicited credit rating, suspension, downgrading or withdrawal may have an adverse effect on the market price and trading price of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Changes in the credit rating of the respective cover pool (if any) may adversely affect the market price of Covered Bonds.

The credit rating of the respective cover pool for Covered Bonds (if any) issued by an independent credit rating agency is an indicator of the value of the respective cover pool and, thus, of the Issuer's ability to meet its obligations under the Covered Bonds. The lower the credit rating, the higher the credit rating agency estimates the risk that the Issuer may not fulfill its responsibilities. The credit rating agency can change or withdraw the credit rating at short notice. A change or withdrawal of the credit rating may adversely affect the market price of the Covered Bonds with the respective cover pool.

1.6 Risk factors relating to tax and legal matters

The Covered Bonds are governed by Czech law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Covered Bonds and the Holders.

The Terms and Conditions of any Series of Covered Bonds will be governed by Czech law. The impact of any possible judicial decision or change to Czech law, or administrative practice after the date of this Securities Note is unclear. Furthermore, the governing law may not be the law of the Holders' own home jurisdiction and the law applicable to the Covered Bonds may not provide the Holders with similar protection as their own law.

Changes in tax law may negatively affect the Holders.

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the market price of the Covered Bonds. Any such change may cause the tax treatment of the relevant Covered Bonds to change from what the purchaser understood the position to be at the time of purchase.

In the Czech Republic, there have been significant changes to the taxation of bonds (including the Covered Bonds) as introduced by the amendments to the Czech income taxes act which are effective as of 1 January 2021 and as of 1 January 2022, respectively (further referred to as the "**ITA Amendments**"). The ITA Amendments rules affecting taxation of bonds (including the Covered Bonds) are untested in practice and there is neither any prevailing interpretation nor any administrative guidance available. Thus, there is a risk for

Holders of Covered Bonds that they receive less money than expected due to the income tax imposed based on a newly introduced interpretation or administrative practice by the Czech tax authorities.

Legal investment considerations may restrict certain investments.

Due to certain laws and regulations in relation to investments (e.g. securities-specific or regulatory provisions) or due to the scrutiny or regulation by certain authorities, an investment in the Covered Bonds may be restricted for certain potential investors. Furthermore, investors might not be able to claim (or only to claim partial) indemnification for damage that has been caused to them due to certain exclusions or restrictions of the Issuer's or other parties' (e.g. the Calculation Agent, the Paying Agent, etc.) liability for negligent acts or omissions in connection with the Covered Bonds (or calculations thereof).

1.7 Risk factors relating to the pricing of, costs associated with and market in the Covered Bonds

Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Covered Bonds.

A credit spread is the margin payable by the Issuer to the Holder of an instrument as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and credit rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Covered Bonds and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a negative effect.

Holders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Covered Bonds.

The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.

Inflation risk describes the possibility that the market price of assets such as the Covered Bonds or income therefrom will decrease as higher (expected) inflation reduces the purchasing power of a currency. Higher (expected) inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Covered Bonds (if any) the yield on such Covered Bonds will become negative.

Holders are exposed to the risk of an unfavourable development of market prices of their Covered Bonds which materialises if the Holder sells the Covered Bonds prior to the final maturity of such Covered Bonds.

The development of market prices of the Covered Bonds depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Instrument. The Holder is therefore exposed to the risk of an unfavourable development of market prices of its Covered Bonds which materialises if the Holder sells the Covered Bonds prior to the final maturity of such Covered Bonds. Covered Bonds may be issued at a price higher than the market price at issue and/or the redemption amount. This will increase the impact that unfavourable market price developments may have on the Covered Bonds. If the Holder decides to hold the Covered Bonds until final maturity, the Covered Bonds will be redeemed at the amount set out in the relevant Final Terms.

A liquid secondary market for the Covered Bonds may not develop or, if it develops, it may not continue. In an illiquid market, a Holder may not be able to sell his Covered Bonds at fair market prices.

Application may be made for the Programme and/or any Series of Covered Bonds to be admitted to the Markets, which appear on the list of regulated markets issued by the European Commission. In addition, the Programme provides that Series of Covered Bonds may not be admitted to trading on the Markets. Accordingly, certain Series of Covered Bonds may not be admitted or listed at all.

Regardless of whether the Covered Bonds are listed or not, a liquid secondary market for the Covered Bonds may not develop or, if it develops, it may not continue. The fact that the Covered Bonds may be listed does not necessarily lead to greater liquidity as compared to unlisted Covered Bonds. If the Covered Bonds are not listed on any stock exchange, pricing information for such Covered Bonds may, however, be more difficult to obtain, which may adversely affect the liquidity of the Covered Bonds. In an illiquid market, a Holder might not be able to sell its Covered Bonds at any time at fair market prices or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for

Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Generally, these types of Covered Bonds would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market price of Covered Bonds. The possibility to sell the Covered Bonds might additionally be restricted by country-specific reasons.

The cover assets of the respective cover pool may not at all times be sufficient to cover the obligations under the Covered Bonds and/or substitute cover assets may not be added to the respective cover pool in a timely manner.

The Holders' payment claims under the Covered Bonds are secured by their respective cover pools. In the event of insolvency and enforcement proceedings against the Issuer and/or its assets, the respective cover pool will be separated from the Issuer's assets and may not be used to satisfy claims of creditors of the Issuer other than the Holders covered by the respective cover pool. However, the respective cover pool assets may not at all times be sufficient to cover the obligations under the Covered Bonds and/or substitute cover assets cannot be added to the respective cover pool in a timely manner. The cover pools are separate from each other and are not liable for all Covered Bonds, but only for those assigned to the respective cover pool. Investors must therefore not rely on the fact that the assets of a cover pool to which the Covered Bonds held by them are not allocated can be used to satisfy their claims.

There is a risk that listing of the Covered Bonds will not be accepted or trading in the Covered Bonds will be suspended, interrupted or terminated, which may have an adverse effect on the market price of such Covered Bonds.

If any Series of Covered Bonds is listed on any of the Markets, the listing of such Covered Bonds may – depending on the rules applicable to such stock exchange - not be accepted or be suspended or interrupted by the respective stock exchange or a competent regulatory authority upon the occurrence of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the stock exchange or generally if deemed required in order to secure a functioning market or to safeguard the interests of Holders. Furthermore, trading in the Covered Bonds may be terminated, either upon decision of the stock exchange, a regulatory authority or upon application by the Issuer. The Issuer has no influence on trading suspension or interruptions (other than where trading in the Covered Bonds is terminated upon the Issuer's decision) and Holders in any event must bear the risks connected therewith. In particular, Holders may not be able to sell their Covered Bonds where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Covered Bonds may not adequately reflect the market price of such Covered Bonds. Finally, even if trading in Covered Bonds is suspended, interrupted or terminated, such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the Holders' interests; for example, where trading in Covered Bonds is suspended after price-sensitive information relating to such Covered Bonds has been published, the market price of such Covered Bonds may already have been adversely affected. All these risks would, if they materialise, have a material adverse effect on the Holders.

Incidental costs related in particular to the purchase and sale of the Covered Bonds may have a significant impact on the profit potential of the Covered Bonds.

When Covered Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Covered Bonds. These incidental costs may significantly reduce or eliminate any profit from holding the Covered Bonds. Credit institutions may charge to its customers commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of Covered Bonds (direct costs), any follow-up costs (such as custody fees) must be taken into account.

The purchase price applicable to the Covered Bonds on a given day will often include a bid-ask spread so that the purchase price will be higher than the price at which Holders are able to sell any such Covered Bonds on that given day.

Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Covered Bonds.

Holders are subject to the risk of a partial or total inability of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Covered Bonds. Any deterioration of the creditworthiness of the Issuer would increase the risk of loss. A materialisation of the credit risk may result in partial or total inability of the Issuer to make interest and/or redemption payments.

1.8 Risk factor relating to the settlement

Holders have to rely on the functionality of the relevant clearing system and there is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed.

The Covered Bonds are purchased and sold through different clearing systems. The Issuer does not assume any responsibility for to whether the Covered Bonds are actually transferred to the securities portfolio of the relevant Holder. Holders have to rely on the functionality of the relevant clearing system. There is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed. Thus, the Holder may suffer economic disadvantages.

1.9 Risk factor relating to currencies

Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which the Issuer will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit ("**Holder's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Holder's Currency) and the risk that authorities with jurisdiction over the Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Holder's Currency relative to the Specified Currency would decrease (i) the Holder's Currency-equivalent yield on the Covered Bonds, (ii) the Holder's Currency-equivalent value of the principal payable on the Covered Bonds, and (iii) the Holder's Currency-equivalent market price of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal.

1.10 Risk factor relating to conflicts of interest

The Issuer may be exposed to conflicts of interest which might adversely affect the Holders.

The Issuer may from time to time act in other capacities with regard to the Covered Bonds, such as calculation agent, which allows the Issuer to make calculations in respect of the Covered Bonds (e.g. the amount of interest to be paid) which are binding for the Holders. This fact could generate conflicts of interest and may affect the market price of the Covered Bonds.

The Issuer may use all or some of the proceeds received from the sale of the Covered Bonds to enter into hedging transactions which may affect the market price of the Covered Bonds.

It is usual for employees of financial institutions such as the Issuer to undertake deals on their own behalf subject to securities laws on personal transactions and market abuse as well as statutory or internal compliance standards. Employees and connected parties are permitted to take part in securities offerings of the Issuer. The Issuer's sales employees may be motivated to sell these Covered Bonds, due to the value of incentives received by them (in case the sale is successful) subject to securities and banking laws applicable to any such incentives.

Despite measures taken by the Issuer to ensure compliance with applicable laws and internal procedures, all of this could create a conflict with the duties owed to the Holders.

2. GENERAL INFORMATION

- (1) **Listing/inclusion and admission to trading.** Application may be made (i) for the Programme and/or any Series of Covered Bonds to be admitted to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) and/or (ii) to admit any Series of Covered Bonds to trading on the Regulated Market of the Prague Stock Exchange (*Burza cenných papírů Praha*) and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Covered Bonds may, but need not be, listed on the Markets. As of the date of this Securities Note, notes of the Issuer are admitted to trading on the Regulated Market of the Prague Stock Exchange (*Burza cenných papírů Praha*).
- (2) **Approvals.** The Issuer has obtained all necessary consents, approvals and authorisations in the Czech Republic in connection with the issue and performance of Covered Bonds. Tranches of Covered Bonds will be issued under the Programme in accordance with internal approvals, as in force from time to time, provided that, unless otherwise specified in the relevant Final Terms, issues of Covered Bonds will be under the responsibility of the Issuer's director of balance sheet management.
- (3) **Clearing systems.** The Covered Bonds are governed by Czech law and in case of being (i) issued as book-entry securities, the clearing system will be Centrální depozitář cenných papírů, a.s. as the Czech central depository; or (ii) issued as certificated securities, the Covered Bonds will be represented by a permanent global note which will be kept by Česká spořitelna as fiscal agent who is entitled to keep the respective records of financial instruments under Czech law.
- (4) **Method of issue.** The Covered Bonds will be issued either on a syndicated or a non-syndicated basis. The Covered Bonds will be issued in Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche) will be identical to the terms of other Tranches of the same Series and will be set out in the relevant Final Terms.
- (5) **Initial delivery of Covered Bonds.** Under Czech law each Tranche of Covered Bonds (i) issued as book-entry securities will be recorded at the relevant owner's account maintained (x) by Centrální depozitář cenných papírů, a.s. as the central depository or (y) in the follow-up records (*navazující evidence*) of the central records (*centrální evidence*); or (ii) issued as certificated securities will be represented by a permanent global note which will be kept by Česká spořitelna as fiscal agent who is entitled to keep the respective records of financial instruments under Czech law.
- (6) **No negative pledge.** The Terms and Conditions of the Covered Bonds do not contain any negative pledge clauses; thus, the Holders will not have the benefit of such clauses.
- (7) **Selling restrictions.** Selling restrictions apply for the United States, the EEA, the United Kingdom, Japan and such other restrictions as may be required in connection with a particular issue. Please see "6. Subscription and Sale".
- (8) **Restrictions on the free transferability of the securities.** The Terms and Conditions of the Covered Bonds do not contain any restrictions on the free transferability of the Covered Bonds. The Covered Bonds are freely transferable in accordance with applicable law and the applicable rules of the clearing system.
- (9) **Use of proceeds.** The use of the net proceeds from the issue of any Covered Bonds will be published in the relevant Final Terms.

3. OVERVIEW OF MORTGAGE COVERED BONDS, PUBLIC COVERED BONDS AND MIXED COVERED BONDS

Mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*) are three types of covered bonds which are regulated by the Czech Act on Bonds, the Czech Insolvency Act and the Czech Act on Banks.

Pursuant to Section 1 (3) of the Czech Act on Banks, the Issuer is duly authorized under its banking licence to issue mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*) as foreseen in the Terms and Conditions of the Covered Bonds. An issue of Covered Bonds is not conditioned by obtaining any other public permit or authorisation of the Issuer. Pursuant to the Czech Act on Bonds claims of investors under all three types of Covered Bonds (i.e. mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*)) are secured at all times by separate cover pools (*krycí portfolia*) of certain specified eligible assets (*krycí aktiva*) which are meant to cover these claims. These eligible assets are listed in special registers kept by the Issuer (eligible assets registers). Eligible assets included in these cover pools may only be seized and sold to satisfy claims arising from the relevant Covered Bonds.

Under Section 28a (2) of the Czech Act on Bonds and disregarding certain categories of cover assets specified therein, the total value of all cover assets in a cover pool must be at least equal to 85 per cent of the total value of all debts which are covered by the cover pool. Furthermore, under Section 28a (1) of the Czech Act on Bonds, the total value of all cover assets in a cover pool must be at least equal to 102 per cent of the total value of all debts which are covered by the cover pool and form together with it a cover block; for the purposes of Section 28a (1) of the Czech Act on Bonds nominal value of all cover assets (except for derivatives) will be taken into account.

The Issuer is obliged to continuously assess and verify if the cover assets in the respective cover pool continue to be eligible to serve as a collateral for claims of Holders of Covered Bonds. In the event that these cover assets cease to be eligible assets, the Issuer is obliged to erase such cover assets from the respective cover pool.

Assets of the cover pool which are used to cover claims resulting from mortgage covered bonds (*hypoteční zástavní listy*) consist of mortgage loans (or parts thereof). This applies to mortgages over real estate located in the Czech Republic or any member state of the EU or EEA. The Czech Act on Bonds foresees that mortgage covered bonds (*hypoteční zástavní listy*) may be issued against 100 per cent of the mortgage collateral value, unless the Terms and Conditions of Covered Bonds stipulate a lower limit.

Assets of the cover pool which are used to cover claims resulting from public covered bonds (*veřejnoprávní zástavní listy*) consist of loan claims against, or guaranteed by, member states of the Organisation for Economic Co-operation and Development ("OECD"), central banks of such member states, multilateral development banks or international organisations one of whose members is a member state of OECD and assets pursuant to Article 129 (1) (a) (b) of the Regulation (EU) No 575/2013, as amended (*Capital Requirements Regulation – CRR*).

In relation to mixed covered bonds (*smíšené zástavní listy*), the Czech law does not impose any specific requirements regarding the composition of the cover pool.

Holders of mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*) have direct, unconditional and non-subordinate unsecured claims against the Issuer resulting from these covered bonds. Claims of Holders under the Covered Bonds shall be primarily covered by the respective cover pool. In the event of the Issuer's insolvency, applicable Czech law prioritizes that the asset pools (*kryté bloky*) are further administered and preserved rather than liquidated. In the event of an insolvency of the Issuer, mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*) will not be automatically terminated by operation of law and the cash flows will in general remain unaffected.

In case of an insolvency of the Issuer, all asset pools would need to be administered by a special covered bond trustee (*nucený správce krytých bloků*) appointed by the CNB who shall ensure that rights of the Holders under the Covered Bonds are protected. After its appointment, the covered bond trustee is obliged to oversee and administer all asset pools of the Issuer of Covered Bonds, acting with due diligence and in the best interests of Holders of the Covered Bonds, especially by fulfilling all their obligations stipulated by the Czech legislation, by the Terms and Conditions of Covered Bonds.

If the respective cover pool is not sufficient to satisfy all claims of Holders of the Covered Bonds the Holders may submit their claims in standard insolvency proceedings opened over the assets of the Issuer. However,

in case of insolvency proceedings opened over the assets of the Issuer, claims of Holders of mortgage covered bonds (*hypoteční zástavní listy*), public covered bonds (*veřejnoprávní zástavní listy*) and mixed covered bonds (*smíšené zástavní listy*) which are not covered by the respective cover pool would be junior to claims pursuant to Article 374 (1) (a) - (d) of the Czech Insolvency Act.

4. TERMS AND CONDITIONS OF THE COVERED BONDS (ENGLISH LANGUAGE)

General

The Issuer will prepare the terms and conditions applicable to each particular Tranche of Covered Bonds (the "**Conditions**"). These Conditions will be constituted by the relevant set of Terms and Conditions of the Covered Bonds set out in this section entitled "*4. Terms and Conditions of the Covered Bonds*" as further specified by the relevant Final Terms as described below.

Sets of Terms and Conditions of the Covered Bonds

A separate set of Terms and Conditions of the Covered Bonds shall apply to each type of Covered Bonds, as set out below. The relevant Final Terms shall provide for the Issuer to choose among the following Options:

Option I - Terms and Conditions for Covered Bonds with a fixed interest rate;

Option II - Terms and Conditions for Covered Bonds with a floating interest rate;

Option III - Terms and Conditions for Covered Bonds without periodic interest payments; and

Option IV - Terms and Conditions for Covered Bonds with a fixed to floating interest rate.

Documentation of the Conditions

The Issuer shall document the Conditions in any of the following ways:

- The relevant Final Terms shall determine whether Option I, Option II, Option III and Option IV and whether certain further options contained in Option I, Option II, Option III and Option IV shall be applicable to the individual issue of Covered Bonds by replicating the relevant provisions of, and completing the relevant placeholders set out in Option I, Option II, Option III and Option IV in the relevant Final Terms. The replicated and completed provisions of the set of Terms and Conditions of the Covered Bonds alone shall constitute the Conditions (the "**Integrated Conditions**"). The Integrated Conditions shall be attached to each global note representing the Covered Bonds of the relevant Tranche. The Issuer shall document the Conditions in this way if the Covered Bonds shall be publicly offered, in whole or in part.
- Alternatively, the relevant Final Terms shall determine whether Option I, Option II, Option III and Option IV and whether certain further options contained in Option I, Option II, Option III and Option IV shall be applicable to the individual issue of Covered Bonds by making reference to the specific sections of the relevant set of Terms and Conditions of the Covered Bonds. The relevant Final Terms and the relevant set of Terms and Conditions of the Covered Bonds (the "**Long-form Conditions**"), taken together, shall constitute the Conditions. The relevant Final Terms and the Long-form Conditions shall be attached to each global note representing the Covered Bonds of the relevant Tranche.

Determination of Options / Completion of Placeholders

The relevant Final Terms shall determine whether Option I, Option II, Option III and Option IV shall be applicable to the individual issue of Covered Bonds. Each set of Terms and Conditions of the Covered Bonds constituting Option I, Option II, Option III and Option IV contains certain further options (characterised by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the text of the relevant set of Terms and Conditions of the Covered Bonds as set out in this Securities Note) as well as placeholders (characterised by square brackets which include the relevant items) which shall be determined by the relevant Final Terms as follows:

Determination of Options

The Issuer shall determine which options shall be applicable to the individual issue of Covered Bonds by either replicating the relevant provisions in the relevant Final Terms or by making reference in the relevant Final Terms to the relevant sections of the relevant set of Terms and Conditions of the Covered Bonds. If the relevant Final Terms do not replicate or make reference to an alternative or optional provision (as set out in the relevant set of Terms and Conditions of the Covered Bonds) such provision shall be deemed to have been deleted from the Conditions.

Completion of Placeholders

The relevant Final Terms shall specify the information completing the placeholders in the relevant set of Terms and Conditions of the Covered Bonds. In case the provisions of the relevant Final Terms and the relevant set of Terms and Conditions of the Covered Bonds, taken together, shall constitute the Conditions the relevant set

of Terms and Conditions of the Covered Bonds shall be deemed to have been completed by the information contained in the relevant Final Terms as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions of the Covered Bonds and any footnotes and explanatory text set out in the relevant Final Terms shall be deemed to have been deleted from the Conditions.

TERMS AND CONDITIONS OF THE COVERED BONDS

OPTION I – COVERED BONDS WITH A FIXED INTEREST RATE

[OPTION I – TERMS AND CONDITIONS FOR COVERED BONDS WITH A FIXED INTEREST RATE:

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [mortgage] [public] [mixed] covered bonds (the "**Covered Bonds**") is being issued by Česká spořitelna, a.s., with registered office at Olbrachtova 1929/62, Prague 4, Post Code 14000, Czech Republic, Identification Number: 452 44 782, registered with the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1171 (the "**Issuer**") in [insert specified currency] ("**Specified Currency**") in the aggregate principal amount of [in case of Covered Bonds offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert specified currency and aggregate principal amount in words]) in the denomination of [insert specified currency and principal amount of at least EUR 100,000 or the equivalent in other currencies] (the "**Specified Denomination**").

(2) *Form.*

[If the Covered Bonds are issued as book-entry securities insert: The Covered Bonds are being issued as book-entry securities (in Czech "*zaknihované dluhopisy*").]

[If the Covered Bonds will be represented by a Global Note insert: The Covered Bonds are being issued as certificated securities (in Czech "*listinné dluhopisy*") which will be represented by the Global Note (as defined below) under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and to the order of the respective Holder.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(3) *Permanent Global Note.* The Covered Bonds are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent.]

([4]) *Declaration of the Issuer, Title to the Covered Bonds.*

(a) The Issuer declares that it is obliged to pay the principal of the Covered Bonds and accrued interest to the respective Holders under the terms stipulated in these Terms and Conditions. The Issuer has decided to exclude the possibility to separate the right for payment of interest from the Covered Bonds.

[In case of Covered Bonds issued as book-entry securities insert:

(b) The Covered Bonds will be owned by the relevant Holder of the Covered Bonds. The Covered Bonds will be recorded at the relevant Holder's owner's account maintained (i) by the Czech Central Depository or (ii) in the follow-up records (in Czech "*navazující evidence*") of the central records (in Czech "*centrální evidence*") (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(b) The Global Note will be kept and maintained by the Fiscal Agent who will keep the registry of the proportionate co-ownership of each Holder (as defined below) in the Global Note (these separate records and, if so provided in the Final Terms and to the extent permissible under Czech law, any follow-up records of the separate records (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

([5]) *Clearing System.*

[In case of Covered Bonds issued as book-entry securities insert:

The Covered Bonds will be kept and cleared in Centrální depozitář cenných papírů, a.s., Rybná 682/14, 110 00 Staré Město, Prague as the central depository (the "**Czech Central Depository**" or the "**Clearing System**").]

[In case of Covered Bonds which will be represented by a Global Note:

The Global Note will be kept by the Fiscal Agent who is entitled to keep the respective records of financial instruments under Czech law.]

[In case of Covered Bonds issued as book-entry securities insert:

[6]a) Holder of Covered Bonds. "Holder" means any holder of Covered Bonds who is registered in the Holders' Registry. The title to the Covered Bonds will be transferred via change of ownership of the Covered Bonds in accordance with Czech law and rules of the Clearing System. The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]

[In case of Covered Bonds which will be represented by a Global Note insert:

[6]a) Holder of Covered Bonds. "Holder" means any holder of the Covered Bonds who is registered in the Holders' Registry as a proportionate co-owner of the Global Note. The title to the Covered Bonds will be transferred via change of co-ownership in the Global Note in accordance with Czech law and will be administered by the Fiscal Agent or, if applicable, the Custodian (as defined in § 10 (2)). The Holder as an owner of a proportionate share in the Global Note has all the rights as a bondholder under Czech law.]

[6]b) Other information. Other information regarding the issue of Covered Bonds. Information regarding *inter alia* (i) the administration of the subscription of the Covered Bonds including the method of issuance of the Covered Bonds; (ii) the issue price of the Covered Bonds; (iii) the time limit for subscription of the issue of the Covered Bonds; (iv) the rating (by whom, when and the result) (if any); (v) the ISIN; (vi) the decision of the Issuer if the Covered Bonds were issued in total nominal value which is greater than the anticipated nominal value of the Covered Bonds issue, even after the expiry of the issue period or if they were issued up to the anticipated total nominal value of Covered Bonds, even after the expiry of the issue period; (vii) the type of the issued Covered Bonds; (viii) the issue date; (ix) the nominal amount of the individual Covered Bond; (x) the total amount of the issued Covered Bonds; (xi) statement regarding supervision and (xii) any other information required to be included under Czech law (in particular the Czech Act on Bonds) will be stipulated in the Final Terms. Information about taxation of interests payable under the Covered Bonds is included in the securities note dated 6 May 2022, as supplemented from time to time.

[7] Certain Definitions.

"Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres] [insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

"Czech Act on Bonds" means Act No. 190/2004 Coll., on Bonds (as amended).

"Terms and Conditions" means these terms and conditions of the Covered Bonds.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2 STATUS

[In case of mortgage Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) of the Czech Act on Bonds (i.e. claims from mortgage loans) or with assets pursuant to Article 129 (1) (d) - (f) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])] and rank *pari passu* with all other unsubordinated

obligations of the Issuer, present and future under mortgage covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of public Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2)(b) and (c) of the Czech Act on Bonds (which are (a) the claims against a member state of the Organisation for Economic Co-operation and Development ("OECD"), the central bank of a member state of the OECD, a multilateral development bank or an international organisation which has a member state of the OECD as its member or (b) the claims guaranteed by any of these) or with assets pursuant to Article 129 (1) (a) and (b) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under public covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of mixed Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) - (e) of the Czech Act on Bonds or with assets pursuant to Article 129 (1) (a) - (g) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under mixed covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Covered Bonds shall bear interest on their principal amount from and including **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to but excluding the Maturity Date (as defined in § 5 (1)) at the rate of **[insert Rate of Interest]** per cent. *per annum*.

[In the case of a short or long first or last interest period insert: With the exception of the [first] [last] payment of interest, interest] [Interest] shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on **[insert Interest Payment Date(s)]** in each year (each such date, an "**Interest Payment Date**"), commencing on **[insert first Interest Payment Date]** and ending on **[insert last Interest Payment Date]**. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(2) *Default Interest.* The Covered Bonds shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Covered Bonds when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Covered Bonds from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Covered Bonds at the respective rate of interest specified in § 3 (1). This does not affect any additional rights that might be available to the Holders.

(3) *Calculation of Amount of Interest.* If the amount of interest payable under the Covered Bonds is required to be calculated for any period of time, such amount of interest shall be calculated by applying the rate of interest and the applicable Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

(4) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to, but excluding, the last day of such period) (the "**Calculation Period**"):

[If "Actual/Actual (ICMA)" applies, insert:

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in any year; or

2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
- (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year; and
 - (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year.

"Determination Period" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

"Determination Date" means *[insert Determination Date(s)]* in each year.]

[If "Actual/365 (Fixed)" applies, insert:

the actual number of calendar days in the Calculation Period divided by 365.]

[If "Actual/360" applies, insert:

the actual number of calendar days in the Calculation Period divided by 360.]

[If "30/360", "360/360" or "Bond Basis" applies, insert:

the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31st calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

[If "30E/360" or "Eurobond Basis" applies, insert:

the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

§ 4 PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (b) *Payment of Interest.* Payment of interest **[if the Covered Bonds are issued outside of the Czech Republic insert: and any Additional Amounts]** on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (c) *Payment Day.* Payments of principal and/or interest on the Covered Bonds under these Terms and Conditions shall be made by the Issuer on the relevant due dates, and subject to the conditions, stipulated in these Terms and Conditions.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Covered Bonds to the Holders and shall make payments of principal and/or interest on the Covered Bonds to the Holders recorded in the Holders' Registry on the payment reference date (the **"Payment Reference Date"**) determined in relation to any payments on the Covered Bonds, at the close of business on the **[7th][30th]** calendar day before the relevant due date (including the Maturity Date).

Any person who acquires a Covered Bond between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Covered Bonds for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Covered Bond.

- (e) *Eligible Receiver(s)*. Unless specified otherwise in these Terms and Conditions, Eligible Receiver(s) are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics*. The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account at a bank established in a member state of the European Union as provided by the Eligible Receiver to the Paying Agent. The instruction for payment will have a form of a signed written declaration with an officially authenticated signature or signatures that will contain sufficient information about the bank account to allow the Paying Agent to make the payment and shall be accompanied by an original or a certified copy of the tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) of the Eligible Receiver for the relevant tax period and, in the case of legal persons, the original or certified copy of a valid extract from the commercial register of the Eligible Receiver not older than three months (or the original or an officially certified copy of an extract from a similar foreign register, if the Eligible Receiver is a foreign legal entity) (such instruction together with an extract from the commercial register (if applicable), tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) and other relevant annexes "**Instruction**").

In the case of foreign originals of respective documents, the official verification of the documentation from abroad will be required.

Instruction must be in a manner and form which is compliant with the reasonable requirements of the Paying Agent. The Paying Agent will be entitled to require sufficient satisfactory evidence that the person who signs such Instruction is authorized to sign it on behalf of the Eligible Receiver. Such evidence must be delivered to the Paying Agent together with the Instruction. In this regard, the Paying Agent will be entitled to require (i) the submission of a respective power of attorney if the Eligible Receiver is represented (if necessary, with a certified translation into Czech language) and (ii) additional confirmation of the Instruction by the Eligible Receiver.

The Issuer or Paying Agent shall not be required in any way to verify the accuracy, completeness or authenticity of Instructions and shall not be liable for damages caused by the delay to the Eligible Receiver with delivery of an Instruction or an incorrect Instruction. If the Instruction contains all necessary information pursuant to these Terms and Conditions, it shall be communicated to the Paying Agent in accordance with these Terms and Conditions and it shall be deemed as valid. Instruction is valid if it is delivered to the Paying Agent no later than 5 Business Days before the relevant due date.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

[In case the Issuer is appointed as Paying Agent insert: The Issuer shall not] [in case a Paying Agent other than the Issuer is appointed insert: Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of the Specified Currency or any currency conversion or rounding effected in connection therewith.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Covered Bonds shall be made in the Specified Currency.

(3) *Discharge*. The Issuer's obligation to pay any amount due in respect of these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver in accordance with a duly and timely submitted Instruction under these Terms and Conditions and such payment is (i) credited on the day of the payment to the bank account of the Eligible Receiver in the clearing centre of the Czech National Bank if the payment is in the legal currency of the Czech Republic or (ii) debited from the Paying Agent's bank account if the payment is in a currency other than in the legal currency of the Czech Republic.

In the event that any Eligible Receiver has not delivered an Instruction to the Paying Agent in due time pursuant to these Terms and Conditions, then an obligation of an Issuer to pay any amount shall be deemed to be due and timely if the amount is remitted to the respective Eligible Receiver in accordance with due Instruction under these Terms and Conditions and it is written off from the bank account of the Paying Agent no later than 15 Business Days from the calendar day when the Paying Agent has received a due Instruction.

(4) *Payment Business Day*. If the due date for any payment in respect of the Covered Bonds would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), then the due date for such payment shall be

[if the Modified Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be brought forward to the immediately preceding calendar day which is a Payment Business Day.]

[if the Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day.]

[if the Preceding Business Day Convention applies, insert: brought forward to the immediately preceding calendar day which is a Payment Business Day.]

"Payment Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

[If the interest amount shall be adjusted, insert: If the due date for a payment of interest is **[if the Modified Following Business Day Convention or the Preceding Business Day Convention adjusted applies, insert:** brought forward] [or] **[if the Modified Following Business Day Convention or the Following Business Day Convention adjusted applies, insert:** postponed] (as described above), the Interest Period shall be adjusted accordingly. If the due date for the redemption of the principal amount of the Covered Bonds is adjusted the Holder shall not be entitled to any interest or other compensation in respect of such adjustment.]

[If the interest amount shall not be adjusted, insert: If the due date for a payment of interest is **[if the Preceding Business Day Convention unadjusted applies, insert:** brought forward] [or] **[if the Following Business Day Convention unadjusted applies, insert:** postponed] (as described above), the Interest Period shall not be adjusted accordingly.]

(5) *References to Principal [in case the Covered Bonds are early redeemable for reasons of taxation insert: and Interest]*. References in these Terms and Conditions to "principal" in respect of the Covered Bonds shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds. **[If the Covered Bonds are early redeemable for reasons of taxation insert:** References in these Terms and Conditions to "interest" in respect of the Covered Bonds shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

§ 5 REDEMPTION

(1) Redemption on the Maturity Date. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Covered Bonds shall be redeemed at their principal amount on **[insert Maturity Date] (the "Maturity Date")**.

[If the Covered Bonds are subject to Early Redemption at the Option of the Issuer insert:

(2) *Early Redemption at the Option of the Issuer*.

(a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 45 calendar days if the Covered Bonds are issued outside of the Czech Republic or 14 calendar days if the Covered Bonds are issued in the Czech Republic]** calendar days' **[in case**

of a Maximum Notice Period insert: and not more than [60][**insert other number of calendar days**] calendar days'] notice in accordance with § 5 (2) (b), redeem all but not some only of the Covered Bonds at their principal amount together with accrued interest, if any, to but excluding the (relevant) Optional Redemption Date on the Optional Redemption Date(s).

Optional Redemption Date(s): [insert **Optional Redemption Date(s)**]

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Covered Bonds subject to redemption; and
 - (ii) the Optional Redemption Date(s).

[If the Covered Bonds are not subject to Early Redemption at the Option of the Issuer or in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:

(2) *No Early Redemption at the Option of the Issuer.* The Covered Bonds may not be redeemed at the option of the Issuer prior to their Maturity Date [**in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:** other than in case of an early redemption pursuant to § 5 (4)].]

(3) *No Early Redemption at the Option of a Holder.* The Holders do not have a right to demand the early redemption of the Covered Bonds.

[If the Covered Bonds are issued outside of the Czech Republic:

(4) *Early Redemption for Reasons of Taxation.*

- (a) The Issuer may, upon giving not less than [**insert Minimum Notice Period, which shall not be less than 45 calendar days**] calendar days' [**in case of a Maximum Notice Period insert:** and not more than 60 calendar days'] notice in accordance with § 5 (4) (b), redeem all but not some only of the Covered Bonds at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Covered Bonds is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the [Fiscal Agent]¹ [Paying Agent] (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Covered Bonds then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.
- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Covered Bonds subject to redemption;
 - (ii) the date fixed for redemption.]

¹ Not applicable in case of a series of Covered Bonds which are issued as book-entry securities.

§ 6
[FISCAL AGENT][,] [AND]² PAYING AGENT[S]

(1) *Appointment; Specified Offices.* The [initial Fiscal Agent and the] initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: and the initial Paying Agent(s)]** and [their respective] [its] initial specified office[s] [are] [is]:

[Fiscal Agent and] Principal Paying Agent:

Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]

[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The [Fiscal Agent[,] [and] the] Paying Agent(s) reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the [Fiscal Agent or]³ Paying Agent and to appoint [another Fiscal Agent or] additional Paying Agents. [The Issuer shall at all times maintain [(i) a Fiscal Agent [,] [and]] [(ii)] so long as the Covered Bonds are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities]] **[in case of Covered Bonds the Specified Currency of which is U.S. dollar, insert: [,] [and] (iii)]** if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York].] If the issuer decides to change the Paying Agent [or the Fiscal Agent], the Issuer [,] [or] the Paying Agent [or the Fiscal Agent] will notify the Holders in the same manner as the Issuer has published these Terms and Conditions and such change will take effect upon the expiry of a period of 15 calendar days from the date of such notification, unless a later effective date is specified in this notification. In any case, any change that would otherwise take effect less than 30 calendar days before or after the relevant due date of any amount in connection with the Covered Bonds, shall take effect on the 30th calendar day after the relevant due date.

(3) *Agents of the Issuer.* The [Fiscal Agent[,] [and] the]⁴ Paying Agents act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the [Fiscal Agent]⁵ [Paying Agent] shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer[, the Paying Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer[, the Paying Agent] or the Holders shall attach to the [Fiscal Agent] [Paying Agent] in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7
TAXATION

[If the Covered Bonds are issued outside of the Czech Republic:

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by or

² Not applicable in case of Covered Bonds which are issued as book-entry securities.

³ Not applicable in case of Covered Bonds which are issued as book-entry securities.

⁴ Not applicable in case of Covered Bonds which are issued as book-entry securities.

⁵ Not applicable in case of Covered Bonds which are issued as book-entry securities.

within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Covered Bonds, the Issuer may pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Covered Bond:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Covered Bond by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Covered Bond; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.]

[In case of Covered Bonds issued in the Czech Republic insert.

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Czech Republic or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct under Czech law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by the Act No. 586/1992 Coll, Income Taxes Act, as amended ("**Czech Income Taxes Act**"), or apply a lower rate of withholding or deduction if:

- (i) the Holder entitled to payment of interest on the Covered Bonds is resident for tax purposes in a jurisdiction with which the Czech Republic has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Covered Bonds is not subject to taxation in the Czech Republic, or subject to a lower rate of withholding or deduction in the Czech Republic than the rate imposed under Czech Income Taxes Act at the time of payment, and
- (ii) at least 5 calendar days prior to the relevant interest due date that Holder provides to the Issuer (x) a tax residency certificate (in original or notarised photocopy form) valid for the respective interest due date (together with a certified and notarised translation thereof into the English or the Czech language if such certificate is issued in a language other than the English or the Czech language) issued by the competent tax authority in the jurisdiction where such Holder is tax resident and attesting such Holder's tax residency in such jurisdiction and (y) any other documentary evidence as may be required from time to time by Czech law and as notified by the Issuer in accordance with § 10 to the Holders.]

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

**§ 8
PRESCRIPTION**

Claims against the Issuer for payment in respect of the Covered Bonds shall be prescribed and become void unless made within three years upon the date when they could be made for the first time but no later than ten years upon the relevant due date.

**§ 9
FURTHER ISSUES OF COVERED BONDS,
REPURCHASES AND
CANCELLATION**

(1) *Further Issues of Covered Bonds.* The Issuer may from time to time, without the consent of the Holders, issue further Covered Bonds having the same terms as the Covered Bonds in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Covered Bonds.

(2) *Repurchases.* The Issuer and any of its subsidiaries may at any time repurchase Covered Bonds in the open market or otherwise. Covered Bonds which are repurchased under these Terms and Conditions by the Issuer shall not be terminated and it is up to the discretion of the Issuer whether to hold them in its ownership and eventually resell them or to decide on their termination due to the rights and obligations merging. If the Issuer does not decide about the earlier termination of the Covered Bonds owned by the Issuer, rights and obligations arising from these Covered Bonds owned by the Issuer will cease by the time of their maturity.

(3) *Cancellation.* All Covered Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 10
NOTICES**

(1) *Publication.* All notices of facts concerning the Covered Bonds shall be published on the website of the Issuer ("www.csas.cz") in the Czech or English language. Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

[In the case of Covered Bonds issued as book-entry securities insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the central records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds and includes the Clearing System.]

[In the case of Covered Bonds which will be represented by a Global Note insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership in the Global Note or a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the separate records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds.]

[In the case of modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:

**§ 11
MEETING OF HOLDERS,
MODIFICATIONS AND WAIVER**

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by majority resolution, to the following measures, among others:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) subordination of the claims under the Covered Bonds during insolvency proceedings of the Issuer;
- (e) conversion or exchange of the Covered Bonds into shares, other securities or other promises of performance;
- (f) changes in the currency of the Covered Bonds;
- (g) waiver or limitation of the Holders' right of termination;
- (h) substitution of the Issuer; and
- (i) amendments to or cancellation of ancillary conditions of the Covered Bonds.

(3) *Convening a Meeting of Holders.* The Holders' meeting (the "**Meeting of Holders**") shall be convened by the Issuer or by the Joint Representative or by a Holder on its request in a case stipulated by law. It shall be convened if Holders who together hold 5 per cent. of the outstanding Covered Bonds request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer, place, date and time of the Meeting of Holders including the Decisive Day, the agenda and the conditions on which attendance at the Meeting of Holders and the exercise of voting rights shall depend, description of the Covered Bonds and ISIN of Covered Bonds (if applicable). The convening notice shall be published pursuant to § 10.

"**Decisive Day**" means a decisive day for participation in the Meeting of Holders which is the 7th calendar day preceding the day of the Meeting of Holders.

[In case of Covered Bonds issued as book-entry securities insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a special confirmation issued by the Clearing System or the Custodian in text form shall be presented.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a confirmation issued by the Fiscal Agent in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership on the Global Note will be presented. Such evidence may also be in the form of a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds.]

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Meeting of Holders is to pass a resolution. The agenda of the Meeting of Holders shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 per cent. of the outstanding Covered Bonds may request that new items be published for resolution. Such new items must be published no later than the third calendar day preceding the Meeting of Holders. Without undue delay and until the date of the Meeting of

Holder, the Issuer shall make available to the Holders on its website ("[www .csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)), any counter-motions announced by a Holder before the meeting.

(7) *Quorum*. The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Meeting of Holders shall have a quorum if the persons present represent at least 30 per cent of the outstanding Covered Bonds by value. If the Meeting of Holders does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution(s) anew. If the Meeting of Holders does not have a required quorum and it decides about the change of Terms and Conditions, the Chairperson may convene a second meeting within 6 weeks since the day when the original meeting was held for the purposes of passing the resolution(s) anew, such second meeting requires no quorum and needs to be announced to Holders no later than 15 calendar days from the day when the original meeting was held. Covered Bonds for which voting rights have been suspended shall not be included in the outstanding Covered Bonds.

(8) *Majority Requirements*. Resolutions relating to amendments of these Terms and Conditions and where it is specified in these Terms and Conditions or the Czech Act on Bonds, shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast.

(9) *Voting Right*. Each Holder shall participate in votes in accordance with the principal amount of the outstanding Covered Bonds held by such Holder. Voting rights are suspended with respect to the Covered Bonds attributable to the Issuer or held for the account of the Issuer. The Issuer may not make available Covered Bonds for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Meeting of Holders or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Meeting of Holders or a vote.

(10) *Chair of the Vote*. The vote will be chaired by a notary appointed by the Issuer or the Joint Representative (the "**Chairperson**").

(11) *Voting, Minutes*. In order to be valid, any resolution passed by the Meeting of Holders shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The minutes shall be prepared no later than 30 calendar days from the day of the convention of the meeting.

(12) *Publication of Resolutions*. The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10, no later than 30 calendar days from the day of its convention. In addition, for a period of at least one month commencing on the calendar day following the Meeting of Holders, the Issuer shall make available to the public on its website ("[www .csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)) the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(13) *Joint Representative*.

[If no Joint Representative is designated in the Terms and Conditions insert:

The Holders may by a Qualified Majority appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert:

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall be entitled to exercise all rights and liabilities related to the Covered Bonds on behalf and in the benefit of the Holders. The Joint Representative shall also be entitled to control the fulfillment of the Terms and Conditions by the Issuer and to make other acts for the benefit of the Holders or to protect their interests in other way. The Joint Representative shall always comply with the instructions of the Holders adopted on the Meeting of Holders. To the extent that the Joint Representative exercised certain rights related to the Covered Bonds on behalf of the Holders, the Holders shall not be entitled to exercise such rights themselves. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the due care of a prudent representative. The Joint

Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

**§ [12]
APPLICABLE LAW,
PLACE OF JURISDICTION
AND ENFORCEMENT**

(1) *Applicable Law.* The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, Czech law.

(2) *Place of Jurisdiction.* The competent Czech courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Covered Bonds (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Covered Bonds), to the extent permissible according to applicable mandatory provisions of law.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Covered Bonds in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

OPTION II – COVERED BONDS WITH A FLOATING INTEREST RATE

[OPTION II – TERMS AND CONDITIONS FOR COVERED BONDS WITH A FLOATING INTEREST RATE:

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [mortgage] [public] [mixed] covered bonds (the "**Covered Bonds**") is being issued by Česká spořitelna, a.s., with registered office at Olbrachtova 1929/62, Prague 4, Post Code 14000, Czech Republic, Identification Number: 452 44 782, registered with the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1171 (the "**Issuer**") in [*insert specified currency*] ("**Specified Currency**") in the aggregate principal amount of [*in case of Covered Bonds offered and issued as tap issues insert: up to*] [*insert specified currency and aggregate principal amount*] (in words: [*insert specified currency and aggregate principal amount in words*]) in the denomination of [*insert specified currency and principal amount of at least EUR 100,000 or the equivalent in other currencies*] (the "**Specified Denomination**").

(2) *Form.*

[If the Covered Bonds are issued as book-entry securities insert: The Covered Bonds are being issued as book-entry securities (in Czech "*zaknihované dluhopisy*").]

[If the Covered Bonds will be represented by a Global Note insert: The Covered Bonds are being issued as certificated securities (in Czech "*listinné dluhopisy*") which will be represented by the Global Note (as defined below) under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and to the order of the respective Holder.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(3) *Permanent Global Note.* The Covered Bonds are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent.]

[4] Declaration of the Issuer, Title to the Covered Bonds.

(a) The Issuer declares that it is obliged to pay the principal of the Covered Bonds and accrued interest to the respective Holders under the terms stipulated in these Terms and Conditions. The Issuer has decided to exclude the possibility to separate the right for payment of interest from the Covered Bonds.

[In case of Covered Bonds issued as book-entry securities insert:

(b) The Covered Bonds will be owned by the relevant Holder of the Covered Bonds. The Covered Bonds will be recorded at the relevant Holder's owner's account maintained (i) by the Czech Central Depository or (ii) in the follow-up records (in Czech "*navazující evidence*") of the central records (in Czech "*centrální evidence*") (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(b) The Global Note will be kept and maintained by the Fiscal Agent who will keep the registry of the proportionate co-ownership of each Holder (as defined below) in the Global Note (these separate records and, if so provided in the Final Terms and to the extent permissible under Czech law, any follow-up records of the separate records (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[5] Clearing System.

[In case of Covered Bonds issued as book-entry securities insert:

The Covered Bonds will be kept and cleared in Centrální depozitář cenných papírů, a.s., Rybná 682/14, 110 00 Staré Město, Prague as the central depository (the "**Czech Central Depository**" or the "**Clearing System**").]

[In case of Covered Bonds which will be represented by a Global Note:

The Global Note will be kept by the Fiscal Agent who is entitled to keep the respective records of financial instruments under Czech law.]

[In case of Covered Bonds issued as book-entry securities insert:

([6]a) Holder of Covered Bonds. "Holder" means any holder of Covered Bonds who is registered in the Holders' Registry. The title to the Covered Bonds will be transferred via change of ownership of the Covered Bonds in accordance with Czech law and rules of the Clearing System. The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]

[In case of Covered Bonds which will be represented by a Global Note insert:

([6]a) Holder of Covered Bonds. "Holder" means any holder of the Covered Bonds who is registered in the Holders' Registry as a proportionate co-owner of the Global Note. The title to the Covered Bonds will be transferred via change of co-ownership in the Global Note in accordance with Czech law and will be administered by the Fiscal Agent or, if applicable, the Custodian (as defined in § 10 (2)). The Holder as an owner of a proportionate share in the Global Note has all the rights as a bondholder under Czech law.]

([6]b) Other information. Other information regarding the issue of Covered Bonds. Information regarding *inter alia* (i) the administration of the subscription of the Covered Bonds including the method of issuance of the Covered Bonds; (ii) the issue price of the Covered Bonds; (iii) the time limit for subscription of the issue of the Covered Bonds; (iv) the rating (by whom, when and the result) (if any); (v) the ISIN; (vi) the decision of the Issuer if the Covered Bonds were issued in total nominal value which is greater than the anticipated nominal value of the Covered Bonds issue, even after the expiry of the issue period or if they were issued up to the anticipated total nominal value of Covered Bonds, even after the expiry of the issue period; (vii) the type of the issued Covered Bonds; (viii) the issue date; (ix) the nominal amount of the individual Covered Bond; (x) the total amount of the issued Covered Bonds and (xi) statement regarding supervision and (xii) any other information required to be included under Czech law (in particular the Czech Act on Bonds) will be stipulated in the Final Terms. Information about taxation of interests payable under the Covered Bonds is included in the securities note dated 6 May 2022, as supplemented from time to time.

([7]) Certain Definitions.

"Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

"Czech Act on Bonds" means Act No. 190/2004 Coll., on Bonds (as amended).

"Terms and Conditions" means these terms and conditions of the Covered Bonds.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2 STATUS

[In case of mortgage Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) of the Czech Act on Bonds (i.e. claims from mortgage loans) or with assets pursuant to Article 129 (1) (d) - (f) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])] and rank *pari passu* with all other unsubordinated

obligations of the Issuer, present and future under mortgage covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of public Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2)(b) and (c) of the Czech Act on Bonds (which are (a) the claims against a member state of the Organisation for Economic Co-operation and Development ("OECD"), the central bank of a member state of the OECD, a multilateral development bank or an international organisation which has a member state of the OECD as its member or (b) the claims guaranteed by any of these) or with assets pursuant to Article 129 (1) (a) and (b) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under public covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of mixed Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) - (e) of the Czech Act on Bonds or with assets pursuant to Article 129 (1) (a) - (g) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under mixed covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* Each Covered Bond bears interest on its Specified Denomination at the rate *per annum* equal to the Rate of Interest (as defined below) from and including **[insert Interest Commencement Date]** (the "Interest Commencement Date") to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date. Interest on the Covered Bonds will be payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3 (3).

"Interest Payment Date" means, subject to the Business Day Convention, **[in the case of Specified Interest Payment Dates insert: [insert Specified Interest Payment Dates and if applicable, any short or long first coupon]** in each year.] **[In the case of Specified Interest Periods insert:** each date which (except as otherwise provided in these Terms and Conditions) falls **[insert number]** [weeks] [months] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

"Business Day Convention" has the following meaning: If any Interest Payment Date would otherwise fall on a calendar day which is not a Business Day (as defined in § 1 ([7])),

[In the case of Modified Following Business Day Convention (adjusted), the following applies:

the Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

[In the case of Following Business Day Convention (adjusted), the following applies:

the Interest Payment Date shall be postponed to the next calendar day which is a Business Day.]

[In the case of Preceding Business Day Convention (adjusted), the following applies:

the Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

[In the case of Modified Following Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date for the relevant interest payment shall be brought forward to the immediately preceding Business Day.]

[In the case of Following Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be postponed to the next calendar day which is a Business Day.]

[In the case of Preceding Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be brought forward to the immediately preceding Business Day.]

(2) *Rate of Interest.*

The "Rate of Interest" for each Interest Period (as defined below) will be a rate *per annum* equal to the Reference Rate (as defined below) [[plus] [minus] the Margin (as defined below)] **[in case of a Factor insert: [and] multiplied by the factor [insert Factor]],** subject to a minimum of 0.00 per cent. *per annum*.

[If Minimum Rate of Interest applies, insert: If the Rate of Interest in respect of any Interest Period (as defined below) determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]** per cent. *per annum*, the Rate of Interest for such Interest Period (as defined below) shall be **[insert Minimum Rate of Interest]** per cent. *per annum*.]

The Calculation Agent will, subject to § 3 (4), determine the relevant Reference Rate in accordance with this § 3 (2) on each Interest Determination Date.

The "Reference Rate" for each Interest Period will be,

- (A) as long as no Benchmark Event (as defined in § 3 (4)(iv)) has occurred,
- (i) the Original Benchmark Rate on the relevant Interest Determination Date, as determined by the Calculation Agent; or
 - (ii) the Reference Bank Rate on the relevant Interest Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, all as determined by the Calculation Agent;
- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (4) for each Interest Period commencing on or after the relevant Interest Determination Date (as defined in § 3 (4)(i)).

"Original Benchmark Rate" in respect of any calendar day means (subject to § 3 (4)) the **[insert applicable reference rate]** ["CNB 2 week repo rate" (in Czech: "dvoutýdenní repo sazba ČNB")] (expressed as a percentage rate *per annum*) fixed at and appearing on the Screen Page as of **[insert applicable time and financial centre]** on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

"Reference Bank Rate" means the rate (expressed as a percentage rate *per annum*) at which deposits in the Specified Currency are offered by the Reference Banks (as defined below) at approximately **[insert applicable time and financial centre]** on the relevant Interest Determination Date to prime banks in the **[insert relevant city of the interbank market]** interbank market for the relevant Interest Period and in a Representative Amount, assuming an **[insert the day count basis that is customarily used for the Original Benchmark Rate in the Specified Currency]** day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If **[two] [insert other number]** or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of the rates, as communicated at approximately **[insert applicable time and financial centre]** at the request of the Issuer to the Calculation Agent by major banks in the **[insert relevant interbank market]**, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Interest Period shall be equal to

the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

"**Interest Determination Date**" means [*insert relevant Interest Determination Date*].

"**Interest Period**" means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

[*in case a special business day determination is required insert relevant business day definition*]

"**Margin**" means [*insert number*] per cent. *per annum*.]

"**Reference Banks**" means [*insert place of principal office*] of [four][*insert other number*] major banks in the [*insert relevant city*] interbank market, in each case selected by the Issuer.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Screen Page**" means [*insert applicable Screen Page*][the Official Journal of the Czech National Bank as available on the website "<https://www.cnb.cz/cs/casto-kladene-dotazy/Jak-se-vyvijela-dvoutydeni-repo-sazba-CNB/>"].

(3) *Calculation of Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Covered Bonds in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first calendar day of such period to but excluding the last calendar day of such period) (whether or not constituting an Interest Period, the "**Calculation Period**"):

[*If "Actual/Actual (ICMA)" applies, insert:*

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in any year; or
2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
 - (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year; and
 - (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

"**Determination Date**" means [*insert Determination Date(s)*] in each year.]

[*If "Actual/365 (Fixed)" applies, insert:*

the actual number of calendar days in the Calculation Period divided by 365.]

[*If "Actual/360" applies, insert:*

the actual number of calendar days in the Calculation Period divided by 360.]

[If "30/360", "360/360" or "Bond Basis" applies, insert:

the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31st calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

[If "30E/360" or "Eurobond Basis" applies, insert:

the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

(4) New Benchmark Rate.

- (i) *Benchmark Event.* In the event of a Benchmark Event (as defined below),
- (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (4)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (4)(iii) below) (if required); or
- (B) if, prior to the 10th Business Day prior to the relevant Interest Determination Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Interest Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Interest Determination Date falling on or, if it is not an Interest Determination Date, the Interest Determination Date immediately following the date of the Benchmark Event (the "**relevant Interest Determination Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (4), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) *Adjustment Spread.* The Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Interest Determination Date, the Day Count Fraction, the Business Days, the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").

(iv) *Definitions.*

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) determines in its reasonable discretion to be appropriate.

"Alternative Benchmark Rate" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above).

A **"Benchmark Event"** occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (4) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

"Generally Accepted Market Practice" means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

"Independent Advisor" means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Industry Solution" means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"New Benchmark Rate" means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) in its reasonable discretion as follows:

- (A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.
- (B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

"Official Substitution Concept" means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"Substitute Benchmark Rate" means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the interest scheduled to be paid under the Covered Bonds determined by the Independent Advisor (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (4)(i) (A) above) or the Issuer (in the case of § 3 (4)(i) (B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (4), the Reference Rate applicable to the next Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date. If this § 3 (4)(v) were to be applied on the first Interest Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the relevant Interest Determination Date and the corresponding Interest Period only. Any subsequent Interest Determination Date and Interest Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3(4).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments

(if required) to the Calculation Agent, to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Covered Bonds are from time to time listed, to such stock exchange as soon as possible but in no event later than on the 10th Business Day prior to the relevant Interest Determination Date.

- (vii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (viii) Any reference in this § 3 (4) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(5) *Notifications.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Covered Bonds are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first calendar day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Covered Bonds are then listed at the initiative of the Issuer and to the Holders in accordance with § 10.

(6) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, [the Fiscal Agent,] the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, [the Fiscal Agent,] the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(7) *Cessation of Interest Accrual.* The Covered Bonds shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Covered Bonds when due, interest shall continue to accrue on the outstanding principal amount of the Covered Bonds beyond the due date until the end of the calendar day preceding the actual redemption of the Covered Bonds. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

§ 4 PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (b) *Payment of Interest.* Payment of interest [***if the Covered Bonds are issued outside of the Czech Republic insert:*** and any Additional Amounts] on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (c) *Payment Day.* Payments of principal and/or interest on the Covered Bonds under these Terms and Conditions shall be made by the Issuer on the relevant due dates, and subject to the conditions, stipulated in these Terms and Conditions.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Covered Bonds to the Holders and shall make payments of principal and/or interest on the Covered Bonds to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined in relation to any payments on the Covered Bonds, at the close of business on the [7th][30th] calendar day before the relevant due date (including the Maturity Date).

Any person who acquires a Covered Bond between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Covered Bonds for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Covered Bond.

- (e) *Eligible Receiver(s)*. Unless specified otherwise in these Terms and Conditions, Eligible Receiver(s) are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics*. The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account at a bank established in a member state of the European Union as provided by the Eligible Receiver to the Paying Agent. The instruction for payment will have a form of a signed written declaration with an officially authenticated signature or signatures that will contain sufficient information about the bank account to allow the Paying Agent to make the payment and shall be accompanied by an original or a certified copy of the tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) of the Eligible Receiver for the relevant tax period and, in the case of legal persons, the original or certified copy of a valid extract from the commercial register of the Eligible Receiver not older than three months (or the original or an officially certified copy of an extract from a similar foreign register, if the Eligible Receiver is a foreign legal entity) (such instruction together with an extract from the commercial register (if applicable), tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) and other relevant annexes "**Instruction**").

In the case of foreign originals of respective documents, the official verification of the documentation from abroad will be required.

Instruction must be in a manner and form which is compliant with the reasonable requirements of the Paying Agent. The Paying Agent will be entitled to require sufficient satisfactory evidence that the person who signs such Instruction is authorized to sign it on behalf of the Eligible Receiver. Such evidence must be delivered to the Paying Agent together with the Instruction. In this regard, the Paying Agent will be entitled to require (i) the submission of a respective power of attorney if the Eligible Receiver is represented (if necessary, with a certified translation into Czech language) and (ii) additional confirmation of the Instruction by the Eligible Receiver.

The Issuer or Paying Agent shall not be required in any way to verify the accuracy, completeness or authenticity of Instructions and shall not be liable for damages caused by the delay to the Eligible Receiver with delivery of an Instruction or an incorrect Instruction. If the Instruction contains all necessary information pursuant to these Terms and Conditions, it shall be communicated to the Paying Agent in accordance with these Terms and Conditions and it shall be deemed as valid. Instruction is valid if it is delivered to the Paying Agent no later than 5 Business Days before the relevant due date.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

[In case the Issuer is appointed as Paying Agent insert: The Issuer shall not] [in case a Paying Agent other than the Issuer is appointed insert: Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of the Specified Currency or any currency conversion or rounding effected in connection therewith.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Covered Bonds shall be made in the Specified Currency.

(3) *Discharge*. The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver in accordance with a duly and timely submitted Instruction under these Terms and Conditions and such payment is (i) credited on the day of the payment to the bank account of the Eligible Receiver in the clearing centre of the Czech National Bank if the payment is in the legal currency of the Czech Republic or (ii) debited from the Paying Agent's bank account if the payment is in a currency other than in the legal currency of the Czech Republic.

In the event that any Eligible Receiver has not delivered an Instruction to the Paying Agent in due time pursuant to these Terms and Conditions, then an obligation of an Issuer to pay any amount shall be deemed to be due and timely if the amount is remitted to the respective Eligible Receiver in accordance with due Instruction under these Terms and Conditions and it is written off from the bank account of the Paying Agent no later than 15 Business Days from the calendar day when the Paying Agent has received a due Instruction.

(4) *Payment Business Day*. If the due date for payment of any amount in respect of any Note is not a Payment Business Day, then the Holder shall not be entitled to payment until the next such calendar day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means a calendar day which is a Business Day.

(5) *References to Principal* [***in case the Covered Bonds are early redeemable for reasons of taxation insert: and Interest***]. References in these Terms and Conditions to "principal" in respect of the Covered Bonds shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds. [***If the Covered Bonds are early redeemable for reasons of taxation insert:*** References in these Terms and Conditions to "interest" in respect of the Covered Bonds shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

§ 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Covered Bonds shall be redeemed at their principal amount on the Interest Payment Date falling on or around [***insert date***] (the "**Maturity Date**").

[If the Covered Bonds are subject to Early Redemption at the Option of the Issuer insert:

(2) *Early Redemption at the Option of the Issuer*.

(a) The Issuer may, upon giving not less than [***insert Minimum Notice Period, which shall not be less than 45 calendar days if the Covered Bonds are issued outside of the Czech Republic or 14 calendar days if the Covered Bonds are issued in the Czech Republic***] calendar days' [***in case of a Maximum Notice Period insert:*** and not more than [60][***insert other number of calendar days***] calendar days'] notice in accordance with § 5 (2) (b), redeem all but not some only of the Covered Bonds at their principal amount together with accrued interest, if any, to but excluding the (relevant) Optional Redemption Date on the Optional Redemption Date(s).

Optional Redemption Date(s): [***insert Optional Redemption Date(s)***]

(b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:

- (i) the series of Covered Bonds subject to redemption; and
- (ii) the Optional Redemption Date(s).

[If the Covered Bonds are not subject to Early Redemption at the Option of the Issuer or in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:

(2) *No Early Redemption at the Option of the Issuer*. The Covered Bonds may not be redeemed at the option of the Issuer prior to their Maturity Date [***in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:*** other than in case of an early redemption pursuant to § 5 (4)].

(3) *No Early Redemption at the Option of a Holder*. The Holders do not have a right to demand the early redemption of the Covered Bonds.

[If the Covered Bonds are issued outside of the Czech Republic:

(4) *Early Redemption for Reasons of Taxation*.

(a) The Issuer may, upon giving not less than [***insert Minimum Notice Period, which shall not be less than 45 calendar days***] calendar days' [***in case of a Maximum Notice Period insert:*** and not more than 60 calendar days'] notice in accordance with § 5 (4) (b), redeem all but not some only of the Covered Bonds on any Interest Payment Date at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Covered Bonds is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the [**Fiscal Agent**]⁶ [**Paying Agent**] (who shall accept

⁶ Not applicable in case of a series of Covered Bonds which are issued as book-entry securities.

such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Covered Bonds then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Covered Bonds subject to redemption;
 - (ii) the date fixed for redemption.]

§ 6

[FISCAL AGENT]⁷, PAYING AGENT[S] AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The [initial Fiscal Agent and the] initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: and the initial Paying Agent(s)]** and the initial Calculation Agent and their respective initial specified offices are:

[Fiscal Agent and] Principal Paying Agent:

[Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]

[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

Calculation Agent:

[Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Calculation Agent shall be appointed, insert its name and initial specified office.]]

The [Fiscal Agent, the] Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the [Fiscal Agent or]⁸ Paying Agent or the Calculation Agent and to appoint [another Fiscal Agent or] additional Paying Agents or another Calculation Agent. The Issuer shall at all times maintain [(i) a Fiscal Agent [,] [and]] [(ii)] so long as the Covered Bonds are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities]] **[in case of Covered Bonds the Specified Currency of which is U.S. dollar, insert: [,] [and] (iii)]** if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying

⁷ Not applicable in case of Covered Bonds which are issued as book-entry securities.

⁸ Not applicable in case of Covered Bonds which are issued as book-entry securities.

Agent with a specified office in New York] and (iv) a Calculation Agent. If the issuer decides to change the Paying Agent [or the Fiscal Agent] or the Calculation Agent, the Issuer [,] [or] the Paying Agent [or the Fiscal Agent] or the Calculation Agent will notify the Holders in the same manner as the Issuer has published these Terms and Conditions and such change will take effect upon the expiry of a period of 15 calendar days from the date of such notification, unless a later effective date is specified in this notification. In any case, any change that would otherwise take effect less than 30 calendar days before or after the relevant due date of any amount in connection with the Covered Bonds, shall take effect on the 30th calendar day after the relevant due date.

(3) *Agents of the Issuer.* The [Fiscal Agent[,] [and] the]⁹ Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the [Fiscal Agent]¹⁰ [Paying Agent] shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer[, the Paying Agent][, the Calculation Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer[, the Paying Agent], the Calculation Agent or the Holders shall attach to the [Fiscal Agent] [Paying Agent] in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

[If the Covered Bonds are issued outside of the Czech Republic:

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Covered Bonds, the Issuer may pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Covered Bond:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Covered Bond by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Covered Bond; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.]

[In case of Covered Bonds issued in the Czech Republic insert:

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Czech Republic or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct under Czech law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

⁹ Not applicable in case of Covered Bonds which are issued as book-entry securities.

¹⁰ Not applicable in case of Covered Bonds which are issued as book-entry securities.

The Issuer shall not apply the withholding or deduction required by the Act No. 586/1992 Coll, Income Taxes Act, as amended ("**Czech Income Taxes Act**"), or apply a lower rate of withholding or deduction if:

- (i) the Holder entitled to payment of interest on the Covered Bonds is resident for tax purposes in a jurisdiction with which the Czech Republic has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Covered Bonds is not subject to taxation in the Czech Republic, or subject to a lower rate of withholding or deduction in the Czech Republic than the rate imposed under Czech Income Taxes Act at the time of payment, and
- (ii) at least 5 calendar days prior to the relevant interest due date that Holder provides to the Issuer (x) a tax residency certificate (in original or notarised photocopy form) valid for the respective interest due date (together with a certified and notarised translation thereof into the English or the Czech language if such certificate is issued in a language other than the English or the Czech language) issued by the competent tax authority in the jurisdiction where such Holder is tax resident and attesting such Holder's tax residency in such jurisdiction and (y) any other documentary evidence as may be required from time to time by Czech law and as notified by the Issuer in accordance with § 10 to the Holders.]

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

§ 8 PRESCRIPTION

Claims against the Issuer for payment in respect of the Covered Bonds shall be prescribed and become void unless made within three years upon the date when they could be made for the first time but no later than ten years upon the relevant due date.

§ 9 FURTHER ISSUES OF COVERED BONDS, REPURCHASES AND CANCELLATION

(1) *Further Issues of Covered Bonds*. The Issuer may from time to time, without the consent of the Holders, issue further Covered Bonds having the same terms as the Covered Bonds in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Covered Bonds.

(2) *Repurchases*. The Issuer and any of its subsidiaries may at any time repurchase Covered Bonds in the open market or otherwise. Covered Bonds which are repurchased under these Terms and Conditions by the Issuer shall not be terminated and it is up to the discretion of the Issuer whether to hold them in its ownership and eventually resell them or to decide on their termination due to the rights and obligations merging. If the Issuer does not decide about the earlier termination of the Covered Bonds owned by the Issuer, rights and obligations arising from these Covered Bonds owned by the Issuer will cease by the time of their maturity.

(3) *Cancellation*. All Covered Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 NOTICES

(1) *Publication*. All notices of facts concerning the Covered Bonds shall be published on the website of the Issuer ("www.csas.cz") in the Czech or English language. Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

[In the case of Covered Bonds issued as book-entry securities insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the central records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds and includes the Clearing System.]

[In the case of Covered Bonds which will be represented by a Global Note insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership in the Global Note or a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the separate records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds.]

[In the case of modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:

§ 11 MEETING OF HOLDERS, MODIFICATIONS AND WAIVER

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by majority resolution, to the following measures, among others:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) subordination of the claims under the Covered Bonds during insolvency proceedings of the Issuer;
- (e) conversion or exchange of the Covered Bonds into shares, other securities or other promises of performance;
- (f) changes in the currency of the Covered Bonds;
- (g) waiver or limitation of the Holders' right of termination;
- (h) substitution of the Issuer; and
- (i) amendments to or cancellation of ancillary conditions of the Covered Bonds.

(3) *Convening a Meeting of Holders.* The Holders' meeting (the "**Meeting of Holders**") shall be convened by the Issuer or by the Joint Representative or by a Holder on its request in a case stipulated by law. It shall be convened if Holders who together hold 5 per cent. of the outstanding Covered Bonds request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer, place, date and time of the Meeting of Holders including the Decisive Day, the agenda and the conditions on which attendance at the Meeting of Holders and the exercise of voting rights shall depend, description of the Covered Bonds and ISIN of Covered Bonds (if applicable). The convening notice shall be published pursuant to § 10.

"**Decisive Day**" means a decisive day for participation in the Meeting of Holders which is the 7th calendar day preceding the day of the Meeting of Holders.

[In case of Covered Bonds issued as book-entry securities insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a special confirmation issued by the Clearing System or the Custodian in text form shall be presented.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a confirmation issued by the Fiscal Agent in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership on the Global Note will be presented. Such evidence may also be in the form of a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds.]

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Meeting of Holders is to pass a resolution. The agenda of the Meeting of Holders shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 per cent. of the outstanding Covered Bonds may request that new items be published for resolution. Such new items must be published no later than the third calendar day preceding the Meeting of Holders. Without undue delay and until the date of the Meeting of Holders, the Issuer shall make available to the Holders on its website ("[www.csas.cz/en/documents-to-download#/">www.csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)), any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Meeting of Holders shall have a quorum if the persons present represent at least 30 per cent of the outstanding Covered Bonds by value. If the Meeting of Holders does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution(s) anew. If the Meeting of Holders does not have a required quorum and it decides about the change of Terms and Conditions, the Chairperson may convene a second meeting within 6 weeks since the day when the original meeting was held for the purposes of passing the resolution(s) anew, such second meeting requires no quorum and needs to be announced to Holders no later than 15 calendar days from the day when the original meeting was held.. Covered Bonds for which voting rights have been suspended shall not be included in the outstanding Covered Bonds.

(8) *Majority Requirements.* Resolutions relating to amendments of these Terms and Conditions and where it is specified in these Terms and Conditions or the Czech Act on Bonds, shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast.

(9) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Covered Bonds held by such Holder. Voting rights are suspended with respect to the Covered Bonds attributable to the Issuer or held for the account of the Issuer. The Issuer may not make available Covered Bonds for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Meeting of Holders or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Meeting of Holders or a vote.

(10) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or the Joint Representative (the "**Chairperson**").

(11) *Voting, Minutes.* In order to be valid, any resolution passed by the Meeting of Holders shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The minutes shall be prepared no later than 30 calendar days from the day of the convention of the meeting.

(12) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10, no later than 30 calendar days from the day of its convention. In addition, for a period of at least one month commencing on the calendar day following the Meeting of Holders, the Issuer shall make available to the public on its website ("[www.csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)) the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(13) *Joint Representative.*

[If no Joint Representative is designated in the Terms and Conditions insert:

The Holders may by a Qualified Majority appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert:

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall be entitled to exercise all rights and liabilities related to the Covered Bonds on behalf and in the benefit of the Holders. The Joint Representative shall also be entitled to control the fulfillment of the Terms and Conditions by the Issuer and to make other acts for the benefit of the Holders or to protect their interests in other way. The Joint Representative shall always comply with the instructions of the Holders adopted on the Meeting of Holders. To the extent that the Joint Representative exercised certain rights related to the Covered Bonds on behalf of the Holders, the Holders shall not be entitled to exercise such rights themselves. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the due care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

**§ [12]
APPLICABLE LAW,
PLACE OF JURISDICTION
AND ENFORCEMENT**

(1) *Applicable Law.* The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, Czech law.

(2) *Place of Jurisdiction.* The competent Czech courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Covered Bonds (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Covered Bonds), to the extent permissible according to applicable mandatory provisions of law.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Covered Bonds in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

OPTION III – COVERED BONDS WITHOUT PERIODIC INTEREST PAYMENTS

[OPTION I – TERMS AND CONDITIONS FOR COVERED BONDS WITHOUT PERIODIC INTEREST PAYMENTS:

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [mortgage] [public] [mixed] covered bonds (the "**Covered Bonds**") is being issued by Česká spořitelna, a.s., with registered office at Olbrachtova 1929/62, Prague 4, Post Code 14000, Czech Republic, Identification Number: 452 44 782, registered with the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1171 (the "**Issuer**") in [insert specified currency] ("**Specified Currency**") in the aggregate principal amount of [in case of Covered Bonds offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert specified currency and aggregate principal amount in words]) in the denomination of [insert specified currency and principal amount of at least EUR 100,000 or the equivalent in other currencies] (the "**Specified Denomination**").

(2) *Form.*

[If the Covered Bonds are issued as book-entry securities insert: The Covered Bonds are being issued as book-entry securities (in Czech "*zaknihované dluhopisy*").]

[If the Covered Bonds will be represented by a Global Note insert: The Covered Bonds are being issued as certificated securities (in Czech "*listinné dluhopisy*") which will be represented by the Global Note (as defined below) under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and to the order of the respective Holder.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(3) *Permanent Global Note.* The Covered Bonds are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**"). The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent.]

([4]) *Declaration of the Issuer, Title to the Covered Bonds.*

(a) The Issuer declares that it is obliged to pay the principal of the Covered Bonds to the respective Holders under the terms stipulated in these Terms and Conditions.

[In case of Covered Bonds issued as book-entry securities insert:

(b) The Covered Bonds will be owned by the relevant Holder of the Covered Bonds. The Covered Bonds will be recorded at the relevant Holder's owner's account maintained (i) by the Czech Central Depository or (ii) in the follow-up records (in Czech "*navazující evidence*") of the central records (in Czech "*centrální evidence*") (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(b) The Global Note will be kept and maintained by the Fiscal Agent who will keep the registry of the proportionate co-ownership of each Holder (as defined below) in the Global Note (these separate records and, if so provided in the Final Terms and to the extent permissible under Czech law, any follow-up records of the separate records (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

([5]) *Clearing System.*

[In case of Covered Bonds issued as book-entry securities insert:

The Covered Bonds will be kept and cleared in Centrální depozitář cenných papírů, a.s., Rybná 682/14, 110 00 Staré Město, Prague as the central depository (the "**Czech Central Depository**" or the "**Clearing System**").]

[In case of Covered Bonds which will be represented by a Global Note:

The Global Note will be kept by the Fiscal Agent who is entitled to keep the respective records of financial instruments under Czech law.]

[In case of Covered Bonds issued as book-entry securities insert:

([6]a) Holder of Covered Bonds. "Holder" means any holder of Covered Bonds who is registered in the Holders' Registry. The title to the Covered Bonds will be transferred via change of ownership of the Covered Bonds in accordance with Czech law and rules of the Clearing System. The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]

[In case of Covered Bonds which will be represented by a Global Note insert:

([6]a) Holder of Covered Bonds. "Holder" means any holder of the Covered Bonds who is registered in the Holders' Registry as a proportionate co-owner of the Global Note. The title to the Covered Bonds will be transferred via change of co-ownership in the Global Note in accordance with Czech law and will be administered by the Fiscal Agent or, if applicable, the Custodian (as defined in § 10 (2)). The Holder as an owner of a proportionate share in the Global Note has all the rights as a bondholder under Czech law.]

([6]b) Other information. Other information regarding the issue of Covered Bonds. Information regarding *inter alia* (i) the administration of the subscription of the Covered Bonds including the method of issuance of the Covered Bonds; (ii) the issue price of the Covered Bonds; (iii) the time limit for subscription of the issue of the Covered Bonds; (iv) the rating (by whom, when and the result) (if any); (v) the ISIN; (vi) the decision of the Issuer if the Covered Bonds were issued in total nominal value which is greater than the anticipated nominal value of the Covered Bonds issue, even after the expiry of the issue period or if they were issued up to the anticipated total nominal value of Covered Bonds, even after the expiry of the issue period; (vii) the type of the issued Covered Bonds; (viii) the issue date; (ix) the nominal amount of the individual Covered Bond; (x) the total amount of the issued Covered Bonds and (xi) statement regarding supervision and (xii) any other information required to be included under Czech law (in particular the Czech Act on Bonds) will be stipulated in the Final Terms.

([7]) Certain Definitions.

"Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

"Czech Act on Bonds" means Act No. 190/2004 Coll., on Bonds (as amended).

"Terms and Conditions" means these terms and conditions of the Covered Bonds.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2 STATUS

[In case of mortgage Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) of the Czech Act on Bonds (i.e. claims from mortgage loans) or with assets pursuant to Article 129 (1) (d) - (f) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])] and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under mortgage covered bonds. **[In case of Covered Bonds**

which shall meet the CRR requirements, insert: The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of public Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2)(b) and (c) of the Czech Act on Bonds (which are (a) the claims against a member state of the Organisation for Economic Co-operation and Development ("**OECD**"), the central bank of a member state of the OECD, a multilateral development bank or an international organisation which has a member state of the OECD as its member or (b) the claims guaranteed by any of these) or with assets pursuant to Article 129 (1) (a) and (b) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "**CRR**"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under public covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of mixed Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) - (e) of the Czech Act on Bonds or with assets pursuant to Article 129 (1) (a) - (g) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (*Capital Requirements Regulation* [- "**CRR**"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under mixed covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

§ 3 INTEREST

- (1) *No Periodic Payments of Interest.* No periodic payments of interest will be made on the Covered Bonds.
- (2) *Default Interest.* If the Issuer fails to redeem the Covered Bonds when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Covered Bonds from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Covered Bonds at **[insert issue yield expressed as a percentage]** per cent. (calculated on the basis of the issue price on the issue date). This does not affect any additional rights that might be available to the Holders.

§ 4 PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (b) *Payment Day.* Payments of principal on the Covered Bonds under these Terms and Conditions shall be made by the Issuer on the relevant due dates, and subject to the conditions, stipulated in these Terms and Conditions.
- (c) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal on the Covered Bonds to the Holders and shall make payments of principal on the Covered Bonds to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined in relation to any payments on the Covered Bonds, at the close of business on the **[7th][30th]** calendar day before the relevant due date (including the Maturity Date).

Any person who acquires a Covered Bond between a Payment Reference Date and the corresponding due date for a payment of principal shall not be entitled to receive payment of principal on the Covered Bonds for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Covered Bond.

- [(d)]** *Eligible Receiver(s).* Unless specified otherwise in these Terms and Conditions, Eligible Receiver(s) are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- [(e)]** *Payment Logistics.* The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account at a bank established in a member state of the European Union as provided by the Eligible Receiver to the Paying Agent. The instruction for payment will have a form of a signed written declaration with an officially authenticated signature or signatures that will contain

sufficient information about the bank account to allow the Paying Agent to make the payment and shall be accompanied by an original or a certified copy of the tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) of the Eligible Receiver for the relevant tax period and, in the case of legal persons, the original or certified copy of a valid extract from the commercial register of the Eligible Receiver not older than three months (or the original or an officially certified copy of an extract from a similar foreign register, if the Eligible Receiver is a foreign legal entity) (such instruction together with an extract from the commercial register (if applicable), tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) and other relevant annexes "**Instruction**").

In the case of foreign originals of respective documents, the official verification of the documentation from abroad will be required.

Instruction must be in a manner and form which is compliant with the reasonable requirements of the Paying Agent. The Paying Agent will be entitled to require sufficient satisfactory evidence that the person who signs such Instruction is authorized to sign it on behalf of the Eligible Receiver. Such evidence must be delivered to the Paying Agent together with the Instruction. In this regard, the Paying Agent will be entitled to require (i) the submission of a respective power of attorney if the Eligible Receiver is represented (if necessary, with a certified translation into Czech language) and (ii) additional confirmation of the Instruction by the Eligible Receiver.

The Issuer or Paying Agent shall not be required in any way to verify the accuracy, completeness or authenticity of Instructions and shall not be liable for damages caused by the delay to the Eligible Receiver with delivery of an Instruction or an incorrect Instruction. If the Instruction contains all necessary information pursuant to these Terms and Conditions, it shall be communicated to the Paying Agent in accordance with these Terms and Conditions and it shall be deemed as valid. Instruction is valid if it is delivered to the Paying Agent no later than 5 Business Days before the relevant due date.

No payments of principal will be made in cash, by cheque or by postal order.

[In case the Issuer is appointed as Paying Agent insert: The Issuer shall not] **[in case a Paying Agent other than the Issuer is appointed insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of the Specified Currency or any currency conversion or rounding effected in connection therewith.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Covered Bonds shall be made in the Specified Currency.

(3) *Discharge.* The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver in accordance with a duly and timely submitted Instruction under these Terms and Conditions and such payment is (i) credited on the day of the payment to the bank account of the Eligible Receiver in the clearing centre of the Czech National Bank if the payment is in the legal currency of the Czech Republic or (ii) debited from the Paying Agent's bank account if the payment is in a currency other than in the legal currency of the Czech Republic.

In the event that any Eligible Receiver has not delivered an Instruction to the Paying Agent in due time pursuant to these Terms and Conditions, then an obligation of an Issuer to pay any amount shall be deemed to be due and timely if the amount is remitted to the respective Eligible Receiver in accordance with due Instruction under these Terms and Conditions and it is written off from the bank account of the Paying Agent no later than 15 Business Days from the calendar day when the Paying Agent has received a due Instruction.

(4) *Payment Business Day.* If the due date for any payment in respect of the Covered Bonds would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), then the due date for such payment shall be

[if the Modified Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be brought forward to the immediately preceding calendar day which is a Payment Business Day.]

[if the Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day.]

[if the Preceding Business Day Convention applies, insert: brought forward to the immediately preceding calendar day which is a Payment Business Day.]

"Payment Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

(5) *References to Principal* **[in case the Covered Bonds are early redeemable for reasons of taxation insert: and Interest]**. References in these Terms and Conditions to "principal" in respect of the Covered Bonds shall be deemed to include, as applicable, **[in case the Covered Bonds are early redeemable for reasons of taxation insert:** the Early Redemption Amount (as specified in § 5),] the Final Redemption Amount (as specified in § 5), any premium and any other amounts which may be payable under or in respect of the Covered Bonds. **[In case the Covered Bonds are early redeemable for reasons of taxation insert:** References in these Terms and Conditions to "interest" in respect of the Covered Bonds shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

§ 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Covered Bonds shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "Maturity Date").

The "Final Redemption Amount" in respect of each Covered Bond shall be the product of the Redemption Price and the Specified Denomination. The "Redemption Price" is **[insert redemption price as a percentage]** per cent.

[If the Covered Bonds are subject to Early Redemption at the Option of the Issuer insert:

(2) *Early Redemption at the Option of the Issuer*.

(a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 45 calendar days if the Covered Bonds are issued outside of the Czech Republic or 14 calendar days if the Covered Bonds are issued in the Czech Republic]** calendar days' **[in case of a Maximum Notice Period insert:** and not more than [60][insert other number of calendar days] calendar days'] notice in accordance with § 5 (2) (b), redeem all but not some only of the Covered Bonds at the Optional Redemption Amount(s) on the Optional Redemption Date(s).

Optional Redemption Date(s):

Optional Redemption Amount(s):

[insert Optional Redemption Date(s)]

[insert Optional Redemption Amount(s)]

(b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:

(i) the series of Covered Bonds subject to redemption; and

(ii) the Optional Redemption Date(s).

[If the Covered Bonds are not subject to Early Redemption at the Option of the Issuer or in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:

(2) *No Early Redemption at the Option of the Issuer*. The Covered Bonds may not be redeemed at the option of the Issuer prior to their Maturity Date **[in the case the Covered Bonds are issued outside of the Czech**

Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert: other than in case of an early redemption pursuant to § 5 (4)].]

(3) *No Early Redemption at the Option of a Holder.* The Holders do not have a right to demand the early redemption of the Covered Bonds.

[If the Covered Bonds are issued outside of the Czech Republic:

(4) *Early Redemption for Reasons of Taxation.*

(a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 45 calendar days]** calendar days' **[in case of a Maximum Notice Period insert:** and not more than 60 calendar days'] notice in accordance with § 5 (4) (b), redeem all but not some only of the Covered Bonds at the Early Redemption Amount on the date fixed for redemption if, at maturity, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Covered Bonds is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the **[Fiscal Agent]**¹¹ **[Paying Agent]** (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Covered Bonds then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

(b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:

- (i) the series of Covered Bonds subject to redemption;
- (ii) the date fixed for redemption.

(c) The "**Early Redemption Amount**" of a Covered Bond shall be calculated in accordance with the following formula:

Issue Price x Specified Denomination x (1 + Issue Yield)^N, where

"**Issue Date**" means **[insert Issue Date]**;

"**Issue Price**" means **[insert Issue Price]** per cent.;

"**Specified Denomination**" means the Specified Denomination as specified in § 1 (1) above.

"**Issue Yield**" means **[insert Issue Yield expressed as a percentage]** per cent. and is calculated on the basis of the issue price on the Issue Date, and

"**N**" means the number of calendar days in the period from, and including, the Issue Date to, and excluding, the date on which the Covered Bonds shall become due and repayable (the "**Calculation Period**") calculated on the basis of the applicable Day Count Fraction.

"**Day Count Fraction**" means

[In case 30/360, 360/360 or Bond Basis applies, insert: the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31st calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in

¹¹ Not applicable in case of a series of Covered Bonds which are issued as book-entry securities.

which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

[In case 30E/360 or Eurobond Basis applies, insert: the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

§ 6

[FISCAL AGENT][,] [AND]¹² PAYING AGENT[S]

(1) *Appointment; Specified Offices.* The [initial Fiscal Agent and the] initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert:** and the initial Paying Agent(s)] and [their respective] [its] initial specified office[s] [are] [is]:

[Fiscal Agent and] Principal Paying Agent:

Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]

[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The [Fiscal Agent[,] [and] the] Paying Agent(s) reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the [Fiscal Agent or]¹³ Paying Agent and to appoint [another Fiscal Agent or] additional Paying Agents. [The Issuer shall at all times maintain [(i) a Fiscal Agent [,] [and]] [(ii)] so long as the Covered Bonds are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities]] **[in case of Covered Bonds the Specified Currency of which is U.S. dollar, insert: [,] [and] (iii)]** if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York].] If the issuer decides to change the Paying Agent [or the Fiscal Agent], the Issuer [,] [or] the Paying Agent [or the Fiscal Agent] will notify the Holders in the same manner as the Issuer has published these Terms and Conditions and such change will take effect upon the expiry of a period of 15 calendar days from the date of such notification, unless a later effective date is specified in this notification. In any case, any change that would otherwise take effect less than 30 calendar days before or after the relevant due date of any amount in connection with the Covered Bonds, shall take effect on the 30th calendar day after the relevant due date.

(3) *Agents of the Issuer.* The [Fiscal Agent[,] [and] the]¹⁴ Paying Agents act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the [Fiscal Agent]¹⁵ [Paying Agent] shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer[, the Paying Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer[, the Paying Agent] or the Holders shall attach to the [Fiscal Agent] [Paying Agent] in

¹² Not applicable in case of Covered Bonds which are issued as book-entry securities.

¹³ Not applicable in case of Covered Bonds which are issued as book-entry securities.

¹⁴ Not applicable in case of Covered Bonds which are issued as book-entry securities.

¹⁵ Not applicable in case of Covered Bonds which are issued as book-entry securities.

connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

[If the Covered Bonds are issued outside of the Czech Republic:

(1) *Gross-up.* All payments of principal by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes in respect of the Covered Bonds, the Issuer may pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Covered Bond:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Covered Bond by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Covered Bond; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments made by it.]

[In case of Covered Bonds issued in the Czech Republic insert:

(1) *General Taxation.* All payments of principal by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Czech Republic or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct under Czech law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.]

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

§ 8 PRESCRIPTION

Claims against the Issuer for payment in respect of the Covered Bonds shall be prescribed and become void unless made within three years upon the date when they could be made for the first time but no later than ten years upon the relevant due date.

§ 9
**FURTHER ISSUES OF COVERED BONDS,
REPURCHASES AND
CANCELLATION**

(1) *Further Issues of Covered Bonds.* The Issuer may from time to time, without the consent of the Holders, issue further Covered Bonds having the same terms as the Covered Bonds in all respects (except for the date of issuance and/or issue price) so as to form a single series with the Covered Bonds.

(2) *Repurchases.* The Issuer and any of its subsidiaries may at any time repurchase Covered Bonds in the open market or otherwise. Covered Bonds which are repurchased under these Terms and Conditions by the Issuer shall not be terminated and it is up to the discretion of the Issuer whether to hold them in its ownership and eventually resell them or to decide on their termination due to the rights and obligations merging. If the Issuer does not decide about the earlier termination of the Covered Bonds owned by the Issuer, rights and obligations arising from these Covered Bonds owned by the Issuer will cease by the time of their maturity.

(3) *Cancellation.* All Covered Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10
NOTICES

(1) *Publication.* All notices of facts concerning the Covered Bonds shall be published on the website of the Issuer ("www.csas.cz") in the Czech or English language. Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

[In the case of Covered Bonds issued as book-entry securities insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the central records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds and includes the Clearing System.]

[In the case of Covered Bonds which will be represented by a Global Note insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership in the Global Note or a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the separate records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds.]

[In the case of modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:

§ 11
**MEETING OF HOLDERS,
MODIFICATIONS AND WAIVER**

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

- (2) The Holders may consent, by majority resolution, to the following measures, among others:
- (a) changes in the due date of the principal amount;
 - (b) reduction of the principal amount;
 - (c) subordination of the claims under the Covered Bonds during insolvency proceedings of the Issuer;
 - (d) conversion or exchange of the Covered Bonds into shares, other securities or other promises of performance;
 - (e) changes in the currency of the Covered Bonds;
 - (f) waiver or limitation of the Holders' right of termination;
 - (g) substitution of the Issuer; and
 - (h) amendments to or cancellation of ancillary conditions of the Covered Bonds.

(3) *Convening a Meeting of Holders.* The Holders' meeting (the "**Meeting of Holders**") shall be convened by the Issuer or by the Joint Representative or by a Holder on its request in a case stipulated by law. It shall be convened if Holders who together hold 5 per cent. of the outstanding Covered Bonds request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer, place, date and time of the Meeting of Holders including the Decisive Day, the agenda and the conditions on which attendance at the Meeting of Holders and the exercise of voting rights shall depend, description of the Covered Bonds and ISIN of Covered Bonds (if applicable). The convening notice shall be published pursuant to § 10.

"**Decisive Day**" means a decisive day for participation in the Meeting of Holders which is the 7th calendar day preceding the day of the Meeting of Holders.

[In case of Covered Bonds issued as book-entry securities insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a special confirmation issued by the Clearing System or the Custodian in text form shall be presented.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a confirmation issued by the Fiscal Agent in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership on the Global Note will be presented. Such evidence may also be in the form of a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds.]

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Meeting of Holders is to pass a resolution. The agenda of the Meeting of Holders shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 per cent. of the outstanding Covered Bonds may request that new items be published for resolution. Such new items must be published no later than the third calendar day preceding the Meeting of Holders. Without undue delay and until the date of the Meeting of Holders, the Issuer shall make available to the Holders on its website ("[www.csas.cz/en/documents-to-download#/">www.csas.cz/en/documents-to-download#/](http://www.csas.cz/en/documents-to-download#/)"), any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Meeting of Holders shall have a quorum if the persons present represent at least 30 per cent of the outstanding Covered Bonds by value. If the Meeting of Holders does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution(s) anew. If the Meeting of Holders does not have a required quorum and it decides about the change of Terms and Conditions, the Chairperson may convene a second meeting within 6 weeks since the day when the original meeting was held for the purposes of passing the resolution(s) anew, such second meeting requires no quorum and needs to be announced to Holders no later than 15 calendar days from the day when the

original meeting was held. Covered Bonds for which voting rights have been suspended shall not be included in the outstanding Covered Bonds.

(8) *Majority Requirements.* Resolutions relating to amendments of these Terms and Conditions and where it is specified in these Terms and Conditions or the Czech Act on Bonds, shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast.

(9) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Covered Bonds held by such Holder. Voting rights are suspended with respect to the Covered Bonds attributable to the Issuer or held for the account of the Issuer. The Issuer may not make available Covered Bonds for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Meeting of Holders or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Meeting of Holders or a vote.

(10) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or the Joint Representative (the "**Chairperson**").

(11) *Voting, Minutes.* In order to be valid, any resolution passed by the Meeting of Holders shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The minutes shall be prepared no later than 30 calendar days from the day of the convention of the meeting.

(12) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10, no later than 30 calendar days from the day of its convention. In addition, for a period of at least one month commencing on the calendar day following the Meeting of Holders, the Issuer shall make available to the public on its website ("[www .csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)) the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(13) *Joint Representative.*

[If no Joint Representative is designated in the Terms and Conditions insert:

The Holders may by a Qualified Majority appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert:

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall be entitled to exercise all rights and liabilities related to the Covered Bonds on behalf and in the benefit of the Holders. The Joint Representative shall also be entitled to control the fulfillment of the Terms and Conditions by the Issuer and to make other acts for the benefit of the Holders or to protect their interests in other way. The Joint Representative shall always comply with the instructions of the Holders adopted on the Meeting of Holders. To the extent that the Joint Representative exercised certain rights related to the Covered Bonds on behalf of the Holders, the Holders shall not be entitled to exercise such rights themselves. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the due care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

**§ [12]
APPLICABLE LAW,
PLACE OF JURISDICTION
AND ENFORCEMENT**

(1) *Applicable Law.* The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, Czech law.

(2) *Place of Jurisdiction.* The competent Czech courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Covered Bonds (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Covered Bonds), to the extent permissible according to applicable mandatory provisions of law.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Covered Bonds in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

OPTION IV – COVERED BONDS WITH A FIXED TO FLOATING INTEREST RATE

[OPTION IV – TERMS AND CONDITIONS FOR COVERED BONDS WITH A FIXED TO FLOATING INTEREST RATE:

§ 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [mortgage] [public] [mixed] covered bonds (the "**Covered Bonds**") is being issued by Česká spořitelna, a.s., with registered office at Olbrachtova 1929/62, Prague 4, Post Code 14000, Czech Republic, Identification Number: 452 44 782, registered with the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1171 (the "**Issuer**") in [*insert specified currency*] ("**Specified Currency**") in the aggregate principal amount of [*in case of Covered Bonds offered and issued as tap issues insert: up to*] [*insert specified currency and aggregate principal amount*] (in words: [*insert specified currency and aggregate principal amount in words*]) in the denomination of [*insert specified currency and principal amount of at least EUR 100,000 or the equivalent in other currencies*] (the "**Specified Denomination**").

(2) *Form.*

[If the Covered Bonds are issued as book-entry securities insert: The Covered Bonds are being issued as book-entry securities (in Czech "*zaknihované dluhopisy*").]

[If the Covered Bonds will be represented by a Global Note insert: The Covered Bonds are being issued as certificated securities (in Czech "*listinné dluhopisy*") which will be represented by the Global Note (as defined below) under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and to the order of the respective Holder.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(3) *Permanent Global Note.* The Covered Bonds are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent.]

[4] Declaration of the Issuer, Title to the Covered Bonds.

(a) The Issuer declares that it is obliged to pay the principal of the Covered Bonds and accrued interest to the respective Holders under the terms stipulated in these Terms and Conditions. The Issuer has decided to exclude the possibility to separate the right for payment of interest from the Covered Bonds.

[In case of Covered Bonds issued as book-entry securities insert:

(b) The Covered Bonds will be owned by the relevant Holder of the Covered Bonds. The Covered Bonds will be recorded at the relevant Holder's owner's account maintained (i) by the Czech Central Depository or (ii) in the follow-up records (in Czech "*navazující evidence*") of the central records (in Czech "*centrální evidence*") (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(b) The Global Note will be kept and maintained by the Fiscal Agent who will keep the registry of the proportionate co-ownership of each Holder (as defined below) in the Global Note (these separate records and, if so provided in the Final Terms and to the extent permissible under Czech law, any follow-up records of the separate records (the "**Holders' Registry**"). The Holders' Registry shall be regarded as the "list of owners of bonds" for the purposes of Czech law.]

[5] Clearing System.

[In case of Covered Bonds issued as book-entry securities insert:

The Covered Bonds will be kept and cleared in Centrální depozitář cenných papírů, a.s., Rybná 682/14, 110 00 Staré Město, Prague as the central depository (the "**Czech Central Depository**" or the "**Clearing System**").]

[In case of Covered Bonds which will be represented by a Global Note:

The Global Note will be kept by the Fiscal Agent who is entitled to keep the respective records of financial instruments under Czech law.]

[In case of Covered Bonds issued as book-entry securities insert:

[6]a) Holder of Covered Bonds. "Holder" means any holder of Covered Bonds who is registered in the Holders' Registry. The title to the Covered Bonds will be transferred via change of ownership of the Covered Bonds in accordance with Czech law and rules of the Clearing System. The Holders are solely responsible to carry out all acts and formalities required for registration with the Holders' Registry.]

[In case of Covered Bonds which will be represented by a Global Note insert:

[6]a) Holder of Covered Bonds. "Holder" means any holder of the Covered Bonds who is registered in the Holders' Registry as a proportionate co-owner of the Global Note. The title to the Covered Bonds will be transferred via change of co-ownership in the Global Note in accordance with Czech law and will be administered by the Fiscal Agent or, if applicable, the Custodian (as defined in § 10 (2)). The Holder as an owner of a proportionate share in the Global Note has all the rights as a bondholder under Czech law.]

[6]b) Other information. Other information regarding the issue of Covered Bonds. Information regarding *inter alia* (i) the administration of the subscription of the Covered Bonds including the method of issuance of the Covered Bonds; (ii) the issue price of the Covered Bonds; (iii) the time limit for subscription of the issue of the Covered Bonds; (iv) the rating (by whom, when and the result) (if any); (v) the ISIN; (vi) the decision of the Issuer if the Covered Bonds were issued in total nominal value which is greater than the anticipated nominal value of the Covered Bonds issue, even after the expiry of the issue period or if they were issued up to the anticipated total nominal value of Covered Bonds, even after the expiry of the issue period; (vii) the type of the issued Covered Bonds; (viii) the issue date; (ix) the nominal amount of the individual Covered Bond; (x) the total amount of the issued Covered Bonds and (xi) statement regarding supervision and (xii) any other information required to be included under Czech law (in particular the Czech Act on Bonds) will be stipulated in the Final Terms. Information about taxation of interests payable under the Covered Bonds is included in the securities note dated 6 May 2022, as supplemented from time to time.

[7] Certain Definitions.

"Business Day" means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("TARGET") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("TARGET") are open to effect payments].]

"Czech Act on Bonds" means Act No. 190/2004 Coll., on Bonds (as amended).

"Terms and Conditions" means these terms and conditions of the Covered Bonds.

"United States" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2 STATUS

[In case of mortgage Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) of the Czech Act on Bonds (i.e. claims from mortgage loans) or with assets pursuant to Article 129 (1) (d) - (f) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])] and rank *pari passu* with all other unsubordinated

obligations of the Issuer, present and future under mortgage covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of public Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2)(b) and (c) of the Czech Act on Bonds (which are (a) the claims against a member state of the Organisation for Economic Co-operation and Development ("OECD"), the central bank of a member state of the OECD, a multilateral development bank or an international organisation which has a member state of the OECD as its member or (b) the claims guaranteed by any of these) or with assets pursuant to Article 129 (1) (a) and (b) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under public covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

[In case of mixed Covered Bonds insert:

The Covered Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Covered Bonds are covered in accordance with the Czech Act on Bonds (i.e. with assets specified in Section 31 (2) (a) - (e) of the Czech Act on Bonds or with assets pursuant to Article 129 (1) (a) - (g) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (*Capital Requirements Regulation* [- "CRR"])) and rank *pari passu* with all other unsubordinated obligations of the Issuer, present and future under mixed covered bonds. **[In case of Covered Bonds which shall meet the CRR requirements, insert:** The Covered Bonds shall meet the requirements under Article 129 CRR.]]

§ 3 INTEREST

(1) *Fixed Rate Interest Periods.*

(a) *Fixed Rate of Interest and Fixed Rate Interest Payment Dates.* The Covered Bonds shall bear interest on their principal amount during the period (the "First Period") from and including **[insert Interest Commencement Date]** (the "Interest Commencement Date") to but excluding **[insert Reset Date]** (the "Reset Date") at the rate of **[insert Fixed Rate of Interest]** per cent. *per annum*.

[In the case of a short or long first or last interest period insert: With the exception of the [first] [last] payment of interest, interest] [Interest] shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on **[insert Fixed Rate Interest Payment Date(s)]** in each year (each such date, a "Fixed Rate Interest Payment Date"), commencing on **[insert first Fixed Rate Interest Payment Date]** and ending on **[insert last Interest Payment Date being the Reset Date]**. Fixed Rate Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

"Fixed Rate Interest Period" means the period from and including the Interest Commencement Date to but excluding the first Fixed Rate Interest Payment Date and each successive period from and including a Fixed Rate Interest Payment Date to but excluding the following Fixed Rate Interest Payment Date, with the last Fixed Rate Interest Payment Date falling on the Reset Date.

(b) *Calculation of Amount of Fixed Rate Interest.* If the amount of interest payable under the Covered Bonds is required to be calculated for any period of time during the First Period, such amount of interest shall be calculated by applying the fixed rate of interest and the applicable Fixed Rate Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

(c) *Fixed Rate Day Count Fraction.* "Fixed Rate Day Count Fraction" means, in respect of the calculation of an amount of interest on any Covered Bond in accordance with this § 3 (1) for any period of time (from and including the first day of such period to, but excluding, the last day of such period) (the "Fixed Rate Calculation Period"):

[If "Actual/Actual (ICMA)" applies, insert:

1. if the Fixed Rate Calculation Period is equal to or shorter than the Fixed Rate Determination Period during which the Fixed Rate Calculation Period ends, the number of calendar days in such Fixed Rate Calculation Period divided by the product of (x) the number of calendar days in such Fixed Rate

Determination Period and (y) the number of Fixed Rate Determination Dates (as specified below) that would occur in any year; or

2. if the Fixed Rate Calculation Period is longer than the Fixed Rate Determination Period during which the Fixed Rate Calculation Period ends, the sum of
 - (A) the number of calendar days in such Fixed Rate Calculation Period falling in the Fixed Rate Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Fixed Rate Determination Period and (y) the number of Fixed Rate Determination Dates that would occur in any year; and
 - (B) the number of calendar days in such Fixed Rate Calculation Period falling in the next Fixed Rate Determination Period divided by the product of (x) the number of calendar days in such Fixed Rate Determination Period and (y) the number of Fixed Rate Determination Dates that would occur in any year.

"Fixed Rate Determination Period" means the period from, and including, a Fixed Rate Determination Date to, but excluding, the next Fixed Rate Determination Date (including, where the Interest Commencement Date is not a Fixed Rate Determination Date, the period commencing on the first Fixed Rate Determination Date prior to the Interest Commencement Date, and where the final Fixed Rate Interest Payment Date is not a Fixed Rate Determination Date, the first Fixed Rate Determination Date falling after the final Fixed Rate Interest Payment Date, as the case may be).

"Fixed Rate Determination Date" means *[insert Fixed Rate Determination Date(s)]* in each year.]

[If "Actual/365 (Fixed)" applies, insert:

the actual number of calendar days in the Fixed Rate Calculation Period divided by 365.]

[If "Actual/360" applies, insert:

the actual number of calendar days in the Fixed Rate Calculation Period divided by 360.]

[If "30/360", "360/360" or "Bond Basis" applies, insert:

the number of calendar days in the Fixed Rate Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Fixed Rate Calculation Period is the 31st calendar day of a month but the first calendar day of the Fixed Rate Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Fixed Rate Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

[If "30E/360" or "Eurobond Basis" applies, insert:

the number of calendar days in the Fixed Rate Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Fixed Rate Calculation Period unless, in the case of the final Fixed Rate Calculation Period, the Reset Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

(2) *Floating Rate Interest Periods.*

(a) *Floating Rate of Interest and Floating Rate Interest Payment Dates.* Each Covered Bond bears interest on its Specified Denomination at the rate *per annum* equal to the Floating Rate of Interest (as defined below) from and including the Reset Date to but excluding the first Floating Rate Interest Payment Date and thereafter from and including each Floating Rate Interest Payment Date to but excluding the next following Floating Rate Interest Payment Date (each such period a **"Floating Rate Interest Period"**). Interest on the Covered Bonds will be payable in arrear on each Floating Rate Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3 (2) (c).

"Floating Rate Interest Payment Date" means, subject to the Floating Rate Business Day Convention, *[in the case of Specified Floating Rate Interest Payment Dates insert: [insert Specified Floating Rate Interest Payment Dates and if applicable, any short or long first coupon]* in each year.] *[In the case of Specified Floating Rate Interest Periods insert: each date which (except as otherwise provided in these Terms and Conditions) falls [insert number] [weeks] [months] after the preceding Floating Rate Interest Payment Date or, in the case of the first Floating Rate Interest Payment Date, after the Reset Date.]*

"**Floating Rate Business Day Convention**" has the following meaning: If any Floating Rate Interest Payment Date would otherwise fall on a calendar day which is not a Business Day (as defined in § 1 ([7])),

[In the case of Modified Following Business Day Convention (adjusted), the following applies:

the Floating Rate Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Rate Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

[In the case of Following Business Day Convention (adjusted), the following applies:

the Floating Rate Interest Payment Date shall be postponed to the next calendar day which is a Business Day.]

[In the case of Preceding Business Day Convention (adjusted), the following applies:

the Floating Rate Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

[In the case of Modified Following Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date for the relevant interest payment shall be brought forward to the immediately preceding Business Day.]

[In the case of Following Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be postponed to the next calendar day which is a Business Day.]

[In the case of Preceding Business Day Convention (unadjusted), the following applies:

the due date for the relevant interest payment shall be brought forward to the immediately preceding Business Day.]

(b) *Floating Rate of Interest.*

The "**Floating Rate of Interest**" for each Floating Rate Interest Period (as defined below) will be a rate *per annum* equal to the Reference Rate (as defined below) [[plus] [minus] the Margin (as defined below)] **[in case of a Factor insert:** [and] multiplied by the factor **[insert Factor]**], subject to a minimum of 0.00 per cent. *per annum*.

[If Minimum Rate of Interest applies, insert: If the Floating Rate of Interest in respect of any Floating Rate Interest Period (as defined below) determined in accordance with the above provisions is less than **[insert Minimum Rate of Interest]** per cent. *per annum*, the Floating Rate of Interest for such Floating Rate Interest Period (as defined below) shall be **[insert Minimum Rate of Interest]** per cent. *per annum*.]

The Calculation Agent will, subject to § 3 (2) (d), determine the relevant Reference Rate in accordance with this § 3 (2) (b) on each Interest Determination Date.

The "**Reference Rate**" for each Floating Rate Interest Period will be,

- (A) as long as no Benchmark Event (as defined in § 3 (2) (d)(iv)) has occurred,
 - (i) the Original Benchmark Rate on the relevant Interest Determination Date, as determined by the Calculation Agent; or
 - (ii) the Reference Bank Rate on the relevant Interest Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, all as determined by the Calculation Agent;
- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (2) (d) for each Floating Rate Interest Period commencing on or after the relevant Interest Determination Date (as defined in § 3 (2) (d)(i)).

"**Original Benchmark Rate**" in respect of any calendar day means (subject to § 3 (2) (d)) the **[insert applicable reference rate]** ["CNB 2 week repo rate" (in Czech: "*dvoutýdenní repo sazba ČNB*") (expressed as a percentage rate *per annum*) fixed at and appearing on the Screen Page as of **[insert applicable time and financial centre]** on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

"**Reference Bank Rate**" means the rate (expressed as a percentage rate *per annum*) at which deposits in the Specified Currency are offered by the Reference Banks (as defined below) at approximately **[insert applicable**

time and financial centre] on the relevant Interest Determination Date to prime banks in the **[insert relevant city of the interbank market]** interbank market for the relevant Floating Rate Interest Period and in a Representative Amount, assuming an **[insert the day count basis that is customarily used for the Original Benchmark Rate in the Specified Currency]** day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If **[two]** **[insert other number]** or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Rate Interest Period shall be the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Floating Rate Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of the rates, as communicated at approximately **[insert applicable time and financial centre]** at the request of the Issuer to the Calculation Agent by major banks in the **[insert relevant interbank market]**, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Floating Rate Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

"Interest Determination Date" means **[insert relevant Interest Determination Date]**.

"Floating Rate Interest Period" means each period from and including the Interest Commencement Date to but excluding the first Floating Rate Interest Payment Date and each successive period from and including a Floating Rate Interest Payment Date to but excluding the following Floating Rate Interest Payment Date.

[in case a special business day determination is required insert relevant business day definition]

["Margin" means **[insert number]** per cent. *per annum*.]

"Reference Banks" means **[insert place of principal office]** of **[four]****[insert other number]** major banks in the **[insert relevant city]** interbank market, in each case selected by the Issuer.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"Screen Page" means **[insert applicable Screen Page]** [the Official Journal of the Czech National Bank as available on the website "<https://www.cnb.cz/cs/casto-kladene-dotazy/Jak-se-vyvijela-dvoutydeni-repo-sazba-CNB/>"].

(c) *Calculation of Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each date at which the Floating Rate of Interest is to be determined, calculate the amount of interest (the "**Floating Rate Interest Amount**") payable on the Covered Bonds in respect of each Specified Denomination for the relevant Floating Rate Interest Period. Each Floating Rate Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Rate Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

"Floating Rate Day Count Fraction" means, in respect of the calculation of an amount of floating rate interest on any Covered Bond in accordance with this § 3 (2) for any period of time (from and including the first calendar day of such period to but excluding the last calendar day of such period) (whether or not constituting a Floating Rate Interest Period, the "**Floating Rate Calculation Period**"):

[If "Actual/Actual (ICMA)" applies, insert:

1. if the Floating Rate Calculation Period is equal to or shorter than the Floating Rate Determination Period during which the Floating Rate Calculation Period ends, the number of calendar days in such Floating Rate Calculation Period divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates (as specified below) that would occur in any year; or

2. if the Floating Rate Calculation Period is longer than the Floating Rate Determination Period during which the Floating Rate Calculation Period ends, the sum of
- (A) the number of calendar days in such Floating Rate Calculation Period falling in the Floating Rate Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates that would occur in any year; and
 - (B) the number of calendar days in such Floating Rate Calculation Period falling in the next Floating Rate Determination Period divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates that would occur in any year.

"Floating Rate Determination Period" means the period from, and including, a Floating Rate Determination Date to, but excluding, the next Floating Rate Determination Date.

"Floating Rate Determination Date" means [*insert Floating Rate Determination Date(s)*] in each year.]

[If "Actual/365 (Fixed)" applies, insert:

the actual number of calendar days in the Floating Rate Calculation Period divided by 365.]

[If "Actual/360" applies, insert:

the actual number of calendar days in the Floating Rate Calculation Period divided by 360.]

[If "30/360", "360/360" or "Bond Basis" applies, insert:

the number of calendar days in the Floating Rate Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Floating Rate Calculation Period is the 31st calendar day of a month but the first calendar day of the Floating Rate Calculation Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Floating Rate Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

[If "30E/360" or "Eurobond Basis" applies, insert:

the number of calendar days in the Floating Rate Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Floating Rate Calculation Period unless, in the case of the final Floating Rate Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

(d) *New Benchmark Rate.*

(i) *Benchmark Event.* In the event of a Benchmark Event (as defined below),

- (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (2)(d)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (2)(d)(iii) below) (if required); or
- (B) if, prior to the 10th Business Day prior to the relevant Interest Determination Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Interest Determination Date selected by the Independent Advisor (in the case of (A)

above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Interest Determination Date falling on or, if it is not an Interest Determination Date, the Interest Determination Date immediately following the date of the Benchmark Event (the "**relevant Interest Determination Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (2) (d), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) *Adjustment Spread.* The Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Interest Determination Date, the Floating Rate Day Count Fraction, the Business Days, the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").
- (iv) *Definitions.*

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) determines in its reasonable discretion to be appropriate.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above).

A "**Benchmark Event**" occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the

Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or

- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (4) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

"Generally Accepted Market Practice" means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

"Independent Advisor" means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Industry Solution" means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"New Benchmark Rate" means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) in its reasonable discretion as follows:

- (A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.
- (B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

"Official Substitution Concept" means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

"Substitute Benchmark Rate" means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities

provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the interest scheduled to be paid under the Covered Bonds determined by the Independent Advisor (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (2)(d)(i) (A) above) or the Issuer (in the case of § 3 (2)(d)(i) (B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (2)(d), the Reference Rate applicable to the next Floating Rate Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date. If this § 3 (2)(d)(v) were to be applied on the first Interest Determination Date prior to the commencement of the first Floating Rate Interest Period, the Reference Rate applicable to the first Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the relevant Interest Determination Date and the corresponding Floating Rate Interest Period only. Any subsequent Interest Determination Date and Floating Rate Interest Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3(2)(d).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) to the Calculation Agent, to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Covered Bonds are from time to time listed, to such stock exchange as soon as possible but in no event later than on the 10th Business Day prior to the relevant Interest Determination Date.
- (vii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3(2) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (viii) Any reference in this § 3 (2)(d) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(e) *Notifications.* The Calculation Agent will cause the Floating Rate of Interest, each Floating Rate Interest Amount for each Floating Rate Interest Period, each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer and to the Holders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Covered Bonds are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first calendar day of the relevant Floating Rate Interest Period. Each Floating Rate Interest Amount and Floating Rate Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Covered Bonds are then listed at the initiative of the Issuer and to the Holders in accordance with § 10.

(f) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequity or manifest error) be binding on the Issuer, [the Fiscal Agent,] the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, [the Fiscal Agent,] the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(3) *Cessation of Interest Accrual.* The Covered Bonds shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Covered Bonds when due, interest shall continue to accrue on the outstanding principal amount of the Covered Bonds beyond the due date until the end of the calendar day preceding the actual redemption of the Covered Bonds. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

§ 4
PAYMENTS

- (1) (a) *Payment of Principal.* Payment of principal on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (b) *Payment of Interest.* Payment of interest [***if the Covered Bonds are issued outside of the Czech Republic insert:*** and any Additional Amounts] on the Covered Bonds shall be made, subject to § 4 (2) below, to the bank account of the respective Holder which was notified to the Issuer or the Paying Agent by the Holder.
- (c) *Payment Day.* Payments of principal and/or interest on the Covered Bonds under these Terms and Conditions shall be made by the Issuer on the relevant due dates, and subject to the conditions, stipulated in these Terms and Conditions.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Covered Bonds to the Holders and shall make payments of principal and/or interest on the Covered Bonds to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined in relation to any payments on the Covered Bonds, at the close of business on the [7th][30th] calendar day before the relevant due date (including the Maturity Date).

Any person who acquires a Covered Bond between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Covered Bonds for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Covered Bond.

- (e) *Eligible Receiver(s).* Unless specified otherwise in these Terms and Conditions, Eligible Receiver(s) are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics.* The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account at a bank established in a member state of the European Union as provided by the Eligible Receiver to the Paying Agent. The instruction for payment will have a form of a signed written declaration with an officially authenticated signature or signatures that will contain sufficient information about the bank account to allow the Paying Agent to make the payment and shall be accompanied by an original or a certified copy of the tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) of the Eligible Receiver for the relevant tax period and, in the case of legal persons, the original or certified copy of a valid extract from the commercial register of the Eligible Receiver not older than three months (or the original or an officially certified copy of an extract from a similar foreign register, if the Eligible Receiver is a foreign legal entity) (such instruction together with an extract from the commercial register (if applicable), tax residency certificate and beneficial ownership declaration (if required by the Paying Agent) and other relevant annexes "**Instruction**").

In the case of foreign originals of respective documents, the official verification of the documentation from abroad will be required.

Instruction must be in a manner and form which is compliant with the reasonable requirements of the Paying Agent. The Paying Agent will be entitled to require sufficient satisfactory evidence that the person who signs such Instruction is authorized to sign it on behalf of the Eligible Receiver. Such evidence must be delivered to the Paying Agent together with the Instruction. In this regard, the Paying Agent will be entitled to require (i) the submission of a respective power of attorney if the Eligible Receiver is represented (if necessary, with a certified translation into Czech language) and (ii) additional confirmation of the Instruction by the Eligible Receiver.

The Issuer or Paying Agent shall not be required in any way to verify the accuracy, completeness or authenticity of Instructions and shall not be liable for damages caused by the delay to the Eligible Receiver with delivery of an Instruction or an incorrect Instruction. If the Instruction contains all necessary information pursuant to these Terms and Conditions, it shall be communicated to the Paying Agent in accordance with these Terms and Conditions and it shall be deemed as valid. Instruction is valid if it is delivered to the Paying Agent no later than 5 Business Days before the relevant due date.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

[In case the Issuer is appointed as Paying Agent insert: The Issuer shall not] **[in case a Paying Agent other than the Issuer is appointed insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of the Specified Currency or any currency conversion or rounding effected in connection therewith.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Covered Bonds shall be made in the Specified Currency.

(3) *Discharge.* The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver in accordance with a duly and timely submitted Instruction under these Terms and Conditions and such payment is (i) credited on the day of the payment to the bank account of the Eligible Receiver in the clearing centre of the Czech National Bank if the payment is in the legal currency of the Czech Republic or (ii) debited from the Paying Agent's bank account if the payment is in a currency other than in the legal currency of the Czech Republic.

In the event that any Eligible Receiver has not delivered an Instruction to the Paying Agent in due time pursuant to these Terms and Conditions, then an obligation of an Issuer to pay any amount shall be deemed to be due and timely if the amount is remitted to the respective Eligible Receiver in accordance with due Instruction under these Terms and Conditions and it is written off from the bank account of the Paying Agent no later than 15 Business Days from the calendar day when the Paying Agent has received a due Instruction.

(4) *Payment Business Day.*

(a) *Fixed Rate Interest Periods.* If during the First Period the due date for any payment in respect of the Covered Bonds would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), then the due date for such payment shall be

[if the Modified Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day unless the due date for such payment would thereby fall into the next calendar month, in which event the due date for such payment shall be brought forward to the immediately preceding calendar day which is a Payment Business Day.]

[if the Following Business Day Convention applies, insert: postponed to the next calendar day which is a Payment Business Day.]

[if the Preceding Business Day Convention applies, insert: brought forward to the immediately preceding calendar day which is a Payment Business Day.]

"**Payment Business Day**" for the purposes of this § 4 (4) (a) means any day (other than a Saturday, Sunday or a public holiday) on which

[If the Specified Currency is Czech koruna, the following applies:

banks in the Czech Republic are open for business, and on which foreign exchange transactions and interbank payments in Czech koruna, or in any other lawful currency of the Czech Republic that might replace Czech koruna are settled.]

[If the Specified Currency is Euro, the following applies:

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system 2 or its successor ("**TARGET**") are open to effect payments.]

[If the Specified Currency is not Czech koruna or Euro, the following applies:

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments.]

[If the interest amount shall be adjusted, insert: If the due date for a payment of interest is **[if the Modified Following Business Day Convention or the Preceding Business Day Convention adjusted applies, insert:** brought forward] **[or]** **[if the Modified Following Business Day Convention or the Following Business Day Convention adjusted applies, insert:** postponed] (as described above), the Interest Period shall be adjusted accordingly. If the due date for the redemption of the principal amount of the Covered Bonds is adjusted the Holder shall not be entitled to any interest or other compensation in respect of such adjustment.]

[If the interest amount shall not be adjusted, insert: If the due date for a payment of interest is **[if the Preceding Business Day Convention unadjusted applies, insert:** brought forward] **[or]** **[if the Following Business Day Convention unadjusted applies, insert:** postponed] (as described above), the Interest Period shall not be adjusted accordingly.]

- (b) *Floating Rate Interest Periods:* If the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day, then the Holder shall not be entitled to payment until the next such calendar day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

"Payment Business Day" for the purposes of this § 4 (4) (b) means a calendar day which is a Business Day.

- (5) *References to Principal [in case the Covered Bonds are early redeemable for reasons of taxation insert: and Interest].* References in these Terms and Conditions to "principal" in respect of the Covered Bonds shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds. **[If the Covered Bonds are early redeemable for reasons of taxation insert:** References in these Terms and Conditions to "interest" in respect of the Covered Bonds shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

§ 5 REDEMPTION

- (1) *Redemption on the Maturity Date.* Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Covered Bonds shall be redeemed at their principal amount on the Interest Payment Date falling on or around **[insert date]** (the "Maturity Date").

[If the Covered Bonds are subject to Early Redemption at the Option of the Issuer insert:

- (2) *Early Redemption at the Option of the Issuer.*

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 45 calendar days if the Covered Bonds are issued outside of the Czech Republic or 14 calendar days if the Covered Bonds are issued in the Czech Republic]** calendar days' **[in case of a Maximum Notice Period insert:** and not more than [60][insert other number of calendar days] calendar days'] notice in accordance with § 5 (2) (b), redeem all but not some only of the Covered Bonds at their principal amount together with accrued interest, if any, to but excluding the (relevant) Optional Redemption Date on the Optional Redemption Date(s).

Optional Redemption Date(s): **[insert Optional Redemption Date(s)]**

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Covered Bonds subject to redemption; and
 - (ii) the Optional Redemption Date(s).

[If the Covered Bonds are not subject to Early Redemption at the Option of the Issuer or in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:

- (2) *No Early Redemption at the Option of the Issuer.* The Covered Bonds may not be redeemed at the option of the Issuer prior to their Maturity Date **[in the case the Covered Bonds are issued outside of the Czech Republic and are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation reasons insert:** other than in case of an early redemption pursuant to § 5 (4)].

- (3) *No Early Redemption at the Option of a Holder.* The Holders do not have a right to demand the early redemption of the Covered Bonds.

[If the Covered Bonds are issued outside of the Czech Republic:

- (4) *Early Redemption for Reasons of Taxation.*

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 45 calendar days]** calendar days' **[in case of a Maximum Notice Period insert:** and not more than 60 calendar days'] notice in accordance with § 5 (4) (b), redeem all but not some only of the Covered Bonds on any Interest Payment Date at their principal amount together with accrued interest,

if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Covered Bonds is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the [Fiscal Agent]¹⁶ [Paying Agent] (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Covered Bonds then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Covered Bonds subject to redemption;
 - (ii) the date fixed for redemption.]

§ 6

[FISCAL AGENT]¹⁷, PAYING AGENT[S] AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The [initial Fiscal Agent and the] initial Principal Paying Agent [***if (a) further paying agent(s) shall be appointed, insert:*** and the initial Paying Agent(s)] and the initial Calculation Agent and their respective initial specified offices are:

[Fiscal Agent and] Principal Paying Agent:

[Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]

[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

Calculation Agent:

[Česká spořitelna, a.s.
Budějovická 1518/13a,b
Prague 4
Post Code 14000
Czech Republic]

[If another Calculation Agent shall be appointed, insert its name and initial specified office.]

The [Fiscal Agent, the] Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same city.

¹⁶ Not applicable in case of a series of Covered Bonds which are issued as book-entry securities.

¹⁷ Not applicable in case of Covered Bonds which are issued as book-entry securities.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the [Fiscal Agent or]¹⁸ Paying Agent or the Calculation Agent and to appoint [another Fiscal Agent or] additional Paying Agents or another Calculation Agent. The Issuer shall at all times maintain [(i) a Fiscal Agent [,] [and]] [(ii)] so long as the Covered Bonds are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities]] [***in case of Covered Bonds the Specified Currency of which is U.S. dollar, insert: [,] [and] [(iii)]***] if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York] and [(iv)] a Calculation Agent. If the issuer decides to change the Paying Agent [or the Fiscal Agent] or the Calculation Agent, the Issuer [,] [or] the Paying Agent [or the Fiscal Agent] or the Calculation Agent will notify the Holders in the same manner as the Issuer has published these Terms and Conditions and such change will take effect upon the expiry of a period of 15 calendar days from the date of such notification, unless a later effective date is specified in this notification. In any case, any change that would otherwise take effect less than 30 calendar days before or after the relevant due date of any amount in connection with the Covered Bonds, shall take effect on the 30th calendar day after the relevant due date.

(3) *Agents of the Issuer.* The [Fiscal Agent[,] [and] the]¹⁹ Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the [Fiscal Agent]²⁰ [Paying Agent] shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer[, the Paying Agent][, the Calculation Agent] and the Holders and, in the absence of the aforesaid, no liability to the Issuer[, the Paying Agent], the Calculation Agent or the Holders shall attach to the [Fiscal Agent] [Paying Agent] in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7 TAXATION

[If the Covered Bonds are issued outside of the Czech Republic:

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Covered Bonds, the Issuer may pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Covered Bond:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Covered Bond by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Covered Bond; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.]

¹⁸ Not applicable in case of Covered Bonds which are issued as book-entry securities.

¹⁹ Not applicable in case of Covered Bonds which are issued as book-entry securities.

²⁰ Not applicable in case of Covered Bonds which are issued as book-entry securities.

[In case of Covered Bonds issued in the Czech Republic insert:

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Czech Republic or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct under Czech law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by the Act No. 586/1992 Coll, Income Taxes Act, as amended ("**Czech Income Taxes Act**"), or apply a lower rate of withholding or deduction if:

- (i) the Holder entitled to payment of interest on the Covered Bonds is resident for tax purposes in a jurisdiction with which the Czech Republic has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Covered Bonds is not subject to taxation in the Czech Republic, or subject to a lower rate of withholding or deduction in the Czech Republic than the rate imposed under Czech Income Taxes Act at the time of payment, and
- (ii) at least 5 calendar days prior to the relevant interest due date that Holder provides to the Issuer (x) a tax residency certificate (in original or notarised photocopy form) valid for the respective interest due date (together with a certified and notarised translation thereof into the English or the Czech language if such certificate is issued in a language other than the English or the Czech language) issued by the competent tax authority in the jurisdiction where such Holder is tax resident and attesting such Holder's tax residency in such jurisdiction and (y) any other documentary evidence as may be required from time to time by Czech law and as notified by the Issuer in accordance with § 10 to the Holders.]

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Covered Bonds to a Holder or beneficial owner of Covered Bonds sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

**§ 8
PRESCRIPTION**

Claims against the Issuer for payment in respect of the Covered Bonds shall be prescribed and become void unless made within three years upon the date when they could be made for the first time but no later than ten years upon the relevant due date.

**§ 9
FURTHER ISSUES OF COVERED BONDS,
REPURCHASES AND
CANCELLATION**

(1) *Further Issues of Covered Bonds.* The Issuer may from time to time, without the consent of the Holders, issue further Covered Bonds having the same terms as the Covered Bonds in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Covered Bonds.

(2) *Repurchases.* The Issuer and any of its subsidiaries may at any time repurchase Covered Bonds in the open market or otherwise. Covered Bonds which are repurchased under these Terms and Conditions by the Issuer shall not be terminated and it is up to the discretion of the Issuer whether to hold them in its ownership and eventually resell them or to decide on their termination due to the rights and obligations merging. If the Issuer does not decide about the earlier termination of the Covered Bonds owned by the Issuer, rights and obligations arising from these Covered Bonds owned by the Issuer will cease by the time of their maturity.

(3) *Cancellation.* All Covered Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 10
NOTICES**

(1) *Publication.* All notices of facts concerning the Covered Bonds shall be published on the website of the Issuer ("www .csas.cz") in the Czech or English language. Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

[In the case of Covered Bonds issued as book-entry securities insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the central records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds and includes the Clearing System.]

[In the case of Covered Bonds which will be represented by a Global Note insert:

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Covered Bonds which are to be given by any Holder to the Issuer shall be validly given if delivered in text format (e.g. in writing) in the Czech or English language to the Issuer. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Covered Bonds. Such evidence may be in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership in the Global Note or a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business which maintains the follow-up records of the separate records in respect of the Covered Bonds and with which the Holder maintains a securities account in respect of the Covered Bonds.]

[In the case of modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:

**§ 11
MEETING OF HOLDERS,
MODIFICATIONS AND WAIVER**

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by majority resolution, to the following measures, among others:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) subordination of the claims under the Covered Bonds during insolvency proceedings of the Issuer;
- (e) conversion or exchange of the Covered Bonds into shares, other securities or other promises of performance;
- (f) changes in the currency of the Covered Bonds;
- (g) waiver or limitation of the Holders' right of termination;
- (h) substitution of the Issuer; and
- (i) amendments to or cancellation of ancillary conditions of the Covered Bonds.

(3) *Convening a Meeting of Holders.* The Holders' meeting (the "**Meeting of Holders**") shall be convened by the Issuer or by the Joint Representative or by a Holder on its request in a case stipulated by law. It shall be convened if Holders who together hold 5 per cent. of the outstanding Covered Bonds request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer, place, date and time of the Meeting of Holders including the Decisive Day, the agenda and the conditions on which attendance at the Meeting of Holders and the exercise of voting rights shall depend, description of the Covered Bonds and ISIN of Covered Bonds (if applicable). The convening notice shall be published pursuant to § 10.

"**Decisive Day**" means a decisive day for participation in the Meeting of Holders which is the 7th calendar day preceding the day of the Meeting of Holders.

[In case of Covered Bonds issued as book-entry securities insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a special confirmation issued by the Clearing System or the Custodian in text form shall be presented.]

[In case of Covered Bonds which will be represented by a Global Note insert:

(5) *Convening Period, Evidence.* The Meeting of Holders shall be called at least 15 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Meeting of Holders a confirmation issued by the Fiscal Agent in the form of an extract from the Holders' Registry evidencing the respective Holder's co-ownership on the Global Note will be presented. Such evidence may also be in the form of a certification issued by the Custodian with which the Holder maintains a securities account in respect of the Covered Bonds that such Holder is, at the time such notice is given, the Holder of the relevant Covered Bonds.]

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Meeting of Holders is to pass a resolution. The agenda of the Meeting of Holders shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 per cent. of the outstanding Covered Bonds may request that new items be published for resolution. Such new items must be published no later than the third calendar day preceding the Meeting of Holders. Without undue delay and until the date of the Meeting of Holders, the Issuer shall make available to the Holders on its website ("[www.csas.cz/en/documents-to-download#/">www.csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)), any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Meeting of Holders shall have a quorum if the persons present represent at least 30 per cent of the outstanding Covered Bonds by value. If the Meeting of Holders does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution(s) anew. If the Meeting of Holders does not have a required quorum and it decides about the change of Terms and Conditions, the Chairperson may convene a second meeting within 6 weeks since the day when the original meeting was held for the purposes of passing the resolution(s) anew, such second meeting requires no quorum and needs to be announced to Holders no later than 15 calendar days from the day when the original meeting was held.. Covered Bonds for which voting rights have been suspended shall not be included in the outstanding Covered Bonds.

(8) *Majority Requirements.* Resolutions relating to amendments of these Terms and Conditions and where it is specified in these Terms and Conditions or the Czech Act on Bonds, shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast.

(9) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Covered Bonds held by such Holder. Voting rights are suspended with respect to the Covered Bonds attributable to the Issuer or held for the account of the Issuer. The Issuer may not make available Covered Bonds for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Meeting of Holders or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Meeting of Holders or a vote.

(10) *Chair of the Vote*. The vote will be chaired by a notary appointed by the Issuer or the Joint Representative (the "**Chairperson**").

(11) *Voting, Minutes*. In order to be valid, any resolution passed by the Meeting of Holders shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The minutes shall be prepared no later than 30 calendar days from the day of the convention of the meeting.

(12) *Publication of Resolutions*. The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10, no later than 30 calendar days from the day of its convention. In addition, for a period of at least one month commencing on the calendar day following the Meeting of Holders, the Issuer shall make available to the public on its website ("[www .csas.cz/en/documents-to-download/#/](http://www.csas.cz/en/documents-to-download/#/)") the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(13) *Joint Representative*.

[If no Joint Representative is designated in the Terms and Conditions insert:

The Holders may by a Qualified Majority appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert:

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall be entitled to exercise all rights and liabilities related to the Covered Bonds on behalf and in the benefit of the Holders. The Joint Representative shall also be entitled to control the fulfillment of the Terms and Conditions by the Issuer and to make other acts for the benefit of the Holders or to protect their interests in other way. The Joint Representative shall always comply with the instructions of the Holders adopted on the Meeting of Holders. To the extent that the Joint Representative exercised certain rights related to the Covered Bonds on behalf of the Holders, the Holders shall not be entitled to exercise such rights themselves. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the due care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

**§ [12]
APPLICABLE LAW,
PLACE OF JURISDICTION
AND ENFORCEMENT**

(1) *Applicable Law*. The Covered Bonds and any non-contractual obligations arising out of or in connection with the Covered Bonds are governed by, and shall be construed in accordance with, Czech law.

(2) *Place of Jurisdiction*. The competent Czech courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Covered Bonds (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Covered Bonds), to the extent permissible according to applicable mandatory provisions of law.

(3) *Enforcement*. Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Covered Bonds in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

5. FORM OF FINAL TERMS

[Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds to be issued under the Covered Bonds Programme]

[insert date]

Final Terms

PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Directive 2014/65/EU, as amended ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (IDD), as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any natural person.

MiFID II Product Governance / Eligible Counterparties and Professional Investors Only Target Market

Solely for the purposes of [the] [each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II") [*specify further target market criteria*]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*specify negative target market, if applicable*]. Any person subsequently offering, selling or recommending the Covered Bonds (a "Distributor") should take into consideration the manufacturer[s]'s target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[s]'s target market assessment) and determining appropriate distribution channels.

Česká spořitelna, a.s.

[insert title of relevant Tranche of Covered Bonds] (the "Covered Bonds")

issued pursuant to the

Covered Bonds Programme

of

Česká spořitelna, a.s.

[Initial] Issue Price: [] per cent. [plus the issue charge mentioned in Part B.]

Issue Date: []²¹

Series No.: []

Tranche No.: []

²¹ The Issue Date is the date of issue and payment of the Covered Bonds. In the case of free delivery, the Issue Date is the delivery date.

IMPORTANT NOTICE

[These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended and must be read in conjunction with the base prospectus consisting of separate documents (i.e. (i) the securities note dated 6 May 2022 [and its supplement[s]] (the "**Securities Note**") and (ii) the registration document of Česká spořitelna, a.s. (the "**Issuer**") dated 2 December 2021 [and its supplement[s]]) (the "**Prospectus**") pertaining to the Covered Bonds Programme (the "**Programme**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("www.csas.cz/en/documents-to-download#/1100/Covered-Bonds-Programme"). Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.]²²

[These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended, and must be read in conjunction with the base prospectus (consisting of (i) the securities note dated 6 May 2022 [and its supplement[s]] (the "**Securities Note**") and (ii) the registration document of Česká spořitelna, a.s. (the "**Issuer**") dated 2 December 2021, [and its supplement[s]]) (the "**Prospectus**") pertaining to the Covered Bonds Programme (the "**Programme**"), the final terms (the "**Original Final Terms**") and the terms and conditions (the "**Original Terms and Conditions**") set forth in the Securities Note dated 30 March 2021 and its supplement. The Terms and Conditions set out in PART A. below have been extracted in whole from the Original Final Terms. The Original Terms and Conditions will replace the Terms and Conditions of the Covered Bonds set out in the Securities Note in whole. Capitalised terms used in the Terms and Conditions set out in PART A. below but not otherwise defined herein shall have the meanings specified in the Original Terms and Conditions when used in the Terms and Conditions set out in PART A. below. The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("www.csas.cz/en/documents-to-download#/1100/Covered-Bonds-Programme"). Full information on the Issuer and the Covered Bonds is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.]²³

²² Use only if the relevant issue is not an increase of an issue which was issued under the Prospectus used prior to the current Prospectus.

²³ Use only if the relevant issue increases an issue which was issued under the current Prospectus used prior to the prospectus dated 30 March 2021.

PART A. – TERMS AND CONDITIONS OF THE COVERED BONDS

[In case the options applicable to the relevant Tranche of Covered Bonds shall be determined by replicating the relevant provisions set forth in this Securities Note as Option I, Option II, Option III or Option IV (including any further options contained in such Options), and completing the relevant placeholders, insert:

The Conditions applicable to the Covered Bonds are set out below:

[In the case of Covered Bonds with a fixed interest rate the relevant provisions of Option I (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]

[In the case of Covered Bonds with a floating interest rate the relevant provisions of Option II (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]

[In the case of Covered Bonds without periodic interest payments the relevant provisions of Option III (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]

[In the case of Covered Bonds which commence with a fixed interest rate which is superseded by a floating interest rate the relevant provisions of Option IV (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]]

[In case the options applicable to the relevant Tranche of Covered Bonds shall be determined by making reference to the relevant provisions set forth in this Securities Note as Option I, Option II, Option III or Option IV (including any further options contained in such Options), insert:

This Part A. of the Final Terms shall be read in conjunction with the set of Terms and Conditions of the Covered Bonds that applies to Covered Bonds [with a fixed interest rate] [with a floating interest rate] [without periodic interest payments] [which commence with a fixed interest rate which is superseded by a floating interest rate] (the "**Terms and Conditions**") and that is set forth in the Securities Note as [Option I] [Option II] [Option III] [Option IV]. Capitalised terms not otherwise defined in these Final Terms shall have the meanings specified in the Terms and Conditions of the Covered Bonds when used in these Final Terms.

All references in this Part A. of the Final Terms to sections and paragraphs are to sections and paragraphs of the Terms and Conditions of the Covered Bonds.

The blanks in the provisions of the Terms and Conditions of the Covered Bonds, which are applicable to the Covered Bonds shall be deemed to be completed by the information contained in these Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions of the Covered Bonds corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions of the Covered Bonds applicable to the Covered Bonds.]

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)

Currency and Denomination

Specified Currency	[]
Aggregate Principal Amount	[up to] []
Aggregate Principal Amount in words	[]
Specified Denomination	[] ²⁴

Form of the Covered Bonds

- Book-entry notes (in Czech "*zaknihované dluhopisy*") under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) issued as book-entry securities
- Certificated notes (in Czech "*listinné dluhopisy*") which are issued to the order of the respective Holder under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and which

²⁴ EUR 100,000 or the relevant equivalent of EUR 100,000 in CZK or in other currencies at the time of issue.

are represented by the Global Note which is an immobilised security

[Other information

- | | | |
|--------------------------|---|---------------------------------------|
| <input type="checkbox"/> | Any other information required to be included under Czech law (in particular the Czech Act on Bonds) | [specify] |
| | Time limit for the subscription of the Covered Bonds | [specify] |
| | The Issuer has decided that the Covered Bonds will be issued in total nominal value which is greater than the anticipated nominal value | [Applicable][Not applicable][specify] |
| | The Issuer has decided that the Covered Bonds will be issued up to the anticipated total nominal value of Covered Bonds | [Applicable][Not applicable][specify] |
| | Method and place of the subscription of the Covered Bonds | [specify] |
| | Method and deadline for the delivery of the Covered Bonds | [specify] |
| | Method and place of payment of the issue price for the subscribed Covered Bonds | [specify] |
| | [Information regarding the administration of the issue of the Covered Bonds | [specify]] |

Statement regarding supervision

Neither the issuance of the Covered Bonds nor, in relation to the approval of the Prospectus consisting of separate documents (i.e. the Securities Note and the Registration Document), Česká spořitelna, a.s., as an issuer, is subject to the supervision of the Czech National Bank.]

Business Day

- | | | |
|--------------------------|---|-----|
| <input type="checkbox"/> | Specified Currency is not Euro or Czech koruna | |
| | <input type="checkbox"/> Relevant Financial Centre[s] | [] |
| | <input type="checkbox"/> TARGET | |

STATUS (§ 2)

- | | |
|--------------------------|------------------------|
| <input type="checkbox"/> | Mortgage Covered Bonds |
| <input type="checkbox"/> | Public Covered Bonds |
| <input type="checkbox"/> | Mixed Covered Bonds |

Covered Bonds meeting the CRR requirements

[Applicable][Not applicable]

INTEREST (§ 3)

- | | | |
|--------------------------|--|---|
| <input type="checkbox"/> | Fixed Rate Covered Bonds (Option I) | |
| | [Interest Commencement Date | [] |
| | Rate of Interest | [] per cent. <i>per annum</i> |
| | <input type="checkbox"/> Short or long first or last Interest Period | [[first] [last] payment of interest] |
| | Regular interest payments | [quarterly] [semi-annually]
[annually] |
| | Interest Payment Dates | [] |
| | First Interest Payment Date | [] |
| | Last Interest Payment Date | [] |
| | Day Count Fraction | |

<input type="checkbox"/> Actual/Actual (ICMA)	
[Determination Date(s)]	[]
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis]	
<input type="checkbox"/> Floating Rate Covered Bonds (Option II)	
[Interest Commencement Date	[]
<input type="checkbox"/> Specified Interest Payment Dates	[]
<input type="checkbox"/> Short or long first or last Interest Period	[[first] [last] payment of interest]
<input type="checkbox"/> Specified Interest Periods	[insert number] [weeks] [months]
Business Day Convention	
<input type="checkbox"/> Modified Following Business Day Convention (adjusted)	
<input type="checkbox"/> Following Business Day Convention (adjusted)	
<input type="checkbox"/> Preceding Business Day Convention (adjusted)	
<input type="checkbox"/> Modified Following Business Day Convention (unadjusted)	
<input type="checkbox"/> Following Business Day Convention (unadjusted)	
<input type="checkbox"/> Preceding Business Day Convention (unadjusted)	
Rate of Interest	Reference Rate [[plus] [minus] Margin] [[and] multiplied by the Factor]
<input type="checkbox"/> Margin	
<input type="checkbox"/> plus	[] per cent. <i>per annum</i>
<input type="checkbox"/> minus	[] per cent. <i>per annum</i>
<input type="checkbox"/> Factor	[]
[Minimum Rate of Interest	[] per cent. <i>per annum</i>]
Original Benchmark Rate	[insert applicable reference rate] ["CNB 2 week repo rate" (in Czech: "dvoutýdenní repo sazba ČNB")]
Time of the Screen Page Determination	[insert applicable time and financial centre]
Financial centre and time	[insert relevant time and financial centre]
City of the interbank market	[]
Day count basis	[specify]
Minimum number of Reference Banks offering quotations for the Reference Rate for determinations of the Calculation Agent	[two][insert number]
Rounding method for Calculation Agent's determinations	to the nearest [insert relevant fraction] of a percentage point, with [insert relevant fraction] being rounded upwards
Interest Determination Date	[]

Business Days for the purposes of § 3 (2)	
<input type="checkbox"/> Business Days as defined in § 1 ([7])	
<input type="checkbox"/> Other	[specify]
Reference Banks	[four][insert number] major banks in the [insert relevant financial centre] interbank market
Screen Page	[specify] [the Official Journal of the Czech National Bank as available on the website "https://www.cnb.cz/cs/casto-kladene-dotazy/Jak-se-vyvijela-dvoutydeni-repo-sazba-CNB/"]
Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
[Determination Date(s)]	[]
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis]	
<input type="checkbox"/> Covered Bonds without periodic interest payments (Option III)	
[Issue yield	[] per cent.]
<input type="checkbox"/> Fixed to Floating Rate Covered Bonds (Option IV)	
Fixed Rate Interest Periods (§ 3 (1))	
[Interest Commencement Date	[]
Fixed Rate of Interest	[] per cent. <i>per annum</i>
<input type="checkbox"/> Short or long first or last Interest Period	[[first] [last] payment of interest]
Regular fixed rate interest payments	[quarterly] [semi-annually] [annually]
Fixed Rate Interest Payment Dates	[]
First Fixed Rate Interest Payment Date	[]
Reset Date	[]
Fixed Rate Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
[Fixed Rate Determination Date(s)]	[]
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis	
Floating Rate Interest Periods (§ 3 (2))	
<input type="checkbox"/> Specified Floating Interest Payment Dates	[]
<input type="checkbox"/> Short or long first or last Interest Period	[[first] [last] payment of interest]
<input type="checkbox"/> Specified Floating Interest Periods	[insert number] [weeks] [months]

Floating Rate Business Day Convention

- Modified Following Business Day Convention (adjusted)
- Following Business Day Convention (adjusted)
- Preceding Business Day Convention (adjusted)
- Modified Following Business Day Convention (unadjusted)
- Following Business Day Convention (unadjusted)
- Preceding Business Day Convention (unadjusted)

Floating Rate of Interest

- Margin
 - plus
 - minus
- Factor

[Minimum Floating Rate of Interest

Original Benchmark Rate

Time of the Screen Page Determination

Financial centre and time

City of the interbank market

Day count basis

Minimum number of Reference Banks offering quotations for the Reference Rate for determinations of the Calculation Agent

Rounding method for Calculation Agent's determinations

Interest Determination Date

Business Days for the purposes of § 3 (2) (b)

- Business Days as defined in § 1 ([7])
- Other

Reference Banks

Screen Page

Floating Rate Day Count Fraction

Reference Rate **[plus] [minus] Margin [and] multiplied by the Factor**

[] per cent. *per annum*

[] per cent. *per annum*

[]

[] per cent. *per annum*

[insert applicable reference rate]
["CNB 2 week repo rate" (in Czech: "dvoutýdenní repo sazba ČNB")]

[insert applicable time and financial centre]

[insert relevant time and financial centre]

[]

[specify]

[two][insert number]

to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards

[]

[specify]

[four][insert number] major banks in the **[insert relevant financial centre]** interbank market

[specify] [the Official Journal of the Czech National Bank as available on the website
"https://www.cnb.cz/cs/casto-kladene-dotazy/Jak-se-vyvijela-dvoutydeni-repo-sazba-CNB/"]

- Actual/Actual (ICMA)
[Floating Rate Determination Date(s) []]
- Actual/365 (Fixed)
- Actual/360
- 30/360, 360/360 or Bond Basis
- 30E/360 or Eurobond Basis]

[PAYMENTS (§ 4)

Payment Reference Date

at the close of business on the [7th][30th] calendar day before the due date for payment thereof (including the Maturity Date)

Payment Business Day

- Specified Currency is not Euro or Czech koruna
 - Relevant Financial Centre[s] []
 - TARGET
 - Business Day Convention²⁵
 - Following Business Day Convention
 - Modified Following Business Day Convention
 - Preceding Business Day Convention
- [Adjustment of Interest Periods²⁶
- Adjusted
 - Unadjusted]]

REDEMPTION (§ 5)

Redemption on the Maturity Date

Maturity Date []

[Redemption Price²⁷ [] per cent.]

Early Redemption at the Option of the Issuer [yes] [no]

[Minimum Notice Period ***[insert Minimum Notice Period (which shall not be less than 45 calendar days if the Covered Bonds are issued outside of the Czech Republic or 14 calendar days if the Covered Bonds are issued in the Czech Republic)]*** calendar days

Maximum Notice Period [not applicable] [[60][***insert other number of calendar days]*** calendar days]

Optional Redemption Date(s) [***specify]***

²⁵ To be completed in the case of Fixed Rate Covered Bonds, Covered Bonds without periodic interest payments and Fixed to Floating Rate Covered Bonds.

²⁶ To be completed in the case of Fixed Rate Covered Bonds and Fixed to Floating Rate Covered Bonds.

²⁷ To be completed in the case of Covered Bonds without periodic interest payments.

[Optional Redemption Amount(s)]²⁸

[specify]]

[Early Redemption for Reasons of Taxation]²⁹

[yes] [no]

Minimum Notice Period

[insert Minimum Notice Period
(which shall not be less than 45
calendar days)] calendar days

Maximum Notice Period

[not applicable] [60 calendar days]

[Issue Date]³⁰

[specify]

Issue Price

[specify]

Day Count Fraction

- 30/360, 360/360 or Bond Basis
- 30E/360 or Eurobond Basis]]

[FISCAL AGENT[,] [AND]] PAYING AGENT[S] [AND CALCULATION AGENT] (§ 6)

Fiscal Agent

Česká spořitelna, a.s.

Other

[]

Principal Paying Agent

Česká spořitelna, a.s.

Other

[]

Additional or other Fiscal and/or Paying Agent[s] and specified office(s)

[]

Calculation Agent

Česká spořitelna, a.s.

Other

[]

TAXATION (§ 7)

Issued outside of the Czech Republic

Issued in the Czech Republic

MEETING OF HOLDERS, MODIFICATIONS AND WAIVER (§ 11)

Applicable

Not applicable

[Appointment of a Joint Representative of the Holders

by majority resolution of the Holders

in the Terms and Conditions

[insert name and address of the
Joint Representative]]

²⁸ Insert in the case of Covered Bonds without periodic interest payments.

²⁹ Insert in the case the Covered Bonds are issued outside of the Czech Republic.

³⁰ Insert the following lines in case the Covered Bonds are issued outside of the Czech Republic and are Covered Bonds without periodic interest payments.

PART B. – OTHER INFORMATION

ESSENTIAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- [Save for [the fees payable to the Manager[s]] [the commercial interests of the Manager[s]] [the [swap] [derivatives] agreement [●] and the Issuer have entered into with regard to the Covered Bonds] [if any], so][So] far as the Issuer is aware, no person involved in the issue or offering of the Covered Bonds has an interest material to the issue or the offering.
- Other Interests, including conflicts of interest **[specify details]**

[Use of Proceeds³¹

[specify details]

Estimated net amount of the proceeds

[]

INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

Securities Codes

- ISIN []
- Common Code []
- Any Other Security Code []

Issue Yield³²

[Not applicable] [[] per cent. *per annum* [until the Reset Date] (in case there is no early redemption).]

Issue charge

[Not applicable] [[] per cent.]

Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation³³

[Not applicable] **[specify details]**

Resolutions, authorisations and approvals by virtue of which the Covered Bonds will be created and/or issued

[specify details]

[Offeror of the Covered Bonds and/or the person asking for admission to trading³⁴

[Insert the identity and contact details of the offeror of the Covered Bonds and/or the person asking for admission to trading, including the legal entity identifier (LEI) where the offeror has legal personality]

PLACING AND UNDERWRITING

Method of Distribution

- Non-Syndicated
- Syndicated

Details with regard to the Manager[s] (including the type of commitment)

³¹ See the section entitled "2. General Information - Use of proceeds" in the Securities Note. If the use of the net proceeds is different from the information set out therein, insert the relevant information. If further details regarding the use of the net proceeds by the respective Issuer need to be disclosed, insert those details.

³² Applicable in the case of Fixed Rate Covered Bonds and Covered Bonds without periodic interest payments.

³³ Specify further details in case a Joint Representative will be appointed pursuant to § 11 of the Terms and Conditions of the Covered Bonds.

³⁴ Insert only if the offeror of the Covered Bonds and/or the person asking for admission to trading is different from the Issuer.

Manager[s] **[specify name(s) and address(es) of Manager(s)]**[Not applicable]

- Firm Commitment
- Without Firm Commitment

Stabilising Manager **[specify details]** [Not applicable]

LISTING[S], ADMISSION[S] TO TRADING AND DEALING ARRANGEMENTS

Listing[s] [Yes] [No]

- Vienna - Official Market
- Prague - Regulated Market
- [Listing Agent
 - Česká spořitelna, a.s.
 - Other

[]

[Expected] Date of Admission

[]

Estimate of the total expenses related to the admission to trading

[]

ADDITIONAL INFORMATION

Rating[s]

[As at the date of these Final Terms the Covered Bonds [have not been rated. The Issuer reserves the right to apply for a rating in future.] [have been rated as follows:]] [It is expected that the Covered Bonds will be rated as follows:]³⁵

[Insert details on whether the relevant rating agency is established in the European Union and is registered (pursuant to the current list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority ("www.esma.europa.eu")) pursuant to Regulation (EC) No 1060/2009, as amended, or has applied for registration.]

Selling Restrictions

TEFRA

- TEFRA C
- Non-TEFRA

Additional Selling Restrictions

[Not applicable] **[specify detail]**

[Third Party Information

[specify relevant information] has been extracted from **[specify relevant source of information]**. The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by **[specify relevant source of information]**, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[Statement on benchmarks according to Article 29 (2) of the Benchmark Regulation:

[[As of the Reset Date the] [The] amount(s) payable under the Covered Bonds is/are calculated by reference to **[specify benchmark(s): ●]**, which is/are provided by **[insert administrator(s) legal name: ●]**. As at the date of these Final Terms, **[insert administrator(s) legal name: ●]** is/are [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Regulation (EU) 2016/1011. [As at the date of these Final Terms, **[insert administrator(s) legal name: ●]** is/are

³⁵ If the Covered Bonds have been rated independently of the Programme insert such ratings.

not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) 2016/1011.]]

[As far as the Issuer is aware, **[[insert benchmark(s): ●]** does/do not fall within the scope of the Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation] [and/or] [the transitional provisions in Article 51 of the Regulation (EU) 2016/1011 apply], such that **[[insert names(s) of administrator(s): ●]** is/are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).] **[[insert alternative statement on benchmarks according to Article 29 (2) of the Benchmark Regulation, if applicable: ●]]**

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised

6. SUBSCRIPTION AND SALE

GENERAL

The Issuer will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Prospectus or any offering material in relation to the Prospectus or the Covered Bonds and will obtain any consent, approval or permission required from it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries of Covered Bonds and the Issuer shall not have any responsibility therefor.

The Issuer does not represent that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

NO PUBLIC OFFERING

No action has been or will be taken in any country or jurisdiction by the Issuer that would permit a public offering of the Covered Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons who have access to this Securities Note are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdictions in or from which they purchase, offer, sell or deliver the Covered Bonds or have in their possession or distribution such offering material, in all cases at their own expense.

UNITED STATES OF AMERICA

The Covered Bonds have not been and will not be registered under the Securities Act. Except in certain transactions exempt from the registration requirements of the Securities Act, the Covered Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act.

The Covered Bonds will not be offered, sold or delivered within the United States or to U.S. persons.

In addition, until 40 days after the commencement of the offering of the Covered Bonds of the Tranche of which such Covered Bonds are a part, an offer or sale of the Covered Bonds within the United States may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

The Issuer has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Prospectus as completed by the relevant Final Terms in relation hereto to any retail investor in the EEA. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

UNITED KINGDOM

Prohibition of Sales to UK Retail Investors

Any Covered Bonds which are the subject of the offering contemplated by the Prospectus as completed by the relevant Final Terms in relation thereto to any retail investor in the United Kingdom ("**UK**"). For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the IDD where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Any offeror of Covered Bonds will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK.

JAPAN

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**") and have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

7. TAXATION

This section provides information about taxation which is required by Section 9 (1) h) of the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and related Czech legislation effective as of the date of this Securities Note if the Covered Bonds would be issued by Česká spořitelna under Czech law. This summary does not specifically comment on or take into account the impact of the U.S. Foreign Account Tax Compliance Act ("FATCA") or any of its aspects.

The following summary of selected tax aspects regarding the purchase, holding and disposal of the Covered Bonds is based on the Czech Act No. 586/1992 Coll., on Income Taxes, as amended, and related legislation effective as at the date of this Securities Note, as well as on the prevailing interpretation of those laws and other regulations applied by the Czech tax authorities that are known to Česká spořitelna as at the date of this Securities Note. It should be noted that this summary reflects significant changes to the taxation of bonds (including the Covered Bonds issued by Česká spořitelna) as introduced by the amendments to the Czech income taxes act which are effective as of 1 January 2021 or 1 January 2022, respectively (the ITA Amendments). The ITA Amendments rules affecting taxation of bonds (including the Covered Bonds issued by Česká spořitelna) are untested in practice and there is neither any prevailing interpretation nor any administrative guidance available.

The information contained herein is intended only as a general guide and is not intended and should not be construed as legal or tax advice for any prospective investor in the Covered Bonds. While this summary is considered to be a correct interpretation of existing Czech laws in force on the date of this Securities Note, the courts or tax authorities responsible for the administration of such laws might not agree with the interpretations made.

It is recommended that any parties interested in acquiring any Covered Bonds consult their legal and tax advisors (taking into account all relevant factual and legal circumstances relevant to their particular situation and the possible specific regime under which selected potential acquirers operate, such as investment funds, mutual funds, pension funds, investors acquiring the Covered Bonds through a permanent establishment in the Czech Republic, etc.) regarding the tax consequences of purchasing, holding and disposing of the Covered Bonds and receiving payments on the Covered Bonds under the tax legislation in effect in the Czech Republic, in the countries where the parties are resident, and in the countries where the proceeds from holding or selling the Covered Bonds could be taxed. Proceeds from the Covered Bonds may be treated either as interest income or capital gains, which may lead to differences in how they are taxed. Among other things, prospective investors should verify the nature of the Covered Bonds and the type of income for each type of Covered Bonds.

The description below assumes that the person receiving any payments on the Covered Bonds is the beneficial owner of that income; i.e. that the person is not an agent or depositary receiving the payments on behalf of another person.

Covered Bonds issued by Česká spořitelna outside of the Czech Republic

General Remarks

The taxation of income received or accrued in connection with such Covered Bonds differs for individual taxpayers and corporate income taxpayers (i.e. entities other than individuals). For the taxation of the proceeds from the Covered Bonds is also relevant whether they are paid as periodic interest or only upon the redemption of the Covered Bonds (in the form of a difference between the amount paid upon the redemption of the Covered Bond and its acquisition price). In addition, the taxation depends on whether the holder of such Covered Bonds is considered a resident in the Czech Republic for income tax purposes (further referred to as "**Czech Holder**") and is therefore subject to income tax in the Czech Republic on his or her worldwide income. Holders of such Covered Bonds who are not considered a resident in the Czech Republic for tax purposes (further referred to as "**Non-Czech Holders**") are subject to income tax only on income from Czech sources. Income tax liability in the Czech Republic may be restricted by an applicable double taxation treaty.

A holder of such Covered Bonds does not become and is not deemed to become a Czech Holder solely by reason of holding of such Covered Bonds or the execution, performance, delivery or enforcement of such Covered Bonds.

Interest paid under the Covered Bonds as well as proceeds from the redemption of the Covered Bonds have a specific treatment under Czech tax laws if the Covered Bonds are issued outside of the Czech Republic by Czech-resident issuers. Although there is certain interpretational uncertainty, there are good arguments to believe that (i) the Covered Bonds issued by Česká spořitelna should be treated as issued outside of the Czech Republic under Czech tax laws if (among other things) such Covered Bonds will be initially issued in a global-certificated form abroad and held through clearing systems based outside of the Czech Republic, each of which will keep in custody the global certificate which represents the claim for interest payments under the

Covered Bonds in its foreign-based system, and (ii) such Covered Bonds should be considered as bonds for the purposes of application of Czech tax laws because they meet the classification criteria of a bond according to Section 2(1) of Act No. 190/2004 Coll., on Bonds, as amended, save for being issued under Czech law. The remainder of this section "*Covered Bonds issued by Česká spořitelna outside of the Czech Republic*" assumes that such Covered Bonds will be treated as bonds issued outside of the Czech Republic.

Interest Payments

Interest income paid by Česká spořitelna under the Covered Bonds to a Non-Czech Holder (both individual and corporation) is generally exempt from Czech income tax and may be therefore made free of withholding or deduction of, for or on the account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Czech Republic or any political subdivision or taxing authority thereof or therein. However, the tax exemption does not apply to interest income paid to a holder who is considered to be related with Česká spořitelna either through capital (direct or indirect participation in the capital and/or voting rights of 25 per cent. is decisive) or through a legal relationship which was predominantly created for the purpose of reducing a tax base or increasing a tax loss (a "**Related Holder**").

Interest income paid by Česká spořitelna to a Non-Czech Holder who is considered to be a Related Holder and does not hold the Covered Bonds through a permanent establishment in the Czech Republic would be subject to a withholding tax. The rate of the withholding tax is generally 15 per cent. However, a withholding tax rate of 35 per cent. applies if the recipient of the interest income is not a tax-resident in another EU member state, in another state forming part of the EEA or in a third country with which the Czech Republic has concluded a valid and effective international double taxation treaty or an international tax information exchange agreement on income tax matters, including any multilateral international treaty. Holders who are tax-residents in an EU/EEA-member state may opt to include the interest income in a Czech income tax return, in which case the withholding tax would represent a tax advance. A Non-Czech Holder receiving interest income through a permanent establishment in the Czech Republic must generally report the income in a tax return to be filed in the Czech Republic.

A double taxation treaty between the Czech Republic and the country where the recipient of the interest income is a tax-resident may eliminate the Czech tax liability or reduce the withholding tax rate in the Czech Republic generally provided that the income is not attributable to a permanent establishment of the recipient in the Czech Republic. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

Interest income paid to an individual Czech Holder would be subject to a withholding tax at the rate of 15 per cent. which is deducted by Česká spořitelna when the income is paid. The withholding tax represents the final income tax liability of the individual on the interest income on the Covered Bonds in the Czech Republic.

Interest income on the Covered Bonds paid to a corporate Czech Holder is not subject to a withholding tax. Such holder of the Covered Bonds would include the interest income (on an accrual basis) in its general tax base (subject to corporate income tax at a rate of 19 per cent.).

Payments upon Redemption

The proceeds paid by Česká spořitelna to a Non-Czech Holder in the case of a redemption of the Covered Bonds are generally exempt from Czech income tax and may be therefore made free of withholding or deduction of, for or on the account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Czech Republic or any political subdivision or taxing authority thereof or therein. However, the tax exemption does not apply to proceeds paid to a Related Holder.

Czech Holders and Non-Czech Holders who are considered as Related Holders would generally need to self assess the income from the redemption of the Covered Bonds tax in their tax returns. The proceeds in the form of the difference between the nominal value of the Covered Bond paid upon redemption and its acquisition price (or between the redemption price of the Covered Bond upon early redemption and its acquisition price, respectively) would not be subject to the withholding tax. In the case of Related Holders who are not tax residents in an EU/EEA-member state, Česká spořitelna would be obliged to withhold an amount of 1 per cent from the gross amount paid (i.e. including the principal) representing a tax security advance. The tax security advance will be credited against the final tax liability with any overpayment being refunded subject to standard rules. Although there is certain interpretational uncertainty, there are good arguments to believe that the tax security advance is applicable only in if the proceeds from the Covered Bonds are paid as a discount (i.e. the Covered Bonds are issued at a price below the amount paid upon their redemption).

The taxable amount to be reported in the tax return is calculated as a (positive) difference between the amount paid upon the redemption of the Covered Bond and its acquisition price. It should be noted that the acquisition price of the Covered Bond is taken into account rather than its issue price, which is important in the case of

Covered Bonds acquired on a secondary market. However, if proceeds are paid to a Non-Czech Holder who does not hold the Covered Bonds through a permanent establishment, the taxable amount cannot exceed the difference between the amount paid upon redemption of the Covered Bond and its issue price. If a Non-Czech Holder acquired a Covered Bond on a secondary market for an amount below the issue price of the Covered Bond and the Covered Bond is attributable to a permanent establishment, such (positive) difference is also included in its general tax base (However, it can be argued that such difference is out of scope of Czech taxation).

The taxable proceeds paid to a corporate income taxpayer are included in the general tax base, which is subject to corporate income tax at a flat rate of 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance). A holder that is an accounting unit is generally required to recognise the income on an accrual basis.

The taxable proceeds paid to an individual holder are included in the general tax base, which is subject to personal income tax at a rate of 15 per cent or 23 per cent, depending on his/her applicable tax bracket (the threshold for the higher bracket is 48 times the average wage which amounts to CZK 1,867,728 in 2022). If this income is received as part of business activities, then it may also be subject to the social security and health insurance charges.

In the case of Non-Czech Holders, a double taxation treaty between the Czech Republic and the country where the recipient of the interest income is a tax-resident may eliminate the Czech tax liability. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

Notification obligation

Česká spořitelna may ask the recipient of the interest income to provide any further information that may be required to meet the notification obligation under Act 164/2013 Coll, on International Cooperation in Tax Administration, as amended, which outlines the procedures relating to the automatic exchange of information for tax purposes based on the global Common Reporting Standard, procedures under FATCA and Council Directive (EU) 2011/16/EU, as amended by Council Directive (EU) 2014/107/EU.

Capital Gains/Losses

Capital gains realised by a Non-Czech Holder, not holding the Covered Bonds through a permanent establishment in the Czech Republic, from the sale of the Covered Bonds to another Non-Czech Holder, not acquiring the Covered Bonds through a permanent establishment in the Czech Republic, will not be subject to Czech income tax.

Capital gains realised by a Non-Czech Holder, holding the Covered Bonds through a permanent establishment in the Czech Republic, from selling the Covered Bonds will be generally subject to taxation in the Czech Republic unless the Non-Czech Holder is an individual and the gain is exempt from tax (please see below).

Capital gains realised by a Non-Czech Holder, not holding the Covered Bonds through a permanent establishment in the Czech Republic, from the sale of the Covered Bonds to (i) a Czech Holder or (ii) a Non-Czech Holder acquiring the Covered Bonds through a permanent establishment in the Czech Republic will be subject to taxation in the Czech Republic unless:

- the Non-Czech Holder is resident in a country within the meaning of a double taxation treaty between that country and the Czech Republic, pursuant to the terms of which the right to tax that income is conferred exclusively to the former country; or
- the Non-Czech Holder is an individual and such gain is exempt from tax.

Where the capital gains from the sale of the Covered Bonds are taxable in the Czech Republic, then the seller has a general obligation to file a tax return in the Czech Republic.

Where the capital gain from the sale of the Covered Bonds by a Non-Czech Holder is taxable in the Czech Republic, the Non-Czech Holder is not a tax resident in an EU/EEA-member state and the buyer is a Czech tax-resident or a non-Czech tax-resident doing business in the Czech Republic through a permanent establishment to which the purchased Covered Bonds are assigned, then the buyer must generally withhold 1 per cent. from the purchase price of the Covered Bonds as a tax security advance upon payment. The tax security advance will be credited against the final tax liability with any overpayment being refunded subject to standard rules.

A double taxation treaty between the Czech Republic and the country where the seller of the Covered Bonds is tax-resident may eliminate the Czech taxation of gains from selling the Covered Bonds in the Czech Republic

(including the tax security) provided that the seller does not hold the Covered Bonds through a permanent establishment in the Czech Republic. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

Capital gains realised by Czech Holders are generally subject to Czech income tax and the Czech Holders would generally need to self assess the income tax in their tax returns. If the Czech Holder is an individual the gain can be exempt from tax (please see below).

Where the capital gains from the sale of the Covered Bonds by a corporate income taxpayer are taxable in the Czech Republic as described above (applies both for Non-Czech Holders and Czech Holders), then the gain is included in the general corporate income tax base and is subject to tax rate of 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance). Losses from the sale of the Covered Bonds are generally tax-deductible for those persons. According to some interpretations, these losses are not deductible for Non-Czech Holders who do not keep accounting records according to Czech accounting regulations.

Czech Holders who follow Czech accounting standards for entrepreneurs or Czech accounting standards for financial institutions may be required to remeasure the Covered Bonds to fair value for accounting purposes, whereby the unrealised gains and losses would be accounted for as revenue or expense, respectively. Such revenue is generally taxable and the corresponding expense is generally tax deductible for Czech tax purposes. The same tax treatment applies to Non-Czech Holders holding the Covered Bonds through a permanent establishment in the Czech Republic, if they follow Czech accounting standards requiring remeasurement of the Covered Bonds to fair value.

Capital gains realised by a Czech Holder or a Non-Czech Holder, who is an individual, from the sale of the Covered Bonds not held as part of an individual's business assets are generally exempt from personal income tax unless the individual's worldwide income (in Czech "*příjem*") from the sale of all securities and of the income received upon the cancellation of a mutual fund during the relevant tax period exceeds CZK 100,000. In addition, any capital gains from the sale of the Covered Bonds which have not been held as part of business assets are generally exempt from personal income tax after a minimum holding period of three years (this exemption does not apply where, within three years of the acquisition, consideration has been paid for a future disposal). If the Covered Bonds have been held as part of the individual's business assets the tax exemption does not apply prior to the expiry of a three year period following the termination of that individual's business activities.

Where the capital gain from the sale of the Covered Bonds by an individual is taxable in the Czech Republic under the rules described above (applies both for Non-Czech Holders and Czech Holders), then the gain is included in the general tax base, which is subject to personal income tax at a rate of 15 per cent or 23 per cent, depending on his/her applicable tax bracket (the threshold for higher bracket is 48 times the average wage which amounts to CZK 1,701,168 in 2021). If this income is received as part of business activities, then it may also be subject to the social security and health insurance charges. Losses from the sale of the Covered Bonds are generally not tax-deductible for non-business individuals unless taxable income from the sale of other securities is reported in the same tax period; in such cases, losses from the sale of the Covered Bonds can be offset against the gains from selling other securities.

Reporting Obligation

A holder of the Covered Bonds who is an individual may be obliged to report to the Czech tax authority any income earned in connection with the Covered Bonds if such income is exempt from taxation in the Czech Republic and exceeds CZK 5 million. Deadline for filling of such report is within the deadline for filling of the personal income tax return for the period in which the income was received. Non-compliance with this reporting obligation may be penalised by a sanction of 0.1 per cent. to 15 per cent. of the gross amount of the tax exempt income.

Value Added Tax

No value added tax is payable in the Czech Republic for payments made in consideration for the issue of the Covered Bonds, for interest or principal payments on the Covered Bonds or for the transfer of the Covered Bonds.

Other Taxes or Duties

No registration tax, capital tax, customs duty, transfer tax, stamp duty or other similar tax or duty is payable in the Czech Republic for or in connection with the purchase, holding or disposal of the Covered Bonds, save for disposals by donation or inheritance in certain cases.

Covered Bonds issued by Česká spořitelna in the Czech Republic

General Remarks

The taxation of income received or accrued in connection with the Covered Bonds differs for individual taxpayers and corporate income taxpayers (i.e. entities other than individuals). For the taxation of the proceeds from the Covered Bonds is also relevant whether it is paid as periodic interest or only upon the redemption of the Covered Bonds (in the form of a difference between the amount paid upon redemption of the Covered Bond and its acquisition price). In addition, the taxation depends on whether the holder of the Covered Bonds is considered a resident in the Czech Republic for income tax purposes (further referred to as "**Czech Holder**") and is therefore subject to income tax in the Czech Republic on his or her worldwide income. Holders of the Covered Bonds who are not considered resident in the Czech Republic for income tax purposes (further referred to as "**Non-Czech Holders**") are subject to income tax only on income from Czech sources. Income tax liability in the Czech Republic may be restricted by an applicable double taxation treaty.

A holder of the Covered Bonds does not become and is not deemed to become a Czech Holder solely by reason of holding of the Covered Bonds or the execution, performance, delivery or enforcement of the Covered Bonds.

Interest Income

Interest income paid to an individual taxpayer who is a Czech Holder is subject to a withholding tax which is deducted by Česká spořitelna when the income is paid. The rate of the withholding tax is 15 per cent. The withholding tax represents the final income tax liability on the interest income on the Covered Bonds in the Czech Republic.

Interest income paid to an individual taxpayer who is a Non-Czech Holder is subject to a withholding tax. The withholding tax rate is generally 15 per cent. However, a withholding tax rate of 35 per cent. applies if the Non-Czech Holder is not a tax-resident in another EU member state, in another state forming part of the EEA or in a third country with which the Czech Republic has concluded a valid and effective international double taxation treaty or an international tax information exchange agreement on income tax matters, including any multilateral international treaty. The withholding tax represents the final income tax liability on the interest income on the Covered Bonds in the Czech Republic save for an exception applicable to tax-residents in an EU/EEA member state who may opt to include the interest income in a Czech self-assessment income tax return. In this case the withholding tax represents a tax advance with any overpayment being refunded subject to standard rules.

If the recipient of the interest income is a corporate income tax payer which is either a Czech Holder or a Non-Czech Holder holding the Covered Bonds through a Czech permanent establishment, then the income will not be subject to a withholding tax but will be included in the general corporate income tax base (on an accrual basis) reported in a self-assessment income tax return. The standard corporate income tax rate is 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance). Where the Non-Czech Holder holding the Covered Bonds through a Czech permanent establishment is not a tax resident in an EU/EEA-member state Česká spořitelna must generally withhold 10 per cent. from the interest income as a tax security advance upon payment (unless this obligation is waived or the rate is reduced by decision of the tax authorities). The tax security advance is credited against the final tax liability reported in the tax return with any overpayment being refunded subject to standard rules.

Interest income paid to a corporate income tax payer who is a Non-Czech Holder and does not hold the Covered Bonds through a permanent establishment in the Czech Republic will be subject to a withholding tax deducted at source when the interest income is paid. The withholding tax rate is generally 15 per cent. However, a withholding tax rate of 35 per cent. applies if the Non-Czech Holder is not a tax-resident in another EU member state, in another state forming part of the EEA or in a third country with which the Czech Republic has concluded a valid and effective international double taxation treaty or an international tax information exchange agreement on income tax matters, including any multilateral international treaty. The withholding tax represents the final income tax liability on the interest income on the Covered Bonds in the Czech Republic save for an exception applicable to tax-residents in an EU/EEA member state who may opt to include the interest income in a Czech self-assessment income tax return (where the income is taxed at the corporate income tax rate, which is generally 19 per cent; special rates of 5 per cent. apply for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance). In this case the withholding tax represents a tax advance with any overpayment being refunded subject to standard rules.

Payments upon Redemption

The proceeds paid upon redemption or early redemption have a specific treatment under Czech tax law – the proceeds in the form of the difference between the nominal value of the Covered Bond paid upon redemption and its acquisition price, or between the redemption price of the Covered Bond upon early redemption and its

acquisition price, respectively, are not subject to withholding tax. The recipients of the income (relevant both for Czech Holders and non-Czech Holders) would generally need to self assess the income tax in their tax returns (an individual is required to report the income if he or she is obliged to file an income tax return in accordance with the relevant provisions of the Czech Act No. 586/1992 Coll., on Income Taxes, as amended). In the case of Non-Czech Holders, who are tax residents in another EU/EEA-member state, Česká spořitelna would be obliged to withhold an amount of 1 per cent. on a gross basis from the amount paid (i.e. including the principal) representing a tax security. The tax security will be credited against the final tax liability with any overpayment being refunded subject to standard rules.

The taxable amount to be reported in the tax return is calculated as a (positive) difference between the amount paid upon the redemption of the Covered Bond and its acquisition price. It should be noted that the acquisition price of the Covered Bond is taken into account rather than its issue price, which is important in the case of Covered Bonds acquired on a secondary market. However, if proceeds are paid to a Non-Czech Holder who does not hold the Covered Bonds through a permanent establishment, the taxable amount cannot exceed the difference between the amount paid upon redemption of the Covered Bond and its issue price. If a Non-Czech Holder acquired a Covered Bond on a secondary market for an amount below the issue price of the Covered Bond and the Covered Bond is attributable to a permanent establishment, such (positive) difference is also included in its general tax base (However, it can be argued that such difference is out of scope of Czech taxation).

The taxable proceeds paid to a corporate income taxpayer are included in the general tax base, which is subject to corporate income tax at a flat rate of 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance). A holder that is an accounting unit is generally required to recognise the income on an accrual basis.

The taxable proceeds paid to an individual holder are included in the general tax base, which is subject to personal income tax at a rate of 15 per cent or 23 per cent, depending on his/her applicable tax bracket (the threshold for the higher bracket is 48 times the average wage which amounts to CZK 1,867,728 in 2022). If this income is received as part of business activities, then it may also be subject to the social security and health insurance charges.

In the case of Non-Czech Holders, a double taxation treaty between the Czech Republic and the country where the recipient of the interest income is a tax-resident may eliminate the Czech tax liability. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

A double taxation treaty between the Czech Republic and the country where the recipient of the interest income is tax-resident may eliminate the Czech tax liability or reduce the withholding tax rate in the Czech Republic, generally provided that the income is not attributable to a permanent establishment of the recipient in the Czech Republic. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

Notification obligation

Česká spořitelna may ask the recipient of the interest income to provide any further information that may be required to meet the notification obligation under Act 164/2013 Coll, on International Cooperation in Tax Administration, as amended, which outlines the procedures relating to the automatic exchange of information for tax purposes based on the global Common Reporting Standard, procedures under FATCA and Council Directive (EU) 2011/16/EU, as amended by Council Directive (EU) 2014/107/EU.

Capital Gains/Losses

Any capital gain from the sale of the Covered Bonds by an individual taxpayer who is a Czech Holder or is a Non-Czech Holder who holds (sells) the Covered Bonds through a permanent establishment in the Czech Republic or receives the income from the sale of the Covered Bonds from a Czech tax-resident buyer or from a Czech permanent establishment of a non-Czech tax-resident buyer is generally included in the general tax base, where it will be subject to personal income tax at a rate of 15 per cent. or 23 per cent., depending on his/her applicable tax bracket (the threshold for higher bracket is 48 times the average wage which amounts to CZK 1,867,728 in 2022). If this income is received as part of business activities, then it may also be subject to the social security and health insurance charges. Losses from the sale of the Covered Bonds are generally not tax-deductible for non-business individuals unless taxable income from the sale of other securities is reported in the same tax period; in such cases, losses from the sale of the Covered Bonds can be offset against the gains from selling other securities.

However, capital gains from the sale of the Covered Bonds not held as part of an individual's business assets (applies both to a Czech Holder or a Non-Czech Holder) are generally exempt from personal income tax unless the individual's worldwide income (in Czech "*příjem*") from the sale of all securities and of the income received upon the cancellation of a mutual fund during the relevant tax period exceeds CZK 100,000. In addition, any capital gains from the sale of the Covered Bonds which have not been held as part of business assets are generally exempt from personal income tax after a minimum holding period of three years (this exemption does not apply where, within three years of the acquisition, consideration has been paid for a future disposal). If the Covered Bonds have been held as part of the individual's business assets the tax exemption does not apply prior to the expiry of a three year period following the termination of that individual's business activities.

Where the Covered Bonds are sold by a corporate income tax payer who is a Non-Czech Holder holding the Covered Bonds through a Czech permanent establishment or who is a non-Czech tax resident receiving the income from the sale of the Covered Bonds from a Czech tax resident or from a Czech permanent establishment of a non-Czech tax-resident buyer, then the income from such a sale will be included in the general corporate income tax base and will be subject to corporate income tax of 19 per cent. Losses from the sale of the Covered Bonds are generally tax-deductible for those persons. According to some interpretations, these losses are not deductible for corporate income tax payers which are non-Czech tax residents and which do not keep accounting records according to Czech accounting regulations.

Where the Covered Bonds are sold by an individual or by a corporate income tax payer who is a Non-Czech tax resident, and who does not hold the Covered Bonds through a Czech permanent establishment and does not receive income from the sale of the Covered Bonds from a Czech tax-resident buyer or from a Czech permanent establishment of a non-Czech tax-resident buyer, then any capital gains will not be subject to taxation in the Czech Republic.

Where the Covered Bonds are sold by an individual or corporate income tax payer who is a Non-Czech Holder and is not a tax-resident in another EU/EEA-member state, to a Czech tax-resident buyer or to a non-Czech tax-resident buyer doing business in the Czech Republic through a permanent establishment to which the purchased Covered Bonds are assigned, then the buyer must generally withhold 1 per cent. from the purchase price of the Covered Bonds as a tax security advance upon payment. The tax security advance will be credited against the final tax liability with any overpayment being refunded subject to standard rules. Where the capital gains from the sale of the Covered Bonds are taxable in the Czech Republic, then the seller has a general obligation to file a tax return in the Czech Republic, with the tax security advance being credited against the seller's final tax liability.

A double taxation treaty between the Czech Republic and the country in which the seller of the Covered Bonds is tax-resident may eliminate the taxation any capital gains from the sale of the Covered Bonds in the Czech Republic (including the tax security) provided that the seller does not hold the Covered Bonds through a permanent establishment in the Czech Republic. To benefit from a double taxation treaty, the recipient taxpayer must be tax-resident in the state covered by the treaty and must be the beneficial owner of the income paid (as proven by an up-to-date tax residency certificate and other necessary documents in accordance with applicable practice).

Czech Holders who follow Czech accounting standards for entrepreneurs or Czech accounting standards for financial institutions may be required to remeasure the Covered Bonds to fair value for accounting purposes, whereby the unrealised gains and losses would be accounted for as revenue or expense, respectively. Such revenue is generally taxable and the corresponding expense is generally tax deductible for Czech tax purposes. The same tax treatment applies to Non-Czech Holders holding the Covered Bonds through a permanent establishment in the Czech Republic, if they follow Czech accounting standards requiring remeasurement of the Covered Bonds to fair value.

Reporting Obligation

A holder of the Covered Bonds who is an individual may be obliged to report to the Czech tax authority any income earned in connection with the Covered Bonds if such income is exempt from taxation in the Czech Republic and exceeds CZK 5 million. Deadline for filing of such report is within the deadline for filling of the personal income tax return for the period in which the income was received. Non-compliance with this reporting obligation may be penalised by a sanction of 0.1 per cent. to 15 per cent. of the gross amount of the tax exempt income.

Value Added Tax

No value added tax is payable in the Czech Republic for payments made in consideration for the issue of the Covered Bonds, for interest or principal payments on the Covered Bonds or for the transfer of the Covered Bonds.

Other Taxes or Duties

No registration tax, capital tax, customs duty, transfer tax, stamp duty or other similar tax or duty is payable in the Czech Republic for or in connection with the purchase, holding or disposal of the Covered Bonds, save for disposals by donation or inheritance in certain cases.

8. GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in this Securities Note. Readers of this Securities Note should always have regard to the full description of a term contained in this Securities Note.

AT 1	own funds pursuant to Article 51 CRR (<i>Additional Tier 1</i>)
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended
Česká spořitelna	Česká spořitelna, a.s.
CET 1	own funds pursuant to Article 26 CRR (<i>Common Equity Tier 1</i>)
CNB	the Czech National Bank
Covered Bonds	the covered bonds in series and tranches in the English language under Czech law issued by Česká spořitelna
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (<i>Capital Requirements Regulation</i>)
Czech Banks Act on Banks	Act No. 21/1992 Coll. on Banks, as amended
Czech Bonds Act on Bonds	Czech Act No. 190/2004 Coll., on bonds, as amended
CZK	Czech koruna
EEA	European Economic Area
EUR	Euro
Final Terms	final terms setting forth the applicable terms and conditions for Covered Bonds issued under the Prospectus, a form of which is included in this Securities Note
FMA	Austrian Financial Market Authority (<i>Finanzmarktaufsichtsbehörde</i>)
Holder	a holder of the Covered Bonds
IDD	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), as amended
Issuer	Česká spořitelna, a.s.
ITA Amendments	the amendments to the Czech income taxes act which are effective as of 1 January 2021 and as of 1 January 2022, respectively
Markets	the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>) and the Regulated Market of the Prague Stock Exchange (<i>Burza cenných papírů Praha</i>)
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended (<i>Markets in Financial Instruments Directive II</i>)
Notification	a certificate of approval attesting that each Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) has been drawn up in accordance with the Prospectus Regulation (sent by the FMA to each host member state as requested by the Issuer)
PRIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIPs), as amended

Programme	the programme of Česká spořitelna, a.s.
Prospectus	the base prospectus consisting of separate documents, i.e. this Securities Note and the Registration Document
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Registration Document	the registration document of Česká spořitelna dated 2 December 2021, as supplemented from time to time
Securities Act	United States Securities Act of 1933, as amended
Securities Note	this Securities Note, as supplemented from time to time
Series	Series of Covered Bonds as specified in the Final Terms
Terms and Conditions	the terms and conditions of the Covered Bonds which are set out on pages 19 <i>et seq</i> of this Securities Note
Tier 2	own funds pursuant to Article 62 CRR (<i>Tier 2</i>)
Tranche	a tranche of a Series of Covered Bonds

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Signaturwert	uLu15uD/Mtccvc1cFSY7Yi0Yn1X+I0nKORssIkXdnm5/NnWN+YJNXUHk6kG252fi3CFRXGwuQIFgQ/8PFu7Zq7njWhW7+cGQ8IEz4y3kJzBÜrn52FknbfonREVoIBYiGgNr7UPaq+Yfunnn+jNwKjwRCH8y0izdTX275ei0cwpQkve67/8bRIQCFXP24YAyPFcydEScVhaCyvpfTRwu/R3plzGDH1Nr1x6QxCEXscivwKnQIMMf7Od00imTURCphb6OfSFk5iQWoyZ9dlxSGHPFPLXGB6fWmpgRoXkntdOLjCLHJqEsNfr1i3HxPfjLHdO6mC1Helpfjvy8CaRj8g==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2022-05-06T07:29:30Z
	Aussteller-Zertifikat	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	532114608
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: http://www.signaturpruefung.gv.at	
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