

Article I Initial Provisions

- 1.1. These General Commercial Terms and Conditions for Factoring and Forfaiting of Tatra banka, a.s. (hereinafter referred to as the "**Factoring Terms and Conditions**") regulate the mutual rights and liabilities of the Bank as the assignee and the Client as the assignor, which are not regulated by the Master Agreement. The scope of the regulation of the Factoring Terms and Conditions is determination of the contents of the Factoring Document where application of the Factoring Terms and Conditions was expressly agreed.
- 1.2. Upon conclusion of the relevant Factoring Document these Factoring Terms and Conditions become part of such Factoring Document. By signing the relevant Factoring Document the Client and the Guarantor confirm that they have received the Factoring Terms and Conditions, they are aware of them and they agree with the contents thereof in the extent specified in the Factoring Document.
- 1.3. For the purposes of the Factoring Documents the definitions set forth herein shall be applied, bearing the meaning as follows:
 - Bank** – Tatra banka, a.s., Hodžovo nám. 3, Bratislava, Organisation ID No. 00 686 930, registered in the Commercial register of the Municipal Court Bratislava III., Section: Sa, File No. 71/B as well as any other person, which becomes the owner of the Total Bank's Receivable or its part under the Factoring Documents;
 - Banking Day** – in respect of the Framework Agreement, under which the Bank provides the Client with Consideration:
 - a. in EUR, on each business day during which the banks in the Slovak Republic may actually perform interbanking transactions and transactions with the National Bank of Slovakia,
 - b. in the Foreign Currency on each day, during which the banks are open in the Slovak Republic and in the country where the interbank market is located, where the Reference Rate is fixed and used for calculation of the Discount Interest,however, always except for Saturday and Sunday and also any such business day which will be declared by the Bank, due to serious operational reasons, as non-business or non-banking day. Notwithstanding the foregoing it applies that any Saturday and/or any Sunday is considered a Banking Day only if and when determined (decided) by the Bank, and this also in the event when the Saturday or Sunday is determined as a Banking Day directly in the Framework Agreement;
 - Total Bank's Receivable** – any individual and/or all current and future Bank's Receivables towards the Client and/or the Guarantor specified below, namely:
 - receivable of the Bank, including interests and other costs for repayment of financial means owed to the Bank, which arose on the basis of each Factoring Document or in connection therewith (especially receivables for repayment of the Discount Interest, fees, default interests or receivables from Factoring obligations of the Client), including receivables of the Bank which shall arise in consequence of or in connection with rescindment or termination of the Framework Agreement and/or the Individual Agreement and receivables of the Bank for delivery of unjust enrichment which shall arise or have arisen from any Bank's performance to the Client without a legal cause, performance from an invalid legal act and receivables of the Bank for repayment of an unauthorised overdraft in the Client's Account and in the Guarantor's Account, including interests and other costs,
 - receivable of the Bank, including interests and other costs, which shall result from the liability of the Client to the Bank pursuant to provision of Article 527 (1) of the Civil Code (i.e. the liability of the Client to the Bank that (i) the Bank has not become, instead of the Client, creditor of the Individual Receivable with an arranged content and/or (ii) the Customer has fulfilled its liability to the Client before being liable to fulfil it to the Bank, and/or (iii) the Individual Receivable or any part thereof has ceased by setting-off the Customer's claim towards the Client),
 - receivable of the Bank, including interests and other costs, for delivery of unjust enrichment by the Client, which arose from fulfilment of the Customer's liability for payment of the Individual Receivable by payment thereof to the Client;

Centre of Main Interest – has the meaning set forth in Article 3 (1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended, or in any other generally binding legal regulation replacing the Regulation;

Foreign Currency – means other currency than EUR in which, apart from other things, the Maximum Amount may be denominated;

Cut-off Time – the period during which the Client is obliged to ensure sufficient funds in the Client's Account (defined in Section 8.1 below) for the purposes of Section 8.4 below, starting at 12:00 am on the due date of the Total Bank's Receivable or any part thereof and ending at the moment when the Bank used the funds to pay the due Total Bank's Receivable or any relevant part thereof, but no later than the end of the day on which the Total Bank's Receivable or any relevant part thereof, in relation to which the Client incurred such an obligation, became due;

Objection Day – means a day when the Customer raised the Objection;

Interest Rate Determination Date – means:

- a. except for cases specified in paragraphs b., c. and d. below in respect of any Interest Period the second Banking Day prior to the first day of the relevant Interest Period,
- b. in respect of any Interest Period, each day which is the second Banking Day prior to each individual day of the Interest period, provided that the Basic Terms stipulate that:
 - (i) the relevant Reference Rate is determined for any period other than O/N (overnight) period, e.g. 1 month (1M), 3 months (3M), and at the same time
 - (ii) it will be changed daily,
- c. in respect of any Interest Period, each day for which the interest is calculated for the purposes of the Framework Agreement, provided that the Basic Terms stipulate that:
 - (i) the relevant Reference Rate is determined for the O/N (overnight) period and at the same time
 - (ii) it will be changed daily.
- d. provided that the Basic Terms stipulate that the relevant Reference Rate is determined for a period of 1 month and at the same time will be changed monthly:
 - (i) in respect to any Interest Period commencing on the last day of the calendar month, the second Banking Day prior to the last Banking Day of the relevant calendar month in which the Interest Period commenced,
 - (ii) in respect to any Interest Period commencing on a day other than the last day of the calendar month, the second Banking Day prior to the last Banking Day of the preceding calendar month. The Reference Rate thus determined shall be used for the calculation of interest throughout the entire Interest Period without change and Clause 6.6 of the Factoring Terms and Conditions shall not apply.

Under paragraphs b. and c. of this definition, for calculation of interest for the relevant day during the Interest Period, the applicable Reference Rate will apply, which means that the relevant Reference rate will be changed daily;

Full Payment Date – shall mean in relation to the Total Bank's Receivable a day of unconditional and irrevocable repayment thereof and/or cessation thereof in full extent in such manner that no part thereof can arise in the future, and that not even in consequence of ineffectiveness of a legal act;

Discount Interest – means an interest to be calculated by applying the Interest Rate for the relevant Interest Period, whereas the amount of the Remuneration A shall be considered as basis for calculation of the Discount Interest;

EUR – or euro – means the legal currency in the Slovak Republic;

Master Agreement – means a master agreement on assignment of receivables concluded between the Bank and the Client the scope whereof is regulation of the method of assignment of the Individual Receivables to the Bank and of the terms and conditions under which the Individual Receivables shall be assigned and the Remuneration shall be paid, as well as the method of conclusion of the Individual Agreements under which the Client shall assign the Individual Receivables to the Bank;

Factoring Documents or Factoring Document – represents a collective definition of the Framework Agreement, the Individual Agreement, the Security Agreement, the Request, the Reply to Request, Financial Covenants Terms and Conditions and any additional document determined by the Bank and Client or Bank and Guarantor as a document constituting the Factoring Documents;

Factoring Terms and Conditions – these General Commercial Terms for Factoring and Forfeiting of Tatra banka, akciová spoločnosť, as amended by latter addenda;

Factoring Account – means the current Client's Account held by the Bank for the Client set forth in the Basic Terms;

Invoice – means a tax document relating to the supply of goods or provision of services, in the form and substance acceptable to the Bank, containing the information required by the relevant legal regulations, including the identification that the invoiced receivable has been assigned to the Bank and that the invoiced receivable shall be paid to the Internal Account (given especially the following text: “Receivable arising from this invoice has been assigned to Tatra banka, a.s. Hodžovo námestie 3, 811 06 Bratislava 1, Slovakia. Please effect the payment exclusively to the account of Tatra banka, a.s. number [číslo] held with Tatra banka, a.s.”, where the Internal Account number shall be determined as the account number) or without the respective identification, if the Client has submitted to the Bank along with submission of the respective Invoice also a notice on assignment of receivables in the wording determined by the Bank, relating to the particular Invoice, accepted by the Customer or delivered to the Customer (whereas it shall apply that the Bank accepts a copy of such notice delivered by email with a subsequent delivery of its original to the Bank within 5 Banking Days as of the submission day of the respective Invoice);

Guarantor – means each individual person and also all persons who:

- a. provide in favour of the Bank security of the Total Bank’s Receivable and/or any relevant part thereof under the Security Agreements, and that including the Client, if the security of the Total Bank’s Receivable or any relevant part thereof is provided by the Client, or
- b. own any object, right, other property value, apartment or non-residential premises, whereto a security is established in favour of the Bank under the Security Agreement;

Information – means all of the information as follows:

- a. information on matters relating to the Client and the Guarantor as the Bank’s Client which are recorded by the Bank about the Client and the Guarantor in its information system, which were obtained upon performance or in connection with the performance of banking activities and are not publicly accessible,
- b. information from the Factoring Document and information the Bank obtained in connection with the conclusion of the Factoring Document,
- c. information that are under the Act on Banks or under any other generally binding legal regulation of any jurisdiction subject to banking secrecy in connection with the conclusion of the Factoring Document (regardless of whether the Factoring Document is concluded or not), and
- d. information which the Bank obtained from the Client or the Guarantor and which are subject to banking secrecy;

Internal Account – means the Bank’s own (internal) account set forth in the Basic Terms to which Customers pay the Individual Receivables assigned to the Bank under the Master Agreement and the Individual Agreement;

Individual Receivable – means any Client’s receivable towards the Customer in the amount and with maturity set forth in the Customer Contract or the Invoice, having arisen from one tax document or several tax documents issued on the basis and under the conditions of the Customer Contract and proposed for the assignment to the Bank in terms of the Master Agreement and set forth in the Request;

Individual Agreement – means an agreement on assignment of receivable concluded between the Client as the assignor and the Bank as the assignee, which originated from the acceptance of the Request by the Bank by signing the Reply to Request, the scope whereof is the assignment of the Individual Receivable by the Client to the Bank;

Client – means a person and/or persons who are a party to the Bank in the Master Agreement;

Credit Derivative to Mitigate the Credit Risk – means:

- a. Credit Derivative under Art. 204 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 as amended, or in any other generally binding legal regulation replacing the Regulation and
- b. any other tool as set forth in paragraph a. of this definition, with the same or similar effect;

Limit – means the sum specified in relation to the respective Customer in the annex to the Master Agreement identified as the List of Limits, or the Maximum Amount if there is no sum set forth in such annex to the Master Agreement in relation to the respective Customer or if there is no such annex to the Master Agreement;

Maximum Remuneration – the amount specified in the Basic Terms, representing the maximum aggregate amount of Remuneration A paid to the Client for the Individual Receivables assigned to the Bank under the Framework Agreement and the related Individual Agreements.

Maximum Maturity – means the maximum maturity period of the Individual Receivables set forth in the Basic Terms (as of the issuance of the Invoice or as of the origination of the Individual Receivable if no Invoice has been issued) wherewith the Client is authorised to propose the assignment of the Individual Receivables to the Bank;

Maximum Amount – means an amount set forth in the Basic Terms that represents the maximum sum of nominal values of outstanding Individual Receivables assigned to the Bank under the Master Agreement and the related Individual Agreements, unless otherwise set forth in the Factoring Documents;

Transferee – every person:

- a. who intends to acquire the Total Bank's Receivable or a portion thereof, even based on the security assignment of the receivable, or
- b. who became the owner of the Total Bank's Receivable or a portion thereof, even based on the security assignment of the receivable, or
- c. to whom the owner of the Total Bank's Receivable or a portion thereof (other than the Bank) intends to assign the Total Bank's Receivable or a portion thereof, even based on the security assignment of the receivable;

Objection – means any objection of the Customer or the legal successor thereof to the performance of the Client, on the basis whereof the Individual Receivable arose or any objection of the Customer to the Individual Receivable, especially the exercise of counter-claim, objection to setting-off, etc.;

PVS Conditions – with regard to the relevant PVS Agreement, all of the following conditions:

- a. Client has been duly registered in the Register as a public sector partner in accordance with the applicable legal regulations and the list of the Client's ultimate beneficial owners has been registered within the time limit set by the generally binding legal regulations, and the Bank has been shown that the Client's registration was carried out by an authorized person in accordance with the applicable legal regulations.
- b. data specified in the list of the Client's ultimate beneficial owners in the Register and data of the Client's ultimate beneficial owners provided by the Client to the Bank in order to fulfil the Bank's obligation as the obliged person under § 10 of Act No. 297/2008 Coll., as amended, are identical;

Register – register of public sector partners under the applicable legal regulations;

Sanctions – means any economic, financial or commercial (or in any other way identified) sanctions or embargoes or any other restrictive measures resulting from the generally binding legal regulations or any decision, measure or regulation adopted by the Sanctions Authority, with the exception of sanctions that may not be complied with under the Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, as amended, or any other generally binding legal regulation replacing it.

Sanctioned Person – means, with regard to any Sanction, a person which:

- a. is listed in the Sanctions List or (to the extent determined by the relevant Sanctions) owned or controlled by a person on the Sanctions List or (to the extent determined by the relevant Sanctions) by a person acting on behalf of any such persons,
- b. has its registered office or place of business in the state or territory affected by the Sanctions or is established under the laws of the state affected by the Sanctions or (to the extent determined by the relevant Sanctions) is owned or controlled by such person
- c. or (to the extent determined by the relevant Sanctions) is a person acting on behalf of any such person, or
- d. is otherwise subject of the Sanctions.

Sanctions Authority – means any of the following:

- a. the United States of America,
- b. the United Nations,
- c. the European Union and any of its Member States,
- d. the United Kingdom,
- e. any authority or agency of any state or institution under any of the paragraphs above of this definition, as well as the state in which the Client or Guarantor has its registered office, including:
 - (i) President, Government, Congress, the United States Department of State and the Office of Foreign Assets Control (hereinafter the "OFAC"), Secretary of the Treasury of the United States of America,
 - (ii) the United Nations Security Council,
 - (iii) His Majesty's Foreign, Commonwealth & Development Office (hereinafter the "FCDO").

Sanctions List – means:

- a. the list identified as “Specially Designated Nationals and Blocked Persons List” maintained by OFAC and the list of persons sanctioned by the US Department of State, as published in the federal register
- b. the list identified as “The UK Sanctions List” maintained by FCDO or
- c. any similar list maintained by the United Nations Security Council or the European Union;
- d. any similar list or document maintained by any Sanctions Authority, as amended, or any other list replacing them.

PVS Agreement – contract or agreement concluded by and between the Client and third party, which is the public sector entity under the applicable legal regulations;

Costs – costs related with recovery of the Individual Receivable the Bank is obliged to pay in terms of the Insurance Contract;

Civil Code – Act No. 40/1964 Coll. as amended or any other generally binding legal regulation that replaces it;

Commercial Code – Act No. 513/1991 Coll. as amended or any other generally binding legal regulation that replaces it;

Customer – means each person who is liable to pay to the Client the Individual Receivable or some of the receivables constituting the Individual Receivable on the basis of the Customer Contract, set forth in the Basic Terms, or other such person acceptable to the Bank;

Customer Contract – means a contract or an agreement concluded between the Client and the Customer under which the Customer is liable to pay to the Client the Individual Receivable or a portion thereof;

Reply to Request – means a written declaration of the Bank on receipt of the Request a template whereof constitutes the annex to the Master Agreement or with any other contents whatsoever determined by the Bank; the signing of the Reply to Request shall represent conclusion of the Individual Agreement;

Remuneration – means a sum that equals to the amount of the Individual Receivable assigned to the Bank under the Factoring Documents which the Bank covenants to pay to the Client as a reward for the assignment thereof under the conditions set forth in the Factoring Documents;

Remuneration A – a part of Remuneration specified in the Framework Agreement or Individual Agreement, unless Factoring Terms and Conditions provide otherwise;

Remuneration B – means a portion of the Remuneration that equals to the difference between the sum of the Remuneration and the Remuneration A, unless Factoring Terms and Conditions provide otherwise;

Open Receivables – means the sum of nominal values of outstanding Individual Receivables towards the respective Customer assigned to the Bank under the Master Agreement and the related Individual Agreements or other Factoring documents;

Share – means a percentage value set forth in the Basic Terms in Clause Remuneration A or arranged in the Master Agreement;

Assignment Conditions – means all conditions precedent, fulfilment whereof is required for the establishment of the Client’s Right under the Factoring Documents;

Material Adverse Effect – means any fact which has or, in view of the Bank, may have an adverse effect:

- a. on the business or financial situation of the Client, the Guarantor or the outlook thereof;
- b. on the ability of the Client or the Guarantor to fulfil their obligations under any Factoring Document, they are a party to; or
- c. on the validity or enforceability of any of the Factoring Documents;

Insurer – means a person authorised to perform the insurance activity with whom the Bank concluded the Insurance Contract;

Insurance Contract – means an agreement on insurance the scope whereof is insurance of the insolvency risk and paying resentment of the Customer;

Auxiliary Undertaking – any person that performs for the Insurer services related to the monitoring and analysis of the Customer’s risk for the purposes of the Insurance Contract.

Client’s Right – is the right of the Client to require from the Bank the assignment of Individual Receivables to the Bank;

Receivable from the Client's Account – means a receivable from the Client's Account, which arose from crediting payments remitted to the Client's Account or from depositing cash to the given Client's Account and also the Client's receivable towards the Bank for crediting funds to the Client's Account;

Receivable from the Guarantor's Account – means a receivable from the Guarantor's Account, which arose from crediting payments remitted to the Guarantor's Account or from depositing cash to the Guarantor's Account and also the Guarantor's receivable towards the Bank for crediting funds to the Guarantor's Account;

Reference Rate – means each rate applied for calculation of interests under the Factoring Documents (normally upon adding the margin), particularly each of the following rates:

- a. Base rate under Clause 6.3.1. below,
- b. the EURIBOR, PRIBOR rates or any other rate under Clause 6.3.2. below, or
- c. any other rates from the relevant interbank market related to currency of Maximum Amount and specified in the Framework Agreement;

Verdict – means a settlement lawfully confirmed by the court having jurisdiction or a lawful and enforceable resolution of the court having jurisdiction or other respective authority on the Objection, the scope whereof is a confirmation of the existence of the Individual Receivable and the amount thereof, the verdict thereof contains the obligation of the Customer to settle the Individual Receivable and the amount thereof;

Event of Default – means any individual and/or all events which are described as an Event of Default in Clause 13.1. of the Factoring Terms and Conditions or in the Factoring Documents, and that without a necessity of special examination or verification of such event by the Bank, regardless of whether:

- a. it depends on manifestation of will of the Client or the Guarantor,
- b. it occurs on the part of the Client or the Guarantor,
- c. it occurs as a consequence of any action of the Client or the Guarantor, or
- d. the Client, the Guarantor or any other person could have affected the situation that caused the Event of Default;

Disputes – means:

- a. any disputes which have arisen or shall arise between the Bank and the Client or the Guarantor from the Factoring Document or in connection with the Factoring Document, including disputes relating to existence, validity and interpretation thereof; and
- b. any disputes from each blank note submitted to the Bank under the Security Agreement and also disputes from every blank note which became a regular note in consequence of the completion of the respective blank note;

Tariff of Fees – means a document containing fees and prices for products and services of the Bank;

Securitisation – means:

- a. securitisation under Art. 4, Clause 1, paragraph 61 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 as amended, or in any other generally binding legal regulation replacing the Regulation and
- b. any other tool to cover the credit risk, as set forth in paragraph a. of this definition, with the same or similar effect;

Client's Account – means all current accounts, term accounts, term deposit accounts, saving books and deposits held with the Bank for the Client, and also any funds entrusted by the Client to the Bank, representing the Bank's obligation towards the Client for payout thereof and this always including all current accounts, term accounts, term deposit accounts, savings books, and deposit accounts held by the organisational unit of the Bank for the Client;

Guarantor's Account – means all current accounts, term accounts, term deposit accounts, saving books and deposits held with the Bank for the Guarantor, and also financial means entrusted by the Guarantor to the Bank, representing the Bank's obligation towards the Guarantor for payout thereof and this always including all current accounts, term accounts, term deposit accounts, savings books, and deposit accounts held by the organisational unit of the Bank for the Guarantor;

Interest Rate – means the rate set forth in Article VI. of the Factoring Terms and Conditions, whereas the value of the Interest Rate is set forth in the Basic Terms;

Interest Period – means each individual period and/or all periods for which the Client is obliged to pay to the Bank the Discount Interest, whereas this period is set forth in Article VII. of the Factoring Terms and Conditions or in the Master Agreement;

Financial Covenants Terms and Conditions – the document containing the terms and conditions and the Financial Covenants calculation method issued by the Bank, as amended;

Establishment – with regard to a certain person it means a place, where such person performs the economic activities using the human resources, goods and services, which are not performed temporarily only under Article 2, par. 10 of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as amended, or in any other generally binding legal regulation replacing the Regulation;

Client's Representations – means any individual or all representations of the Client set forth in the Factoring Documents and the Factoring Terms and Conditions, or provided by the Client to the Bank in connection with conclusion of any Factoring Document or assignment of the Individual Receivables under the Factoring Documents, and also each such representation of the Client that is considered to be repeated pursuant to the Clause 10.1.2. of the Factoring Terms and Conditions;

Guarantor's Representations – means any individual or all representations of the Guarantor set forth in the Security Agreement and the Factoring Terms and Conditions, or provided by the Guarantor to the Bank in connection with conclusion of the Security Agreement or assignment of Individual Receivables under the Factoring Documents, and also each such representation of the Guarantor that is considered to be repeated pursuant to the Clause 10.2.2. of the Factoring Terms and Conditions;

Security Agreement – means all and each individual agreement, as amended by addenda and annexes thereto, concluded between the Bank and the Guarantor, or a Guarantor's representation which are related to the security of the Total Bank's Receivable or under which a security is established for the Total Bank's Receivable, however especially those determined in the Master Agreement and also those that are identified as the Security Agreement;

Basic Terms – means a part of the Master Agreement which is determined as the "Basic Terms", containing the basic characteristics of the assignment of receivables under the Master Agreement;

Act on Banks – Act No. 483/2001 Coll. on Banks, as amended by latter regulations, or another generally binding legal regulation that replaces it;

BBTB Agreement – means the Agreement on the provision of services through the Business Banking[™] Electronic Banking System, as amended, concluded between:

- a. the Client and the Bank respectively Guarantor and the Bank or
- b. by a third party and the Bank, if in connection with it the Client respectively the Guarantor granted a Power of Attorney to such a third party for actions defined as Extended part in Appendix no. 6 to it;

Account Agreement – means:

- a. each agreement on current account, agreement on deposit account, agreement on deposit, agreement on personal numeric current account and also any other agreement under which the Bank maintains the Client's Account or the Guarantor's Account, and
- b. in relation to the particular Client's Account or the Guarantor's Account, such agreement on current account, agreement on deposit account, agreement on deposit or other agreement under which the Bank maintains the respective Client's Account or the Guarantor's Account;

List of Receivables – means the list of receivables created in the manner and with the contents acceptable to the Bank;

Request – means a written request of the Client for the assignment of the Individual Receivable to the Bank, a template whereof forms the annex to the Master Agreement, or with any other contents arranged between the Bank and the Client, which is an irrevocable proposal of the Client pursuant to Article 43a Civil Code for conclusion of an agreement on assignment of the Individual Receivables pursuant to Article 524 et seq. Civil Code to the Bank which the Bank is authorised to accept under the conditions set forth in the Factoring Documents.

- 1.4. For purposes of the Factoring Terms and Conditions and the Factoring Documents which refer to the Factoring Terms and Conditions the following shall apply:
 - a. definitions set forth in the Factoring Terms and Conditions shall be applied in the Factoring Documents with the meaning set forth in the Factoring Terms and Conditions, unless other meaning is expressly assigned to the respective definitions in the Factoring Documents, or unless such usage is expressly excluded in the Factoring Documents,
 - b. headings of individual articles are used exclusively for better orientation in the text,
 - c. definitions set forth above shall be applied in the Factoring Documents with the meaning set forth in the Factoring Terms and Conditions, regardless of whether they are written with capital or small initial letter, unless expressly determined otherwise or unless the context suggests otherwise,

- d. definitions set forth above shall be applied in the Factoring Documents with the meaning set forth in the Factoring Terms and Conditions, regardless of whether they are written in singular or plural, unless expressly determined otherwise,
- e. definitions set forth in the Factoring Documents shall be applied for purposes of the Factoring Terms and Conditions with the meaning applied in the Factoring Documents, unless expressly determined otherwise in the Factoring Terms and Conditions,
- f. if in any addendum to the Master Agreement:
 - (i) the term "Master Agreement" is used, it means the Master Agreement in relation whereto such addendum is concluded, and that in the wording as amended and modified by all previous addenda and also in the wording as amended or modified by the given addendum, and
 - (ii) there is a reference to any provision of the Master Agreement, it means the provision of the Master Agreement in relation whereto such addendum is concluded, and that in the wording as amended and modified by all previous addenda, and also in the wording as amended or modified by the given addendum,
- g. if in any addendum to any Factoring Document other than the Master Agreement:
 - (i) there is a reference to the given Factoring Document in relation whereto such addendum is concluded, (hereinafter referred to as the "**Respective Factoring Document**"), it means the Respective Factoring Document in the wording as amended and modified by all previous addenda and also in the wording as amended or modified by the given addendum, and
 - (ii) there is a reference to any provision of the Respective Factoring Document, it means the provision of the Respective Factoring Document in relation whereto such addendum is concluded in the wording as amended and modified by all previous addenda, and also in the wording as amended or modified by the given addendum.
- h. any reference to a legal regulation in any Factoring Document or in the Factoring Terms and Conditions means a reference to the applicable legal regulations, as amended, or any other legal regulation replacing the original legal regulation.

Article II Assignment of Individual Receivables

2.1. Method of Assignment of Individual Receivables

- 2.1.1. By concluding the Master Agreement the Client is obliged to propose to the Bank, in the manner set forth in the Factoring Documents, the assignment of the Individual Receivables and the Bank is authorised (but not obliged) to accept such proposals of the Client (partially or fully) expressly at its own discretion and under the conditions set forth in the Factoring Documents and upon fulfilment of the Assignment Conditions.
- 2.1.2. The Client is authorised to deliver to the Bank the Request and to propose to the Bank the assignment of receivables upon fulfilment of the Assignment Conditions.
- 2.1.3. The Bank and the Client consider the Request to be a demonstration of the Client's will (proposal) towards the Bank for conclusion of the Individual Agreement, unless otherwise determined in the Factoring Documents.
- 2.1.4. The Bank and the Client agreed on assignment of receivables under the Master Agreement including VAT in case of assignment of the Individual Receivable towards the Customer seated in the territory of the Slovak Republic and on assignment of receivables under the Master Agreement excluding VAT in case of assignment of the Individual Receivable towards the Customer seated outside the territory of the Slovak Republic.
- 2.1.5. The Bank is authorised to request from the Client to repeatedly notify the Customer of the assignment of the Individual Receivable and the Client is obliged to repeatedly notify the Customer of the assignment of the Individual Receivable on the basis of such request and to prove to the Bank delivery of such notification within the period set forth in such Bank's request.
- 2.1.6. The Bank is authorised to accept the Request by sending the Reply to Request to the Client. The Reply to Request shall contain also the charged Remuneration in terms of the Master Agreement and the Factoring Terms and Conditions. The Individual Agreement shall be concluded upon signing the Reply to Request by the Bank. Upon concluding the Individual Agreement, especially the Client assigns to the Bank the Individual Receivable and the Bank covenants to

pay to the Client the Remuneration under the conditions set forth in the Master Agreement and in the Factoring Terms and Conditions.

- 2.1.7. Upon satisfaction of the conditions set forth in the Master Agreement and the Factoring Terms and Conditions the Client is not authorised to demand from the Bank the conclusion of the Individual Agreement and the Bank is authorised not to accept the Request for conclusion of the Individual Agreement even if the Individual Receivable meets the conditions set forth in the Master Agreement, and that even without stating a reason or notifying the Client.
- 2.1.8. If the Client does not propose to the Bank without prior negotiation with the Bank the assignment of the Individual Receivable within 90 days as of the conclusion of the Master Agreement, or if the Client does not propose to the Bank without prior negotiation the assignment of any receivable for the period lasting longer than 90 days during the term of the Master Agreement, the Bank shall be authorised to rescind or to terminate the Master Agreement.
- 2.1.9. For the purposes of determination of the current amount of:
 - a. the non-utilised portion of the Maximum Amount the amount of the non-utilised Maximum Amount is reduced with every Individual Receivable assigned to the Bank by the sum of the nominal value of such Individual Receivable. The current amount of the non-utilised portion of the Maximum Amount is increased by every repayment (even the partial one) of the Individual Receivable up to the Maximum Amount,
 - b. the non-utilised portion of the Maximum Remuneration the amount of the non-utilised Maximum Remuneration is reduced with every such Remuneration A paid. Upon every full repayment of the Individual Receivable assigned to the Bank, the current amount of the non-utilised portion of the Maximum Remuneration is increased by the Remuneration A paid for such an Individual Receivable up to the Maximum Remuneration. In case the Individual Receivable is repaid only partially, the Bank is entitled to increase the current non-utilised portion of the Maximum Remuneration by the amount corresponding to the proportional part of Remuneration A attributable to such partially repaid Individual Receivable.
- 2.1.10. The Bank is authorised to change the Limit amount. The change of the Limit is effective as of the day of delivery of the Limit change notification to the Client.
- 2.1.11. To exclude all doubts:
 - a. the assignment of Individual Receivables to the Bank under the Master Agreement and related Individual Agreements is executed on a revolving basis, which means that the Maximum Amount in each moment of the term of the Master Agreement:
 - (i) is reduced by the amount of each unpaid Individual Receivable assigned to the Bank under the Master Agreement and related Individual Agreements; and
 - (ii) is renewed in the extent of the repayment of the Individual Receivable at the moment of repayment of such Individual Receivable assigned to the Bank under the Master Agreement and related Individual Agreements,and every reference to the Maximum Amount in any Factoring Document means the Maximum Amount considering modifications thereof in line with this clause, unless expressly determined otherwise.
 - b. every reference to the Maximum Remuneration in any Factoring Document means the Maximum Remuneration considering modifications thereof in line with Clause 2.1.9. paragraph b., unless expressly determined otherwise.
- 2.1.12. The currency in which the Maximum Amount is determined is the currency in which the Maximum Remuneration is determined and the Remuneration shall be paid, unless agreed otherwise in the Factoring Documents.

2.2. Assignment Conditions

- 2.2.1. The Client is not authorised to propose to the Bank the assignment of receivables under the Master Agreement before fulfilment of all of the following conditions, whereas the Bank may waive the fulfilment of any of them:
 - a. no Event of Default has occurred,
 - b. all Security Agreements have been concluded in a manner acceptable to the Bank and are valid and the Bank has received the respective counterparts of the Security Agreements, executed in paper form; and if the establishment of a pledge is the subject of the respective Security Agreement, such pledge has arisen upon the effectiveness of the respective Security Agreement,

- c. the Bank has received documents submission whereof by the Guarantor to the Bank upon conclusion of the Security Agreements as well as without delay after their execution had been arranged in the Security Agreements,
- d. the Client has demonstrated the assignability of the Individual Receivable to the Bank,
- e. maturity of the Individual Receivable is no longer than the Maximum Maturity,
- f. no pledge in favour of a third party other than the Bank has been established over the Individual Receivable,
- g. the right of the Client to dispose of the Individual Receivable is not limited or prohibited,
- h. conditions, the fulfilment whereof has been waived by the Bank in connection with any Individual Agreement concluded on the basis of the previous Request, have been satisfied,
- i. the Client has submitted to the Bank a duly signed notification on the assignment of receivables in the wording determined by the Bank, accepted by the Customer or delivered to the Customer, from which arises the obligation of the Customer to execute the payments for Individual Receivables solely to the Internal Account (the Bank accepts an email copy of such notification with subsequent delivery of the original thereof to the Bank; in such case the Bank is authorised, at its own discretion, to accept the Request even without submission of such documents).
- j. it has been proved to the Bank that the PVS Conditions have been fulfilled with regard to every Customer Contract being the PVS Agreement, under which the relevant Individual Receivable specified in the Request originated.

In such case the Bank is authorised, at its own discretion, to accept the Request even without submission of such documents at its own discretion.

2.3. Assignment with Insurance

2.3.1. If the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Assignment with Insurance, the following shall apply:

- a. the Total Bank's Receivable is also the Bank's receivable, including interests and other costs, for refund of the Remuneration or a portion thereof, which has already been provided by the Bank to the Client, in the amount equivalent to the extent of the effective Objection, if the Customer has raised the Objection to the Individual Receivable and the Bank's receivable, including interests and other costs for refund of the Costs,
- b. if the policyholder under the Insurance Contract is a person other than the Bank, the Client is authorised to propose to the Bank the assignment of receivables on the basis of the Master Agreement only if the Individual Receivable is insured under the Insurance Contract and the insurance of such Individual Receivable under the Insurance Contract does not cease to be effective as a consequence of its assignment to the Bank,
- c. the Client is obliged to provide necessary assistance to the Bank with resolution of an insurance event pursuant to the Insurance Contract, as well as for preventing loss or minimizing loss arising as a result of the insured event under the Insurance Contract. The Client is likewise obliged to provide the cooperation specified in this paragraph to any person designated by the Bank for the recovery of an Individual Receivable,
- d. the Client consents that the Bank provides the Insurer and the person designated by the Bank for the recovery of an Individual Receivable with all information and documents it obtains from the Client about the Customer,
- e. the Bank is authorised to claim refund of the Costs from the Client in writing and the Client covenants to pay to the Bank the sum in the amount of the Costs within the period set forth in the written notification of the Bank, which shall not be shorter than 10 Banking Days,
- f. the Bank covenants that in case the Customer refunds the Costs to the Bank, the Bank shall pay to the Client the sum that equals to the sum paid by the Client pursuant to the previous paragraph, up to the amount of the received Costs refund, and that within 10 Banking Days as of the Costs refund made by the Customer,
- g. In case the Customer has raised the Objection to the Individual Receivable, the Client covenants:
 - (i) to notify in writing the Objection raising to the Bank within 3 days as of the Objection Day, and subsequently, to submit to the Bank a written statement regarding the Objection within 10 days as of the Objection Day at the latest, containing all information about the Individual Receivable, whereto the Objection was raised, as well as all information

about the contents of the Objection and the Client's statement regarding the justness of the Objection;

- (ii) to provide upon request and in the period set forth therein the necessary assistance to the Bank with resolution of the Objection, also by entering into legal proceedings or other proceedings which decides about the obligation of the Customer to pay the Individual Receivable, and that without delay, unless the Bank specifies other period for the assistance provision in the notification,
- (iii) to inform the Bank in writing of the facts related to the Objection as well as to the Individual Receivable, whereto the Objection was raised, and of acts necessary for resolution of the Objection, regularly or at any time upon request and in the period set forth therein,
- (iv) to refund to the Bank upon Bank's request delivered to the Client and in the period set forth therein the Remuneration or a portion thereof, which the Bank has already paid to the Client for the Individual Receivable, in connection wherewith the Objection was raised.

If the Client has fulfilled its obligation under subparagraph (iv) above, and if the Objection was resolved in the Verdict no later than on the 40th day prior to the day when the limitation period for claiming the right to insurance payment under the Insurance Contract shall expire and such Verdict was delivered to the Bank, the Bank transfers to the Client's Account funds in the amount in which the Objection was resolved in favour of the Bank, however, up to the amount of the Remuneration A, within 14 Banking Days as of the day when the Customer should have fulfilled the obligation pursuant to the Verdict.

2.4. Recourse Assignment

2.4.1. If the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Recourse Assignment, the following shall apply:

- a. under § 303 et seq. of the Commercial Code, the Client declares that if the Customer fails to pay the Individual receivable properly and timely, it shall pay the Individual Receivable to the Bank for the Customer.
- b. the Bank is authorised to demand repayment of the Individual Receivable from the Client without provision of further appropriate period in favour of the Customer.
- c. the Bank and the Client hereby exclude the obligation of the Bank as a lender to request from the Customer as a borrower the fulfilment of the Customer's obligation in an appropriate period.
- d. Bank's request addressed to the Client as the guarantor for the payment of the Individual Receivable by the Client as a guarantor for the Customer is not required to be sent.
- e. limitations pursuant to Article 527 par. 2 Civil Code shall not be applied to the guarantee of the Client according to paragraph a. herein.

2.5. Non-recourse Assignment

2.5.1. If the section Type of assignment of receivables in Basic Terms determines that the respective assignment is the Non- recourse Assignment, it shall apply that in terms of Article 303 et seq. Commercial Code the Client is not obliged to pay the Individual Receivable if the Customer failed to pay the Individual Receivable within the maturity period. Obligations of the Client pursuant to Article 527 Civil Code are not affected thereby.

2.6. Non-utilised Maximum Amount and Additional Payment

2.6.1. Notwithstanding the Clause 2.1.2. above:

- a. if the Client proposes to the Bank the assignment of the Individual Receivable and the sum of the Open Receivables and the Individual Receivable proposed for assignment to the Bank in the relevant Request is greater than the Maximum Amount, the Bank is entitled to accept assignment of the entire Individual Receivable, however, in such case the Remuneration A (for any Individual Receivable stated in the relevant Request or for all Individual Receivables listed in the relevant Request, at the sole discretion of the Bank) will be paid to the Client within 3 Banking Days from the date of conclusion of the Individual Agreement in the amount determined as follows:
Remuneration A = P – Z
- b. if at any time after the payment of Remuneration A pursuant to the preceding paragraph a. until the due date of the Individual Receivable in respect of which Remuneration A has been

paid in the amount determined based on the preceding paragraph, it shall apply that:

$P - Z > 0$,

the Bank is entitled to pay the Client an amount equal to $P - Z$ for such an Individual Receivable, but always only in such an amount that the total sum of the amounts paid by the Bank for such Individual Receivable is at most in the amount of Remuneration A, which would have been determined if this Clause 2.6.1 (hereinafter referred to as "**Surcharge 1**") had not been applied. Surcharge 1 is considered part of Remuneration A.

c. For the purposes of this provision:

P is the Maximum Remuneration

Z is the current sum of all Remuneration A paid by the Bank for Open Receivables that have been assigned to the Bank.

2.6.2. If:

a. the Client proposes to the Bank the assignment of the Individual Receivable and the sum of the Open Receivables and the proposed Individual Receivable towards the same Customer is greater than the Limit, the Bank is entitled to accept the assignment of the entire Individual Receivable. In such case, Remuneration A (for any Individual Receivable stated in the relevant Request or for all Individual Receivables listed in the relevant Request, at the sole discretion of the Bank) shall be determined as follows:

$\text{Remuneration A} = P - Z$

b. at any time after the payment of Remuneration A pursuant to the paragraph a. until the due date of the Individual Receivable in respect of which Remuneration A has been paid in the amount determined based on the preceding paragraph, it shall apply that:

$P - Z > 0$,

the Bank is entitled to pay the Client for such an Individual Receivable against the relevant Customer an amount equal to $P - Z$, but always only in such an amount that the total sum of the amounts paid by the Bank for such Individual Receivable against the relevant Customer is not more than the amount of the Share of the nominal value of such Individual Receivable against the relevant Customer (hereinafter referred to as the "**Surcharge 2**"). Surcharge 2 is considered part of Remuneration A.

c. For the purposes of this provision:

P is the Share from the Limit

Z is the current sum of all Remunerations A paid by the Bank for Open Receivables that have been assigned to the Bank.

2.6.3. The provisions of this Clause 2.6 shall be without prejudice to the provisions of Clause 3.1.

Article III Remuneration

- 3.1. The Bank and the Client have agreed that the Bank shall pay to the Client the Remuneration in the amount of the sum of the Remuneration A and the Remuneration B.
- 3.2. The Bank undertakes to pay to the Client the Remuneration A related to the Individual Agreement within 3 Banking Days after conclusion of the respective Individual Agreement. The Bank will pay to the Client Remuneration A for the relevant Individual Receivable, but always only in such an amount that the total sum of amounts paid by the Bank for Open Receivables to all Customers, including the relevant Individual Receivable, is no more than the Maximum Remuneration.
- 3.3. The Bank undertakes to pay the Remuneration B related to the Individual Agreement no later than within 3 Banking Days after:
 - a. the Customer has duly and demonstrably paid the Individual Receivable to the Bank, or
 - b. the Insurer paid the Bank the insurance benefit related to the relevant Individual Receivable, if the Basic Terms in the section Type of receivable assignment states Assignment with insurance and an insured event has arisen in connection with the relevant Individual Receivable within the meaning of the Insurance Contract.
- 3.4. The Bank shall pay the Remuneration A and the Remuneration B to the Client by crediting the amount to the Client's Account set forth in the Basic Terms or by crediting the amount to any other Client's Account.

- 3.5. If the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Assignment with Insurance, it shall apply that the Remuneration B shall be determined in the amount of:
- a. a difference between the sum paid by the Customer to the Bank as a settlement of the related Individual Receivable and the related Remuneration A, or
 - b. a difference between the sum of the insurance payment related to the respective Individual Receivable paid out by the Insurer and the related Remuneration A, in case of the insurance event in terms of the Insurance Contract, or
 - c. EUR 0,- in case of the insurance event in terms of the Insurance Contract when the Insurer has not paid the related insurance payment in terms of the Insurance Contract or no title to such insurance payment has incurred.

Article IV

Fees and Reimbursements Connected with the Master Agreement

- 4.1. In relation to the Factoring Document the Client is obliged under the conditions set out in the Factoring Document to pay to the Bank fees set forth in the Factoring Documents, the Factoring Terms and Conditions and the Tariff of Fees.
- 4.2. **Processing Fee.** The Client is obliged to pay to the Bank a processing fee for the assignment of the Individual Receivable in the amount set forth in the Basic Terms. The Client covenants to pay the Processing Fee on the day when the Bank paid to the Client the Remuneration A for the Individual Receivables assigned to the Bank on the basis of the Factoring Documents.
- 4.3. **Maximum Amount Provision Fee.** The Client is obliged to pay to the Bank a one-off fee for provision of the Maximum Amount on the day of conclusion of the Master Agreement in the amount set forth in the Basic Terms.
- 4.4. **Commitment Fee.** If the Commitment Fee is set forth in the Basic Terms the Bank is entitled to request from the Client the Commitment Fee, and that during the period commencing on the day of conclusion of the Master Agreement or an addendum thereto, whereby this respective fee is added in the Basic Terms (hereinafter referred to as the "**Initial Day**"), and ending on the last day of the Client's Right term. The decisive period for calculation of the Commitment Fee shall be each following period (hereinafter referred to as the "**Charged Period**"), whereby:
- a. the first Charged Period will commence on the Initial Date and will end on the last day of the calendar quarter, when the Initial Date occurred or on any other date set forth in the Framework Agreement,
 - b. each next Charged Period commences on the last day of the previous Charged Period and ends always on the last day of the third whole calendar month following the first day of such period,
 - c. the last Charged Period ends on the last day of the Client's Right term,
- and that always including the first day of the respective Charged Period but excluding the last day of the respective Charged Period. In compliance with provisions stated herein, the Commitment Fee shall be calculated retrospectively for each individual day of each Charged Period, on the basis of a calendar year consisting of 360 days, and that as a conjunction of (i) the non-utilised Maximum Amount determined after the closing of the respective day of the Charged Period and (ii) the Commitment Fee rate set forth in the Basic Terms.
- 4.5. **Fee for Prolongation and Increase.** If the Bank and the Client conclude an addendum to the Master Agreement the contents whereof shall be specification of a later day of the Client's Right term or increase of the Maximum Amount, the Client shall be obliged to pay to the Bank the fee set forth in such addendum to the Master Agreement. Such fee is payable on the day set forth in the addendum to the Master Agreement and if such day is not set forth in the addendum to the Master Agreement, then on the day of conclusion thereof.
- 4.6. **Customer Risk Analysis and Monitoring Fee.** If the Customer Risk Analysis and Monitoring Fee is specified in the Basic Terms the Bank is authorised to request payment of such fee from the Client (and in such case the Client is obliged to pay it), and that for (i) the execution of an analysis of each of the Customers (ii) as well as in case of conclusion of each addendum to the Master Agreement the scope whereof is prolongation of the Client's Right term for each Customer. The fee amount is set forth in the Basic Terms. The first fee for each Customer is due and payable on the day of delivery of the

Client's request (order) for analysis to the Bank, and then on the day of each conclusion of an addendum to the Master Agreement the scope whereof is prolongation of the Client's Right term for each Customer.

4.7. Fee for Change

The Client is obliged to pay to the Bank a fee for change in connection with each of the following events on individual basis:

- a. preparation and execution of an addendum or other amendment to any Factoring Document or a new Factoring Document carried out on the basis of or in connection with the Client's or the Guarantor's request,
- b. preparation and execution of any waiver of right, consent or statement requested by the Client or the Guarantor from the Bank under any of the Factoring Documents,

whereby the amount of the Fee for Change shall be specified in the relevant Factoring Document, in relation to which the obligation to pay such fee has arisen.

The Fee for Change shall be due and payable always on the day on which the document giving rise to such fee is signed by the Bank. The Bank is authorised to debit the sum of the Fee for Change from the Client's Account. If the Client or the Guarantor files a single request for amendment of multiple documents or for execution of multiple new documents or multiple waivers of rights, consents or statements, the Fee for Change shall be due and payable in connection with each such individual amendment, execution, waiver of right, consent and statement.

4.8. The Bank and the Client have agreed that fees set forth in this Article shall not comprise any costs but only represent the remuneration of the Bank.

4.9. The Client is obliged to pay to the Bank any demonstrably spent costs for external lawyers, external tax advisors and external accountants and any other external advisors, incurred by the Bank in connection with provision of services of these persons to the Bank and in connection with the Factoring Documents, and costs, incurred by the Bank in connection with enforcement of the Individual Receivables assigned to the Bank. The Guarantor is obliged to pay to the Bank expenses and costs incurred by the Bank in connection with issuance of extracts from the Commercial Register and the extracts from the Ownership Title Certificate, and that in case the Guarantor is obliged to deliver the given extracts to the Bank on the basis of the Factoring Terms and Conditions or the Factoring Documents. The Guarantor is also obliged to pay to the Bank all costs and expenses incurred by the Bank in connection with the Bank's obligation to cover the court costs, the subject of which were the rights to the property constituting the security provided to the Bank under the Security Agreements and in which the Bank also became a participant.

4.10. The Client is obliged to pay any fees and reimbursements according to this Article to the Client's Account or to an account specified by the Bank. The Bank is authorised to debit from the Client's Account the sum of any fee and reimbursement the Client is obliged to pay to the Bank. The Guarantor is obliged to pay any fees and reimbursements according to this Article to the Guarantor's Account or to an account specified by the Bank. The Bank is authorised to debit from the Guarantor's Account the sum of any fee and reimbursement the Guarantor is obliged to pay to the Bank.

4.11. If the Basic Terms specify the amount of any fee the Client is obliged to pay to the Bank along with the addition "p.a.", it means that such fee is a repeatedly due and payable fee. The Client is obliged to pay the given fee to the Bank on the day of conclusion of the Master Agreement, and subsequently each year on the anniversary of conclusion of the Master Agreement and in the last year of the term of the Master Agreement on the last day of the Client's Right term, unless otherwise specified in the Factoring Terms and Conditions or in the Master Agreement.

Article V

Payment of Individual Receivables

5.1. The Client is obliged to ensure (in a notification to the Customer or by specification in the Invoice) that the Customer pays the Individual Receivables exclusively to the Internal Account.

5.2. The Bank is authorised to transfer the financial means credited to the Client's Account, which represent the settlement of the Individual Receivables assigned to the Bank, to any Bank's account.

Article VI Interests and Default Interests

- 6.1. The Interest Rate is a rate determined in per cents, on the basis whereof the Discount Interest shall be calculated by the Bank which the Client is obliged to pay to the Bank in the course of the Interest Period in terms of the Master Agreement. The Interest Rate is determined as:
- a. a fixed or a stable rate, i.e. such rate which is numerically expressed in the Master Agreement, and which does not change from the date of determination thereof until the agreed date, e.g. until revocation of such interest rate by the Bank (set forth in the Master Agreement e.g. as the rate until revoked), or
 - b. a floating rate, i.e. such rate which is the sum of the Reference Rate and the interest margin pursuant to the Factoring Documents.
- 6.2. **Fixed or Stable Interest Rate**
If a fixed or stable interest rate is arranged in the Master Agreement (identified as e.g. "BAW", "until revoked" or "fix"), then the respective rate shall be applied during the whole term of the Master Agreement, or only during a certain period of the term of the Master Agreement (if it results from the nature of identification thereof, or it is arranged in the Master Agreement). A change of such interest rate, which is applied only during a certain period of the term of the Master Agreement, shall be effected on the first day after expiration of the arranged period, or on the day when a certain event occurs. Such event may be a Bank's decision on change of such rate with respect to the conditions in the respective money market. The Bank shall deliver the decision on change of the interest rate to the Client.
- 6.3. **Floating Interest Rate**
- 6.3.1. **Base Rate.**
- 6.3.1.1. The Base Rate is a Reference Rate determined by the Bank. The Bank determines the Base Rate reasonably considering:
- the cost of funds on the relevant interbank market, especially considering the level of refinancing interest rates,
 - the year-on-year change in the inflation rate according to official data from the Statistical Office of the Slovak Republic, or the change in the real monthly wage index according to official data from the Statistical Office of the Slovak Republic,
 - legislative changes that affect the Bank's costs related to the provision and management of banking products,
 - changes in the risk premiums of Slovak government bonds,
 - changes in the risk premiums of bonds that the Bank can issue on the interbank market.
- 6.3.1.2. The current Base Rate at the time of signing the Master Agreement is stated in the Basic Terms. The Bank also publishes the current Base Rate on its website.
- 6.3.1.3. The Bank is entitled to change the Base Rate. The Bank notifies the Client of the change in the Base Rate by publishing a notice of the change and the amount of the changed Base Rate on its website no later than 15 days before the change takes effect. The change in the Base Rate is effective from the effective date specified in the Bank's notice pursuant to the previous sentence.
- 6.3.2. **Other Reference Rates.**
- 6.3.2.1. **EURIBOR.**
The EURIBOR in respect of the relevant Interest Period means the percentage rate p.a. determined by the European Money Markets Institute or by any other person authorised to set the rate, published on the „EURIBOR01“ page of the Thomson Reuters (or any other page of this service determined by the Bank or on a page of any other service determined by the Bank, in the event of closing such service) about 11:00 am (Bratislava time) on the Date of determination of the interest rate, for the currency of the Maximum Amount and for the period determined at the Reference Rate set forth in the Basic Terms (e.g. 1M (i.e. 1 month), 3M (i.e. 3 months)). However, it also applies that if this Reference rate is lower than zero, then such Reference Rate will be considered equal to zero.
- 6.3.2.2. **PRIBOR.**
The PRIBOR rate (Prague Interbank Offered Rate) means the benchmark interest rate on the interbank deposits in Czech crowns, which is calculated (fixed) by the calculation agent for the Czech National Bank and the Czech Forex Club (or any other person au-

thorized to determine it) from the quotes of reference banks for sale of the deposits (offer) using the algorithm described in the Rules for Reference Banks and the calculation of the reference interest rate issued by the Czech National Bank based on act/360 convention and is fixed at 11:00 a.m. CET on the Interest Rate Determination Date displayed to two decimal places for the period specified with the Reference Rate set forth in the Basic Terms (e.g. 1M (i.e. 1 month), 3M (i.e. 3 months)). However, it also applies that if this Reference Rate is lower than zero, the respective Reference Rate shall be considered equal to zero.

6.3.2.3. The development of the Reference Rate depends largely on the decisions regarding the setting of the basic interest rates by the respective central bank and market expectations about future decisions. When setting the basic rates, the central bank autonomously decides based on a comprehensive assessment of the current and expected economic developments in the medium term, monitoring a number of indicators such as GDP, inflation, unemployment, wage growth, or credit growth.

- 6.4. In the event of change in the Reference Rate set forth in the Basic Terms, the Bank shall notify the Client of the current value thereof, and that immediately after the change thereof:
- by a bank statement from the Client's Account, or
 - via the website www.tatrabanka.sk, or
 - by publishing in the business premises of the Bank, or
 - by a notification delivered to the Client in compliance with the Factoring Documents,
 - in any other appropriate way,
- and that in any of the above ways determined by the Bank.
- 6.5. If, in the relevant market, no relevant Reference Rate is fixed, the basis for determination of the Interest Rate shall be considered to be the monitoring of interest rates in the relevant market of interbank deposits, namely the "offer" rate for the period corresponding with the term of the Interest Period or for a period which is closest to the term of the Interest Period. However, it also applies that if this rate is lower than zero, the respective rate shall be considered equal to zero.
- 6.6. If the duration of the first Interest Period is different from the time period set forth at the Reference Rate within the interest rate set forth in the Basic Terms, then the interest rate for the first Interest Period shall be determined as the sum of the refinancing rate and the interest margin. The refinancing rate means the interest rate derived by the Bank from the current rate, for which funds are currently, usually two Banking Days prior to the commencement of the first Interest Period, provided in the interbank market for the period corresponding to the first Interest Period.
- 6.7. Upon deriving the Interest Rate, the Bank shall proceed usually in such manner that it shall determine the Interest Rate closest to the current rate for which funds are provided in the interbank market for the period corresponding to the Interest Period, whereas if the term of the first Interest Period exceeds the term of the fixation period of the current rate the Bank wants to apply by more than 10 days, the Bank shall usually apply a current rate with a longer fixation period.
- 6.8. In connection with the change of the Interest Rate, the Discount Interest and fees shall be changed for the purposes of the Master Agreement, the calculation whereof is arranged on the basis of the Interest Rate.
- 6.9. The Discount Interest shall be calculated according to Article VII of the Factoring Terms and Conditions.
- 6.10. The Client is obliged to pay to the Bank the Discount Interest on the due date of the Discount Interest, set forth in the Basic Terms. Payment of the Discount Interest shall be governed by provisions of the Article VIII Factoring Terms and Conditions.
- 6.11. **Default Interests.**
- 6.11.1. The Bank is authorised to request from the Client and/or the Guarantor payment of default interests from the amount of the Total Bank's Receivable (and in such case the Client covenants to pay it), except for the default interests, with payment of which the Client and/or the Guarantor is in delay (hereinafter referred to as the "**Unpaid Sum**"), and that commencing on the day of the delay occurrence.
- 6.11.2. The basis for calculation of the default interests is a regular year consisting of 360 days. The default interests shall be due and payable on the earlier of the following days:
- on the day when the Bank exercises the actions in line with Clause 8.2. below, aimed at the payment of the default interests, or
 - on the day set forth in the Bank's notification addressed to the Client for the purpose of payment of the default interests.

- 6.11.3. The period commencing on the due day of the Unpaid Sum and ending on the day of payment of the Unpaid Sum shall be divided into several periods with a length determined by the Bank, while the first period shall commence on the due day of the Unpaid Sum and each next period shall commence on the last day of the immediately preceding period.
- 6.11.4. During each period set forth in Clause 6.11.3. above the Unpaid Sum shall bear interests at the interest rate of default interests per annum, representing the sum of the Interest Rate set forth in the Basic Terms and 8% p.a., or a different interest rate for calculation of default interests if it is set forth in the Factoring Document (hereinafter referred to as the "**Contractual Default Interest Rate**"). If the Contractual Default Interest Rate is derived from the interest rate, which is otherwise applicable for calculation of interests pursuant to the Master Agreement, then for the determination of the Contractual Default Interest Rate such interest rate shall be applied that would be applied if the interests on the Unpaid Sum were calculated pursuant to Article VII below. In relation to the Contractual Default Interest Rate the following shall apply:
- a. if legal regulations specify such maximum default interest rate that cannot be increased even by an agreement between the parties (hereinafter referred to as the "**Statutory Default Interest Rate**"), in consequence of which it would not be possible to apply the Contractual Default Interest Rate, then for the purposes of the Factoring Documents the Statutory Default Interest Rate shall be applied, and that in the period when the Contractual Default Interest Rate may not be applied,
 - b. the Contractual Default Interest Rate shall always be applied for the purposes of Factoring Documents except for the case when the application thereof is not possible due to the existence of the Statutory Default Interest Rate.
- 6.11.5. Each period determined by the Bank pursuant to Clause 6.11.4. above shall be considered as the Interest Period for the purposes of the application of the Interest Rate Determination Date definition and also for the purposes of the application of other Reference Rates definitions for the purposes set forth in this Clause 6.11.

Article VII Interest Period

- 7.1. The Discount Interest shall be calculated on the basis of an exact number of elapsed days of the Interest Period based on a regular year consisting of 360 days, including the first day of the Interest Period but excluding the last day of the Interest Period. If the due date of the Discount Interest is not a Banking Day, the due date shall be the closest previous Banking Day, while this day is concurrently the last day of the respective Interest Period.
- 7.2. If the Bank and the Client agreed in the Master Agreement on the due date of the Discount Interest as at the end of a month, then:
- a. the first Interest Period shall commence on the day of payment of the Remuneration A and shall end on the next following Discount Interest due date,
 - b. the due date of the Discount Interest is monthly on the last day of a calendar month, unless otherwise arranged in the Master Agreement,
 - c. each next Interest Period shall commence on the last day of the previous Interest Period and shall end always on the next following Discount Interest due date,
 - d. the last Interest Period shall end on the day of full payment of the Individual Receivable assigned to the Bank pursuant to the Master Agreement and the related Individual Agreement in the amount of the Remuneration A or on the day when the Insurer made the insurance payment to the Bank in relation to the respective Individual Receivable in the amount of the Remuneration A (and that on the earlier of the respective days),
 - e. the Discount Interest shall be charged at the end of a calendar month from the sum of all portions of the Remuneration A for all Individual Receivables not settled by the Customer, assigned to the Bank on the basis of the Master Agreement and the related Individual Agreement.
- 7.3. If the Bank and the Client agreed in the Master Agreement on the due date of the Discount Interest on the day of payment of the Remuneration A, then:
- a. the Interest Period shall commence on the day of payment of the Remuneration A and shall end on the due date of the Individual Receivable for the assignment of which the Remuneration A was paid,

- b. the Bank is authorised to request from the Client the payment of the Discount Interest (and the Client covenants to pay the Discount Interest in such case) even for the period commencing on the first day of the Customer's delay with the payment of the Individual Receivable assigned to the Bank and ending on the day of payment of such Individual Receivable, and in such case the Client covenants to pay to the Bank also the Discount Interest for such period.

Article VIII

Payment of the Total Bank's Receivable

- 8.1. The Client is obliged to pay the Total Bank's Receivable to the Client's Account set forth in the Basic Terms. The Bank is authorised to specify at any time in a notification addressed to the Client a different account for repayment of the Total Bank's Receivable, including also a Bank's account. The Bank is authorised to debit from the Client's Account any sum the Client owes to the Bank on the basis of the Factoring Documents and the Factoring Terms and Conditions. The Bank is authorised to debit from the Guarantor's Account any sum the Guarantor owes to the Bank on the basis of the Factoring Documents and the Factoring Terms and Conditions.
- 8.2. **Method of Payment of the Total Bank's Receivable.**

The payment of the Total Bank's Receivable shall be executed as follows:

 - a. by debiting the due and payable portion of the Total Bank's Receivable from the Client's Account and from the Guarantor's Account by the Bank, and if this is not possible for any reason, then
 - b. by setting-off the Receivable from the Client's Account or any other Client's receivable towards the Bank against the due and payable Total Bank's Receivable or any portion thereof and by setting-off the Receivable from the Guarantor's Account against the due and payable Total Bank's Receivable or any portion thereof. For the act of setting-off according to this Clause the subsequent delivery of the statement from the Client's Account or from the Guarantor's Account, which shall demonstrate the execution of the setting-off, shall be sufficient,
 - c. by crediting the funds in the amount of the due and payable portion of the Total Bank's Receivable to the account specified by the Bank, if the Bank makes use of its authorisation set forth in Clause 8.1. above.
- 8.3. **Payment Day.**

The payment day of the Total Bank's Receivable or a respective portion thereof shall be a day when:

 - a. the Bank debited from the Client's Account or from the Guarantor's Account the funds in the amount of the due and payable Total Bank's Receivable or any due and payable portion thereof, or
 - b. the due and payable Total Bank's Receivable or a respective portion thereof was set-off against the Receivable from the Client's Account or any other Client's receivable towards the Bank or against the Receivable from the Guarantor's Account, or
 - c. in case the Bank makes use of its authorisation set forth in Clause 8.1. above, funds in the amount of the due and payable portion of the Total Bank's Receivable were credited to the Bank's Account and the Total Bank's Receivable or any part thereof became due.
- 8.4. On the due date of the Bank's Total Receivable or any part thereof, the Client is obliged to ensure that there are sufficient funds in the Client's Account for its payment throughout the entire duration of the Cut off time (unless otherwise agreed in the Factoring Documents), and such funds must not be subject to any prohibition or restriction on the Client's right to dispose of them. The Client is obliged to comply with the same obligations in relation to the account designated by the Bank if the Bank exercises its right referred to in Clause 8.1 above.

If the Client repays the Total Bank's Receivable and/or any portion thereof in other currency than the currency of the Total Bank's Receivable, the Client is obliged to provide sufficient funds in the Client's Account for the payment of the respective amounts throughout the entire duration the Cut-off time (unless otherwise arranged in the Factoring Documents) two Banking Days prior to the due date. If during the Cut-off Time there are not sufficient funds pursuant to this Clause in the Client's Account or in the account determined by the Bank, if the Bank exercises its right referred to in Clause 8.1 above), the Client is in delay with the payment of the Total Bank's Receivable or its relevant part, and the Bank will be entitled (but not obliged) to perform the actions specified in Clause 8.2. paragraph a. and/or b. above with respect to any Client's Account as well as to the Guarantor's Account.

Amounts credited to the account designated by the Bank pursuant to Clause 8.1 above which are not

used to pay the Bank's Total Receivable or the relevant part thereof shall not bear interest, and the Bank shall be entitled to retain them for the purpose of paying the Bank's Total Receivable or any part thereof until the Full Payment Date.

When repaying the Bank's Total Receivable or any part thereof, default interest, interest, principal, and other unpaid components of the Bank's Total Receivable shall be settled in the order determined by the Bank at the time of such payment.

8.5. In case the due date of the Total Bank's Receivable or any portion thereof (e.g. interest due date) is arranged in the Master Agreement as at the end of:

- a. a month, it means that the due date is on the last calendar day of a month;
- b. a quarter, it means that the due date is on the last calendar day of a calendar quarter.

If the due date of the Total Bank's Receivable or any portion thereof is the day that is not a Banking Day, it shall apply that the respective sum shall be due and payable on the following Banking Day (if such day is in the same calendar month) or on the preceding Banking Day (if the following Banking Day would be in the next calendar month).

8.6. The Client and/or the Guarantor are obliged to pay to the Bank any portion of the Total Bank's Receivable without a reduction thereof by any current or future deduction, tax or charge. If the Client and/or the Guarantor is obliged to make any deduction or to pay any tax or charge from the paid amount in line with valid legal regulations, the Client covenants to pay to the Bank such deducted sum immediately, so that the amount paid to the Bank equals to the amount the Bank would receive if the Client and/or the Guarantor was not obliged to make the deduction or to pay the tax or charge. This provision shall also apply if the obligation to make a deduction or to pay a tax or charge shall be imposed on the Bank.

8.7. **Unauthorised Overdraft**

8.7.1. If on the due date of any due and payable sum of the Total Bank's Receivable there are not sufficient funds in the Client's Account for the payment thereof, the Bank is authorised, however not obliged, to settle the due and payable sum of the Total Bank's Receivable by debiting the Client's Account (hereinafter, the difference between the amount of such repaid Total Bank's Receivable and the funds in the Client's Account at the moment of repayment of the due and payable sum of the Total Bank's Receivable in the manner set forth in this sentence, shall be referred to as the "**unauthorised overdraft**"). The Client is obliged to pay the unauthorised overdraft not later than within 5 days following the occurrence date thereof.

8.7.2. In consequence of the occurrence of the unauthorised overdraft the Bank is authorised, commencing on the day of the occurrence of the unauthorised overdraft, to request from the Client the payment of an unauthorised overdraft fee calculated on the basis of the rate for such fee set forth in the Master Agreement. If there is no such rate set forth in the Master Agreement, the rate determined by the Bank for interests on unauthorised overdrafts in accounts of its clients in the currency of the Maximum Amount shall be applied, which is published for this purpose on the website of the Bank (in section relating to interest rates for small entrepreneurs, medium and large companies). Unless otherwise specified, the unauthorised overdraft fee is due and payable on a monthly basis, and that depending on the exclusive specification by the Bank on the last Banking Day or on the last Saturday of the respective month.

8.7.3. The Client is not authorised to request the payment of the due and payable sum of the Total Bank's Receivable in the manner and form set forth in this Clause 8.7.

8.8. The Discount Interest and fees the Client is obliged to pay to the Bank pursuant to the Factoring Documents are set forth in the Factoring Documents excluding the VAT. Value added tax according to the generally binding legal regulations of the Slovak Republic shall be charged along with the Discount Interest and fees.

8.9. The Bank is not obliged to accept the payment of the Total Bank's Receivable or any portion thereof offered by a third party even with the Client's consent, and irrespective whether fulfilment thereof is linked to the Client's personal attributes. The Bank is entitled to accept the fulfilment of the Total Bank's Receivable or any part thereof offered by a person other than the Client even without the Client's consent. The Client may not limit and/or prohibit the exercise of this right of the Bank by a unilateral declaration.

8.10. The Bank is authorised to demand the fulfilment of the Guarantor's obligation arising out of the Factoring Documents even without

- a. prompting the Client to pay the Total Bank's Receivable, and/or
- b. providing the Client with an appropriate period for the payment of the Total Bank's Receivable.

- 8.11. If the sum:
- a. of the funds the Bank obtains for the purpose of payment of the Total Bank's Receivable, e.g. by debiting from the Client's Account,
 - b. of the funds the Bank obtains as proceeds from the security established under the Security Agreements, or
 - c. of the funds the Bank obtains on the basis of the utilisation of the means of strengthening enforceability of the Total Bank's Receivable,
- is not sufficient for settlement of the due and payable sums owed to the Bank, the Bank shall utilise such funds for settlement of default interests, the Discount Interest and other outstanding parts of the Total Bank's Receivable, and that in the order determined by the Bank at the time of such settlement. If on the day of such settlement there are several due and payable receivables owed to the Bank, the Bank may decide on the order of the settlement of individual receivables.
- 8.12. In case the Bank has provided the Client with any financing (including the issuance of bank guarantees and/or letters of credit and/or the provision of a loan), the Bank is entitled to determine, and also to change at any time, the order of repayment of (i) the Total Bank's Receivable and (ii) the Bank's receivables arising from financing provided to the Client.

Article IX

Rights and Obligations of the Bank, the Client and the Guarantor

- 9.1. The Client is obliged:
- a. to conclude with the Bank an agreement on a current account no later than prior to the first assignment of the Individual Receivable under which the Bank shall open for the Client a current account set forth in the Basic Terms,
 - b. to maintain a proper accounting and cost control system,
 - c. to duly pay taxes, customs duty, charges and other charges imposed by legal regulations,
 - d. to keep valid and effective all official and other permissions (Trade Licence, licenses, rights connected with the use of trademark, business name, etc.) necessary for business activity of the Client,
 - e. to duly fulfil all obligations ensuing to the Client from obligations concluded with the Bank and with third parties,
 - f. in the case of securing the Total Bank's Receivable by a mortgage over a real estate in the ownership of the Client, to attach to the Income Tax Return, to the Balance Sheet in full extent and to the Profit and Loss Account in full extent also an Annex to the annual financial statements in full extent, where in Article III – Additional Information to the balance sheet and profit and loss account in Clause 4. – Data on accounts receivables and payables, the Client shall specify the Bank's business name and the amount of the Total Bank's Receivable in the section determined for the name of the object of mortgage,
 - g. to notify the Bank of the occurrence or existence of the Event of Default, and that immediately after the Client learns of the origination thereof,
 - h. to notify the Bank in writing of a change in the facts which are contained in the Client's Representations, and that within 10 days as of the day the Client learns of such change,
 - i. if the Client is a limited liability company or a joint-stock company, within 5 Banking Days as of delivery of the Bank's notification:
 - (i) to notify the Bank in writing of the structure of partners or shareholders of the Client, stating their respective portion of ownership interests or shares in the Client's registered capital and the extent of their voting rights in the general meeting of the Client,
 - (ii) to deliver to the Bank documents confirming the facts set forth in par. (i) above, e.g. an extract from the register of shareholders,
 - (iii) to deliver to the Bank the current wording of the deed of foundation, the memorandum of association and the articles of association of the Client,
 - j. to provide the Bank with all information regarding the financial standing of the Client, business activities of the Client and also any other information requested by the Bank, including information that may be directly or indirectly connected with the Factoring Documents or with the ability of the Client to meet Client's obligations pursuant to the Factoring Documents, and that within 5 Banking Days after the request of the Bank is delivered,

- k. to immediately inform the Bank of every fact known to the Client in relation to the Customer that may result in deteriorating of the Customer's ability to settle the Individual Receivables, especially the fact, that (i) the Customer refused to take over the goods or the service or documents upon the first presentation thereof, where the payment condition is cash payment against documents or documents against acceptance, or (ii) the Customer is not able to cash a note or a cheque, (iii) initiation of legal proceedings against the Customer for non-payment of a receivable, (iv) impending or actual bankruptcy or (v) any other unfavourable information regarding the Customer,
- l. to ensure that the Customer pays the Individual Receivable assigned to the Bank exclusively to the Internal Account,
- m. to notify the Bank of termination of the Customer Contract, and that within 2 days as of the day of execution of the act that resulted in or might result in termination of the Customer Contract,
- n. to notify the Bank of any amendments to the Customer Contract, and that within 2 days as of the amendment,
- o. at the latest within 5 Banking Days as of the delivery day of the Bank's notification, to submit to the Bank the original of the Invoice a copy whereof the Client submitted to the Bank with the respective Request, if it is set forth in the Master Agreement that copies of Invoices shall form an annex to the Request,
- p. no later than 5 Banking Days from the date of delivery of the Bank's request, to submit to the Bank:
 - (i) the original Invoice,
 - (ii) the original document confirming that the Client has provided performance to the Customer,
 - (iii) the original Customer Contract in full wording,even repeatedly, or even if the Client has already submitted any of the documents listed in items (i)–(iii) above to the Bank as a copy.
- q. to send to the Customer the Invoice the Client submitted to the Bank along with the Request, and that within 30 days as of the day of delivery of goods or provision of services on the basis of the Customer Contract at the latest, if the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Assignment with Insurance,
- r. to pay to the Bank upon a notification of the Bank delivered to the Client and within the period set forth therein the sum of the amounts the Bank paid to the creditors of the Client in consequence of assessment of any of the Factoring Documents, the Client is a party thereto, as a disputable legal act,
- s. to deliver to the Bank upon a notification of the Bank and within the period set forth therein any documents and evidences requested by the Bank for the purpose of fulfilment of obligations under legal regulations on protection against legalisation of incomes from criminal activities and verification whether the Client is not a person with a special relationship to the Bank in terms of the Act on Banks,
- t. for the purposes of fulfilment of the Bank's obligations in respect of compliance with tax laws and in order to ensure exchange of tax information arising especially from:
 - (i) the international agreement concluded between the Slovak Republic and the United States of America (hereinafter referred to as the "USA") in connection with the improvement of compliance with international tax laws and the implementation of the FATCA (Foreign Account Tax Compliance Act),
 - (ii) any agreement concluded between the Slovak Republic and any country of the European Union (hereinafter referred to as the "EU"), the European Economic Area (hereinafter referred to as the "EEA") or the Organisation for Economic Co-operation and Development (hereinafter referred to as the "OECD"),
 - (iii) any generally binding legal regulations, binding directives, regulations or resolutions of the National Bank of Slovakia, the European Central Bank or other authorised body,to provide to the Bank upon a notification of the Bank and within the period set forth therein the information whether he/she/it is a citizen or a tax resident of the USA, of a member state of the EU, the EEA or the OECD and to submit documents proving such fact.
- u. perform all its acts so that:
 - (i) it complies with and does not violate the Sanctions,
 - (ii) has not provided (directly or indirectly) funds provided to the Client under the Framework Agreement to the Sanctioned Person or for the benefit of the Sanctioned Person,
 - (iii) did not use the funds provided to the Client under the Framework Agreement in a manner that is prohibited by Sanctions or as a result of which the Bank would violate Sanctions;

- (iv) in order to repay the Total Bank's Receivable or a portion thereof, it has not used the funds, the use of which for the specified purpose would violate the Sanctions or would result in that the Bank would violate the Sanctions,
- (v) it would not sell goods or provide services to third parties if such sale of goods or provision of services is prohibited by Sanctions or as a result of which the Bank would violate Sanctions.

9.2. The Client is obliged to submit to the Bank:

- a. as of the last day of a calendar half-year and a calendar year:
 - (i) and always within 30 days as of the execution of an amendment in the commercial register records, a current extract from the commercial register, however only if the Client is registered in the commercial register, and
 - (ii) if the Total Bank's Receivable is secured by a mortgage over a real estate in the ownership of the Client or over a Client's co-ownership share in a real estate, a complete extract from the certificate of ownership applicable for legal acts, a current document demonstrating payment of insurance premiums in terms of the Security Agreement,
- b. within the period of 100 days as of expiration of the respective period for which the documents set forth hereunder are prepared:
 - (i) if the Client is an entrepreneur, a copy of the income tax return with a seal of a registry of the respective tax authority or with a report on acceptance of filing via electronic registry of the tax administrator, and
 - (ii) auditor's reports, if the Client is obliged, under the respective legal regulations, to have the financial statements verified by an auditor,
- c. within the period of 90 days as of expiration of a calendar quarter, a review of overdue accounts receivables and payables and the respective financial statements, which represent:
 - (i) if the Client applies double-entry bookkeeping, the balance sheet and the profit and loss account,
 - (ii) if the Client applies single-entry bookkeeping, the statement on assets and liabilities and the statement on incomes and expenses,
- d. within the period of 30 days of the expiry of each calendar year and also always upon the Bank's call addressed to the Client within the time limit specified in such call, all data, documents and information necessary for Bank's care as an obliged entity under Act No. 297/2008 Coll., as amended, whereas the Client shall allow the Bank employees to verify the documents submitted to the Bank under par. b) and c) above.

9.3. If the Guarantor is a different person from the Client it shall apply that the Guarantor is obliged:

- a. to submit to the Bank as of the last day of a calendar half-year and a calendar year:
 - (i) and always within 30 days as of the execution of an amendment in the commercial register records, a current extract from the commercial register however only if the Guarantor is registered in the commercial register, and
 - (ii) if the Total Bank's Receivable is secured by a mortgage over a real estate in the ownership of the Guarantor or over a Guarantor's co-ownership share in a real estate, a complete extract from the certificate of ownership applicable for legal acts, a current document demonstrating payment of insurance premiums in terms of the Security Agreement,
- b. to submit to the Bank upon a notification of the Bank addressed to the Guarantor and within the period specified in such notification:
 - (i) if the Guarantor is an entrepreneur, a copy of the income tax return with a seal of a registry of the respective tax authority or with a report on acceptance of filing via electronic registry of the tax administrator, and
 - (ii) auditor's reports, if the Guarantor is obliged, under the respective legal regulations, to have the financial statements verified by an auditor,
- c. to submit to the Bank upon a notification of the Bank addressed to the Guarantor and within the period specified in such notification the respective financial statements, which represent:
 - (i) if the Guarantor applies double-entry bookkeeping, the balance sheet and the profit and loss account,
 - (ii) if the Guarantor applies single-entry bookkeeping, the statement on assets and liabilities and the statement on incomes and expenses,whereas the Guarantor shall allow the Bank employees to verify the documents submitted to the Bank under par. b) and c) above,

- d. if the Guarantor is a joint-stock company, to submit to the Bank within 5 Banking Days as of delivery of the notification of the Bank a written statement on the shareholding structure of the Guarantor including determination of the portion of the Guarantor's shares in the Guarantor's registered capital owned by the respective shareholders and the extent of their voting rights in the general meeting of the Guarantor,
 - e. to allow the Bank employees the verification of documents submitted to the Bank pursuant to par. b) and c) above,
 - f. on the basis of a notification of the Bank addressed to the Guarantor and within the period specified in such notification, to provide the Bank with all information regarding the financial standing of the Guarantor, business activities of the Guarantor and also any other information requested by the Bank, including information that may be directly or indirectly related with the Factoring Documents or with the ability of the Guarantor to meet the Guarantor's obligations pursuant to the Factoring Documents, and that within 5 Banking Days after the request of the Bank is delivered,
 - g. to pay to the Bank upon a notification of the Bank delivered to the Guarantor and within the period set forth therein the sum of the amounts the Bank paid to the creditors of the Guarantor in consequence of assessment of any of the Factoring Documents, the Guarantor is a party thereto, as a disputable legal act,
 - h. to deliver to the Bank upon a notification of the Bank and within the period set forth therein any documents and evidences requested by the Bank for the purpose of the fulfilment of obligations under legal regulations on protection against legalisation of incomes from criminal activities and verification whether the Guarantor is not a person with a special relationship to the Bank in terms of the Act on Banks,
 - i. for the purposes of fulfilment of the Bank's obligations in respect of compliance with tax laws and in order to ensure exchange of tax information arising especially from:
 - (i) the international agreement concluded between the Slovak Republic and the USA in connection with the improvement of compliance with international tax laws and the implementation of the FATCA (Foreign Account Tax Compliance Act),
 - (ii) any agreement concluded between the Slovak Republic and any country of the EU, the EEA or the OECD,
 - (iii) any generally binding legal regulations, binding directives, regulations or resolutions of the National Bank of Slovakia, the European Central Bank or other authorised body,to provide to the Bank upon a notification of the Bank and within the period set forth therein information whether he/she/it is a citizen or a tax resident of the USA, a member state of the EU, the EEA or the OECD and to submit documents proving such fact.
 - j. within the period of 30 days of the expiry of each calendar year and also always upon the Bank's call addressed to the Guarantor within the time limit specified in such call, all data, documents and information necessary for Bank's care as an obliged entity under Act No. 297/2008 Coll., as amended.
 - k. perform all its acts so that:
 - (i) it complies with and does not violate the Sanctions,
 - (ii) in order to repay the Total Bank's Receivable or a portion thereof, it has not used the funds, the use of which for the specified purpose would violate the Sanctions or would result in that the Bank would violate the Sanctions,
 - (iii) it would not sell goods or provide services to third parties if such sale of goods or provision of services is prohibited by Sanctions or as a result of which the Bank would violate Sanctions,
 - l. to duly pay taxes, customs duties, charges and other charges set in legal regulations, while the Guarantor shall allow the Bank's employee to verify the documents submitted to the Bank under paragraphs b. and c. above.
- 9.4. If the provisions of the Factoring Terms and Conditions do not apply to the Guarantor, the Client is obliged to submit to the Bank within 30 days as of delivery of a written notification of the Bank the documents that the Guarantor would otherwise be obliged to submit to the Bank under Clause 9.3. above, should the Factoring Terms and Conditions apply to the Guarantor.
- 9.5. The Client may not, without the Bank's prior written consent:
- a. make any material changes in the Client's property (real estate, equipment, receivables, etc.) by pledge/mortgage, sale, donation, transfer, lease, etc., unless otherwise stipulated in the Master Agreement;

- b. provide any security or give an order for security of its obligation or any obligation of a third party, (including issue and aval of any notes or blank notes), except for the provision of such security in favour of the Bank;
 - c. utilise alternative forms of financing (factoring, leasing, etc.), unless otherwise stipulated in the Master Agreement;
 - d. bind to any third party until the Full Payment Date in such manner that the security of the third party's receivable or the enforceability thereof would be more favourable than the security and the enforceability of the Total Bank's Receivable.
- 9.6. If the Client fails to pay the Total Bank's Receivable or any portion thereof within the period specified under the Factoring Documents, the Bank shall be authorised to liquidate securities arising out of the Security Agreement and to utilise the means of strengthening enforceability of the Total Bank's Receivable, and that all at once or in any order. In case of the existence of several securities the Bank is authorised to liquidate any of them. From the funds raised by the Bank for the purpose of payment of the Total Bank's Receivable in accordance with the Factoring Documents and the Factoring Terms and Conditions, and also from the proceeds of the realised securities, the Bank shall pay default interests, interests, the principal and other outstanding parts of the Total Bank's Receivable, in the order determined by the Bank at the time of such payment. If, upon the execution of securities and the utilisation of the means of strengthening enforceability of the Total Bank's Receivable, the proceeds exceed the amount of the Total Bank's Receivable, the Bank shall be obliged to refund the difference to the person from whose property the Bank obtained such excess, unless the generally binding legal regulations provide otherwise.
- 9.7. The Bank is authorised to rely on the fact that all transactions the Bank executes in connection with and/or on the basis of:
- a. the Factoring Document with the Client are executed by the Client on the Client's own account and also on the fact that the Client shall use for payment of the Total Bank's Receivable the Client's own funds; and
 - b. the Security Agreement with the Guarantor are executed by the Guarantor on the Guarantor's own account and also on the fact that the Guarantor shall use for payment of the Total Bank's Receivable the Guarantor's own funds.
- 9.8. The right of the Bank to rely on the facts set forth in Clause 9.7. above is valid until the moment the Client and/or the Guarantor notifies the Bank in writing that the transactions set forth above are executed on account of a third party and/or that the funds for payment of the Total Bank's Receivable are owned by another person. In such case the Client or the Guarantor is obliged to submit to the Bank, along with the respective notification:
- a. a statement wherein they are obliged to specify the name, surname, birth registration number or the date of birth and permanent residence of the individual or the name, seat and identification number of a legal entity, if assigned, that owns the funds and on account of which the transaction is executed;
 - b. a written consent of the affected person to utilisation of his/her/its funds for the executed transaction and for the execution of the respective transaction on his/her/its account.

Article X

Client's and Guarantor's Representations

10.1. Client's Representations

- 10.1.1. The Client makes to the Bank representations contained in the Factoring Documents about certain facts significant from the Bank's point of view, which condition the Bank's decision on the conclusion of the Factoring Documents and on satisfaction of the Assignment Conditions, as well as assessment of satisfaction of the conditions set forth in the Factoring Documents, and also of the conditions of the respective legal regulations of the SR governing especially the Bank's business.
- 10.1.2. All Client's Representations are deemed to be repeated by the Client always from the date the Framework Agreement is concluded always as of the first day of the calendar month, as of the delivery of the Request to the Bank and as of the date any Factoring Document is signed by

the Client, including any amendment to any Factoring Document signed by the Client until Full Payment Date.

- 10.1.3. For the purposes of the Factoring Documents the Client represents that:
- a. as of the day of submission of the Request to the Bank, the Client is the owner of the Individual Receivables set forth in the Request and the authorisation of the Client to dispose of the Individual Receivables set forth in the Request is not limited or prohibited,
 - b. as of the day of submission of the Request to the Bank and as of the day of conclusion of the Individual Agreement, the Individual Receivables assigned to the Bank are not encumbered with pledge or any other lien,
 - c. each Customer Contract submitted to the Bank for the purpose of the satisfaction of the Assignment Conditions or the Client's obligations was submitted to the Bank in full wording,
 - d. no Objection has been delivered to the Client,
 - e. has not and does not violate any of the Sanctions,
 - f. is not a Sanctioned Person or a member of its executive body or its any other body is not a Sanctioned Person,
 - g. is not a party to any transaction or other action that may result in becoming a Sanctioned Person,
 - h. do not use and did not use funds acquired under the Framework Agreement or the Individual Agreement:
 - (i) to finance or make any provision of funds, directly or indirectly, to any Sanctioned Person (including funding or providing funds to any person for the purpose of financing any Sanctioned Person) or
 - (ii) by any other means prohibited by the Sanctions or as a result of which the Bank would violate Sanctions.

10.2. Declarations of the Guarantor.

- 10.2.1. Guarantor makes representations towards the Bank contained in the Factoring Documents regarding certain significant facts for the Bank which determine the decision of the Bank on the concluding of Factoring Documents and performing the Assignment Conditions, as well as consideration of the performance of the conditions specified in the Factoring Documents, and also the conditions of the respective legal regulations in the Slovak Republic which regulate especially business of the Bank.
- 10.2.2. All Guarantor's Representations are deemed to be repeated by the Guarantor always from the date the Factoring Document, to which the Guarantor is a party, is concluded always as of the first day of the calendar month, as of the delivery of the Request to the Bank and as of the date any Factoring Document is signed by the Guarantor, including signature of any amendment to any Factoring Document, until Full Payment Date.
- 10.2.3. For purposes of the Factoring Documents the Guarantor (if the Guarantor is different than the Client) represents that:
- (i) has not and does not violate any of the Sanctions,
 - (ii) is not a Sanctioned Person or a member of its executive body or its any other body is not a Sanctioned Person,
 - (iii) is not a party to any transaction or other action that may result in becoming a Sanctioned Person.

Article XI

Special Provisions to the Security Agreements

11.1. Insurance of Property

- 11.1.1. If:
- a. the Guarantor represented in the Security Agreement that upon conclusion thereof the Guarantor submitted an insurance contract other than the Insurance Contract to the Bank, or
 - b. the Guarantor covenanted in the Security Agreement to submit to the Bank an insurance contract within a certain period,

provisions of this Clause 11.1. shall also apply for purposes of the respective Security Agreement. By reference to the Factoring Terms and Conditions in the respective Security Agreement the provisions of this Clause 11.1. shall also form part of the contents of the respective Security Agreement.

- 11.1.2. If this Clause 11.1. is applied for the purposes of the respective Security Agreement, the Guarantor shall be obliged to submit to the Bank on the day set forth in the respective Security Agreement a valid and effective insurance contract covering the object of security (e.g. object of mortgage), however always except for land, and that for the purposes of insurance against natural hazards and against fire, and also against damage, destruction and inflicted action (hereinafter referred to as the “**insurance contract**”). The insurer may only be an insurance company authorised to operate in the territory of the Slovak Republic, acceptable to the Bank. The insurance sum under the insurance contract must be at least in the amount acceptable to the Bank.
- 11.1.3. The insurance contract must contain an obligation of the insurance company:
- a. to inform the Bank in writing of delay in payment of insurance premiums in the arranged amount and time within 10 days as of the occurrence of delay in payment of insurance premiums of the insured person under the insurance contract, and
 - b. to inform the Bank in writing 10 days prior to the transfer of any insurance payment, and
 - c. not to change or cancel the insurance contract without the Bank’s prior written consent, and
 - d. to inform the Bank in writing of termination of the insurance contract, at the latest within 10 days as of the occurrence of this fact,
- or other obligations set forth in the respective annex to the Security Agreement. If the insurance contract submitted by the Guarantor to the Bank upon conclusion of the respective Security Agreement fails to meet the above-mentioned conditions, the Guarantor is obliged to propose to the insurance company an amendment to the insurance contract in the form and substance set forth in the respective annex to the respective Security Agreement. All insurance contracts to be concluded during the term of security established under the respective Security Agreement for the purpose of insurance of the object of security must meet the conditions set forth in this Clause. If the insurance contract does not contain the commitments stated in paragraphs a. – d. above or other commitments stated in the relevant annex to the relevant Security Agreement it will be considered an Event of Default.
- 11.1.4. The insurance payments to the Bank by the insurance company may, among other things be used by the Bank for payment of the due and payable Total Bank’s Receivable or a due and payable portion thereof, if the Bank’s Total Receivable or any part thereof is due.
- 11.1.5. The Guarantor is obliged to maintain in force the insurance contract, to perform the obligations of the Guarantor arising therefrom and to comply with the conditions set forth therein, in particular to pay insurance premiums duly and on time, and that until the day of cessation of the security established under the respective Security Agreement. If the insurance contract is terminated prior to this day, the Guarantor shall be obliged to submit and deliver to the Bank, no later than a month before the termination of the insurance contract:
- a counterpart of a new insurance contract which meets all the conditions set forth in the respective Security Agreement and in the Factoring Terms and Conditions
 - to notify the insurance company of the creation of the pledge and propose an amendment to the insurance contract to the insurance company, in the form and content specified in the relevant Security Agreement.
 - upon the Bank’s request and within the period specified therein, the Guarantor is obliged to submit it to the Bank:
 - a document acceptable to the Bank confirming the proper payment of the insurance premium in accordance with the insurance contract,
 - the insurance contract or another document evidencing that, without the prior consent of the Bank, the conditions have not deteriorated compared to the last insurance contract acceptable to the Bank, such as the subject of insurance, place of insurance, insured amount, scope of insured risks, and the period for which the insurance contract is concluded.
- 11.1.6. The Bank is authorised, but not obliged, to pay to the insurance company any outstanding insurance premiums, with payment of which the Guarantor is in delay, however, only in case the pay-

ment of the insurance premiums is inevitable in respect of the interests of the Bank regardless if the insurance policy covers only the object of security or the insurance policy covers other insurance risks. The Guarantor is not authorised to claim from the Bank any reimbursement of the insurance premium. The Bank is authorised to any time debit from the Guarantor's Account:

- a. the amount equal to the outstanding insurance premium, and to pay the insurance premium from such debited funds, or
- b. the amount of the funds paid by the Bank to the insurance company as outstanding insurance premium.

The Bank will inform the Guarantor on payment of the outstanding insurance premium from the funds debited from the Guarantor's Account through a statement from the Guarantor's Account. The Bank will not be liable for any consequences that will result for the Guarantor from such payment of the outstanding insurance premium, particularly if the Guarantor has simultaneously or any time later made payment of such outstanding insurance premium. The Guarantor undertakes to pay to the Bank all costs incurred by it in connection with payment of the outstanding insurance premium, including the amount of the funds used by the Bank for payment of the outstanding insurance premium, on (the earlier of) the date of incurring such costs by the Bank or when they become due and payable.

- 11.1.7. Notwithstanding any other Bank's authorisations, unless the insurance contract is furnished to the Bank under the Factoring Documents, the Bank is authorised, but not obliged, on its own behalf and on the account of the Guarantor or on behalf and on the account of the Guarantor, to conclude an insurance contract in order to insure the object of security. The Bank is also authorised, but not obliged, to act as the policyholder on the Guarantor's account. The Guarantor is obliged to provide to the Bank any required assistance necessary for insurance of the Guarantor's property. The Guarantor undertakes to pay to the Bank all costs to be incurred by the Bank in this respect, including payment of the insurance premium, on (the earlier of) the date of incurring such costs by the Bank or when they become due and payable.

11.2. **Mortgage Agreement**

- 11.2.1. If the Guarantor establishes a mortgage in favour of the Bank under the Security Agreement, the provisions of this Clause 11.2. shall also apply for the purposes of the respective Security Agreement. By reference to the Factoring Terms and Conditions in the respective Security Agreement the provisions of this Clause 11.2. shall also form part of the contents of the respective Security Agreement.
- 11.2.2. If the object of mortgage established in favour of the Bank under the respective Security Agreement is a building under construction, the Guarantor is obliged:
 - a. to perform, within 30 days as of the validity day of the final building approval, a change of the mortgage registration in favour of the Bank in the respective certificate of ownership in such manner that it is evident from the registration that the object of mortgage in favour of the Bank is the approved building. In order to prove the performance of this obligation the Guarantor is obliged to submit to the Bank an extract from the respective certificate of ownership, and that immediately after the performance thereof;
 - b. if the building is changed in the course of its construction in such extent that upon completion of construction a different real estate would be created from the one that would have been created upon completion of the building under construction mortgaged in favour of the Bank, to immediately notify the Bank of this fact and, within 10 days as of delivery of the Bank's notification, to conclude a mortgage agreement with the Bank, the scope whereof shall be the establishment of mortgage over the new building in favour of the Bank. Upon concluding the respective mortgage agreement, the Guarantor is obliged to submit to the Bank the documents requested by the Bank necessary for specification of the object of mortgage and the establishment of mortgage.
- 11.2.3. Each object of mortgage is considered to be separate collateral in terms of the Civil Code. Upon execution of mortgage under the Security Agreement the Bank is authorised to claim satisfaction of the Total Bank's Receivable from any object of mortgage or from all objects of mortgage.
- 11.2.4. If the proceeds from the execution of mortgage are in different currency from the currency of the Total Bank's Receivable, the Bank shall convert the respective funds into the currency of the Total Bank's Receivable, and that up to the amount required for the payment of the Total Bank's Receivable. The respective conversion shall be executed applying the exchange rate

quoted by the Bank and valid on the day of payment of the proceeds to the Bank. Provisions of Clause 14.2. of the Factoring Terms and Conditions shall be applied accordingly for this purpose whereas the currency of the Client's Account shall be understood as the currency in which the proceeds have been paid.

- 11.3. The Bank is authorised to request from the Client or the Guarantor replenishment or increase in the value of the provided security or provision of additional security if at the Bank's discretion or upon the Bank's finding:
- a. the value of the security provided under the Security Agreements, or of the object of the respective security decreased, and that compared to the price at which the same or a comparable object of security is normally sold under comparable conditions at the time of establishment of the respective security and at the place where the object of security is located at the time of the establishment of the security (if applicable), or
 - b. the respective security was damaged or ceased to exist.
- 11.4. The securities of receivables provided by the Guarantor in favour of the Bank, even without an explicit regulation in the Security Agreements, secure all past, current and future Bank's receivables towards the same Client. The security relates also to such Bank's receivables, even without an explicit regulation, which arose or shall arise to the Bank towards the Client from a liability relationship which shall become invalid, or it is found, that it was concluded invalidly.
- 11.5. The Guarantor is obliged to take care of protection and preservation of the object of security. The Guarantor is also obliged to inform the Bank immediately of a change in the value of security.

Article XII Illegality

- 12.1. If performance of the Bank's commitments under the Factoring Documents or any assignment of Individual Receivable to the Bank under Framework Agreement or remaining in the contractual relationship established by the Factoring Document is in contradiction with the legal regulations binding on the Bank or this would result in that the Bank violates the Sanctions, the Bank shall be entitled to exercise any and/or all its authorisations set forth in Clause 13.2. of the Factoring Terms and Conditions (regardless of the wording of Clause 13.2. of the Factoring Terms and Conditions) and the Client and Guarantor must perform all obligations resulting from them.
- 12.2. For purposes of Clause 12.1., the legal regulation binding on the Bank is any generally binding legal regulation or any binding directive or resolution addressed to banks (generally) or to the Bank directly, issued by the authorised authority, in particular issued by the European Central Bank and mainly any directive of the European Union and especially any directive of the National Bank of Slovakia which govern the rules for position of banks, their activities, cautious business activities, rules for elimination of collection of bank assets for other subjects, eliminations for non-secured foreign exchange positions of banks, rules of bank liquidity and capital adequacy.

Article XIII Event of Default

- 13.1. The Event of Default means any of the following events:
- a. the Client is in delay with payment of the Total Bank's Receivable or any portion thereof for more than 10 days;
 - b. occurrence of an unauthorised overdraft in the Client's Account lasting for more than 10 days;
 - c. in respect of the Client or Guarantor, the following will occur:
 - (i) delivery of a petition for initiating bankruptcy proceedings (or any other proceedings having similar effect or purpose) in respect of the assets of the Client or the Guarantor with the court under the applicable legal regulations, or
 - (ii) authorization for the trustee to prepare a restructuring opinion in respect of the assets of the Client or the Guarantor under the applicable legal regulations, or
 - (iii) commencement of public preventive restructuring proceedings or non-public preventive restructuring proceedings, or

- (iv) commencement of any proceedings having similar effect or purpose as the bankruptcy or restructuring proceedings, or public preventive restructuring proceedings or non-public preventive restructuring proceedings;
- d. in relation to the Client or the Guarantor the relevant bodies of the company adopted a resolution on entry of the Client or the Guarantor into liquidation, provided the legal regulations allow liquidation of the Client or the Guarantor;
- e. initiation of execution proceedings or tax execution proceedings or of a decision enforcement against the Client and/or the Guarantor as the person liable;
- f. occurrence of an execution title, e.g. a statement of delinquent payments, in connection with non-performance of payments established by law by the Client or the Guarantor (e.g. payment of taxes, customs duties, levies);
- g. without a Bank's prior written consent:
 - (i) the Client shall have been provided any additional loans which, in the Bank's discretion, shall impair proper and timely payments of the Total Bank's Receivable,
 - (ii) in respect of the Client or the Guarantor:
 - A. the relevant bodies of the company shall have adopted a decision on dissolution, transformation or cross-border transformation (in any form of fusion, merger, amalgamation, division, spin-off, division) or change of its legal form or cross-border change of the legal form thereof (or any other decision having similar effect or purpose), or
 - B. proceedings for dissolution of the company is initiated at the competent court (or any other proceedings having similar effect or purpose),
 - (iii) the relevant Client's or Guarantor's body shall have approved conclusion of an agreement on sale of business or a part of business of the Client or the Guarantor (or any other agreement having similar effect or purpose),
 - (iv) the Client or the Guarantor shall have signed an agreement on sale of business or a part of business (or any other agreement having similar effect or purpose),
 - (v) the Client or the Guarantor shall have contributed the business or any part thereof to the equity capital of any other business company (or performed any other act having similar effect or purpose),
 - (vi) a change shall have occurred in the Centre of Main Interests of the Client or in the Centre of Main Interests of the Guarantor,
 - (vii) Client or Guarantor founded Establishment outside the territory of the Slovak Republic or outside the territory of the state stated in Factoring Document;
- h. the Client's Representations or the Guarantor's Representations are untrue or incomplete, or there has occurred a change in the facts which represent the contents of the Client's Representations or the Guarantor's Representations, or the Client or the Guarantor have provided the Bank with incorrect data or have failed to provide the Bank with the contractually agreed data and documents or have concealed substantial information or such other information that would affect the Bank's decision to the effect whether the Bank shall conclude any of the Factoring Documents;
- i. the Client or the Guarantor has failed to fulfil or has violated its obligations contained in the Factoring Documents, or the conditions set forth in the Factoring Documents have not been satisfied, or the conditions set forth in the Factoring Documents have been violated;
- j. in relation to security of the Total Bank's Receivable, any of the following facts has occurred:
 - (i) from any reason whatsoever, the value of security shall completely or partially cease, shall be deteriorated or reduced, or the value of the object of security of the Total Bank's Receivable shall be reduced and the Guarantor has failed to replenish the security within the period specified by the Bank,
 - (ii) other creditor of the Guarantor has started the execution of its security on the property of the Guarantor;
- k. the Client or the Guarantor shall declare or admit that it is not able to pay any of its financial obligations to the Bank on the due date thereof;
- l. the fact that pursuant to any agreement concluded between the Bank and the Client, especially a loan agreement:
 - (i) an event of default shall occur, or
 - (ii) the obligation to pay the provided loan or any other financing or any portion thereof shall become due prematurely, or

- (iii) the Bank shall be authorised to request from the Client early repayment of the provided loan or any other financing or any portion thereof;
- m. the fact, that pursuant to any agreement concluded between the Bank and the Guarantor, especially a loan agreement:
 - (i) an event of default shall occur, or
 - (ii) the obligation to pay the provided loan or any other financing or any portion thereof shall become due prematurely, or
 - (iii) the Bank shall be authorised to request from the Guarantor early repayment of the provided loan or any other financing or any portion thereof;
- n. the fact that according to any agreement, particularly the loan agreement, concluded between a third party and the Client and/or the Guarantor:
 - (i) the Client and/or the Guarantor shall have failed or it is likely that it shall fail to fulfil its obligation to repay the provided loan or other financing or any part thereof within its maturity period, or
 - (ii) the Client's and/or the Guarantor's obligation to repay the provided loan or other financing or any part thereof becomes due prematurely, or
 - (iii) a third party is entitled to demand prepayment of the provided loan or other financing or any part thereof from the Client and/or the Guarantor, or
 - (iv) the Client and/or the Guarantor shall have failed to fulfil its obligation (other than obligation to repay a loan or other financing or any part thereof) or it is likely that it shall fail to fulfil such an obligation arising from the agreement concluded with a third party in case such failure may affect, in Bank's reasonable opinion, the Client's ability to repay the Total Bank's Receivable and/or the Guarantor's ability to repay the Total Bank's Receivable;
- o. without prior written consent of the Bank there occurred a change in the composition of the shareholders in the Client or other direct owners of the Client. The Bank may exercise its rights set forth in Clause 13.2. below, in respect of occurrence of the Event of Default described in this paragraph only within the period of thirty days from the moment of becoming aware of this fact (e.g. a notice from the Client delivered to the Bank, an extract from the Commercial Register furnished by the Client to the Bank);
- p. a change in the personal composition of the bodies of the Client's company shall occur (statutory body, supervisory board). The Bank may exercise its rights set forth in Clause 13.2. below, in connection with the Event of Default set forth in this paragraph only within the period of thirty days as of the moment the Bank provably learns of such fact (e.g. a notification of the Client delivered to the Bank, an extract from the commercial register submitted by the Client to the Bank);
- q. in the event of security of the Total Bank's Receivable by a mortgage over a real estate or over a co-ownership share in a real estate an insurance event shall occur, which, in the Bank's opinion, may impair proper and timely repayment of the Total Bank's Receivable or the value of the security thereof;
- r. the fact that with regard to the assets of the Client or Guarantor expropriation proceedings were initiated;
- s. the Client or the Guarantor shall revoke any power of attorney granted to the Bank in connection with the security of the Total Bank's Receivable, or shall terminate the agreement on power of attorney contained in the Factoring Documents;
- t. the Bank has reasonable grounds for suspicion that action of the Client or the Guarantor is in conflict with the generally binding legal regulations, or avoids them or is in conflict with good manners;
- u. criminal prosecution has started against the Client or the Guarantor, members of their statutory bodies or their partners or shareholders;
- v. an event or several mutually related or even unrelated events shall occur that may have, at the Bank's discretion, the Material Adverse Effect;
- w. the Client or the Guarantor shall die or the Client or Guarantor ceases to exist without a legal successor or without the assumption or transfer of the obligations of the defunct entity from the Factoring Documents to another person;
- x. the Individual Receivable assigned to the Bank has ceased otherwise than by repayment in full extent to the Internal Account;

- y. if the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Recourse Assignment, the Event of Default is also the fact that the Individual Receivable assigned to the Bank was not paid duly and in time.
 - z. the fact that the Client is in crisis under the applicable legal regulations.
 - aa. under the provisions of the Financial Covenants Terms and Conditions the Bank and Client or the Bank and Guarantor failed to conclude the Agreement on Amendment to Financial Covenants Terms and Conditions.
 - bb. The Client or the Guarantor or a member of the executive body or other body of the Client or Guarantor has become a Sanctioned Person, or the Client or Guarantor has failed to comply with or violated any Sanctions,
 - cc. in case of securing the Total Bank's Receivable by pledge over real property or over co-ownership in real property, the real property is not freely accessible from public roads without any factual or legal restrictions;
 - dd. the fact that according to any agreement, particularly a loan agreement, concluded between the Bank and a third party, whose obligations are secured under the Security Agreement.
 - (i) an event of default occurs, or
 - (ii) the obligation to repay the provided loan or any other financing or any part thereof will be declared prepaid, or
 - (iii) the Bank will be authorised to claim the third party to prepay the provided loan or any other financing or any part thereof;
 - ee. without the prior written consent of the Bank, the Client or Guarantor entered into a joint venture or established a joint venture with a third party (e.g., business under § 10 paragraph. 4 of the Commercial Code, associations, and others);
 - ff. without the prior written consent of the Bank, any person becomes or ceases to be the ultimate beneficial owner of the Client according to § 6a paragraph 1 or paragraph 3 of Act No. 297/2008 Coll., as amended,
 - gg. the Bank, as an obliged entity under Act No. 297/2008 Coll., as amended, cannot perform the due diligence required by law in any banking transaction involving the Client and/or Guarantor, or the Client and/or Guarantor refuses to prove on whose behalf they are acting, with the relevant legal norm associating these facts with the consequence of refusal and/or termination of the banking transaction,
 - hh. in accordance with Clause 17.2.2. of the Factoring Terms and Conditions the Bank and the Client or the Guarantor shall have failed to enter into an agreement on modification of the Factoring Terms and Conditions.
- 13.2. If any Event of Default occurs, the Bank is authorised, in compliance with other conditions in the Factoring Documents and the Factoring Terms and Conditions, to take any or all of the following measures:
- a. to set-off the Total Bank's Receivable against the Receivable from the Client's Account and/or against the Receivable from the Guarantor's Account,
 - b. without previously notifying the Client, to block the Client's Account and/or also to block the Guarantor's Account in compliance with the conditions specified below,
 - c. to rescind the Master Agreement and/or Individual Agreement,
 - d. to terminate the Master Agreement and/or Individual Agreement.
- 13.3. **Setting-off Receivables**
The setting-off receivables is governed by provisions of the Factoring Documents and the Factoring Terms and Conditions.
- 13.4. **Blocking the Client's Accounts and the Guarantor's Accounts**
- 13.4.1. Blocking the Client's Account means the fact that the Bank shall not allow the Client to dispose of the funds in its accounts held with the Bank until the Full Payment Date, and that up to the amount of:
- (i) the Total Bank's Receivable, or
 - (ii) the sum of the Total Bank's Receivable and the outstanding Individual Receivables assigned by the Client to the Bank, if the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Recourse Assignment.
- 13.4.2. Blocking the Guarantor's Account means the fact that the Bank shall not allow the Guarantor to dispose of the funds in the Guarantor's account held with the Bank until the Full Payment Date, and that up to the amount of:

- (iv) the Total Bank's Receivable, or
- (v) the sum of the Total Bank's Receivable and the outstanding Individual Receivables assigned by the Client to the Bank, if the section Type of assignment of receivables in the Basic Terms determines that the respective assignment is the Recourse Assignment.

13.5. **Rescindment of the Master Agreement**

- 13.5.1. If any Event of Default occurs, the Bank is authorised to rescind the Master Agreement and/or Individual Agreement, and that by means of a written notification delivered to the Client. The Client shall be obliged to pay the Total Bank's Receivable in the amount, within the period and to the account specified in the Bank's notification on rescindment of the Master Agreement and/or Individual Agreement.
- 13.5.2. If the Client fails to pay the Total Bank's Receivable within the period specified in the Bank's notification on rescindment, the Client shall be obliged to pay to the Bank a default interest on such unpaid sum in the amount that is equal to the default interest arranged in the Master Agreement.
- 13.5.3. Upon rescindment of the Master Agreement the Client's obligation to pay the Total Bank's Receivable, the Security Agreements and the Factoring Terms and Conditions shall not cease. Upon delivery of the notification on rescindment to the Client the Client's Right shall cease.
- 13.5.4. Upon rescindment of the Individual Agreement the Client's obligation to pay the Total Bank's Receivable arising from and/or in connection with the Individual Agreement, the Security Agreements and the Factoring Terms and Conditions shall not cease. Upon delivery of the notification on rescindment to the Client the Client's Right shall not cease.
- 13.5.5. The Client is not authorised to rescind the Master Agreement and/or Individual Agreement. The Guarantor is not authorised to rescind the Security Agreement.

13.6. **Termination of the Master Agreement**

- 13.6.1. If any Event of Default occurs, the Bank is authorised to terminate the Master Agreement and/or Individual Agreement, and that by means of a written notification delivered to the Client. The termination shall be effective upon delivery thereof to the Client. Upon delivery of the notification on termination of the Master Agreement to the Client the Client's Right shall cease. Upon delivery of the notification on termination of the Individual Agreement to the Client the Client's Right shall not cease.
- 13.6.2. Following the delivery of the notification on termination of the Master Agreement and/or Individual Agreement to the Client, the Client shall be obliged to pay to the Bank the Total Bank's Receivable in the amount, within the period and to the account specified in the Bank's notification on termination of the Master Agreement and/or Individual Agreement.
- 13.6.3. The Client is not authorised to terminate the Master Agreement and/or Individual Agreement. The Guarantor is not authorised to terminate the Security Agreement.

- 13.7. Termination, rescindment or other cancellation of any Factoring Document is possible only in cases and under the conditions set forth in the Factoring Documents and the Factoring Terms and Conditions.

Article XIV Setting-off Receivables

- 14.1. The Bank is authorised to set-off the Total Bank's Receivable against any Client's receivables towards the Bank, especially receivables from any Client's Account, including such Client's receivables which are not due. On the basis of the preceding facts the Bank is authorised to utilise the funds from the Client's Account for setting-off against the Total Bank's Receivable. The given Bank's right to set-off receivables is applicable also in cases when the Total Bank's Receivable is not due, is statute-barred, or is denominated in a different currency, which is not freely convertible or cannot be claimed in a court.
- 14.2. For the amount of receivables denominated in different currencies to be set-off in terms of Clause 14.1. above:
 - a. the foreign exchange buy rate of the Client's Account currency to EURO quoted by the Bank and valid as of the date of the setting-off shall be applied if the currency of the Total Bank's Receivable is EURO and the currency of the Client's Account is a Foreign Currency;
 - b. the foreign exchange sell rate of the currency of the Total Bank's Receivable to EURO quoted by the Bank and valid as of the date of the setting-off shall be applied if the currency of the Total Bank's Receivable is a Foreign Currency and the currency of the Client's Account is EURO;

- c. at first the foreign currency buy rate of the currency of the Client's Account to EURO quoted by the Bank and valid as of the day of the setting-off and subsequently the foreign currency sell rate of the currency of the Total Bank's Receivable to EURO quoted by the Bank and valid as of the date of the setting-off shall be applied if the currency of the Total Bank's Receivable is a Foreign Currency and the currency of the Client's Account is a Foreign Currency other than the currency of the Total Bank's Receivable and the mutual foreign exchange rate between the respective currencies is not usually quoted by the Bank.
- 14.3. If the Guarantor covenanted in the Security Agreement to provide the Bank with any financial settlement, the Bank is authorised to set-off the Total Bank's Receivable against any Guarantor's receivables towards the Bank, especially the Guarantor's receivables from any Guarantor's Account, including such Guarantor's receivables which are not due. On the basis of the preceding facts the Bank is authorised to utilise the funds from the Guarantor's Accounts for setting-off against the Total Bank's Receivable. The given Bank's right to set-off receivables is applicable also in cases when the Total Bank's Receivable is not due, is statute-barred, or is denominated in a different currency, which is not freely convertible or cannot be claimed in a court. For the amount of the receivables denominated in different currencies to be set-off, the exchange rates determined in the manner set forth in Clause 14.2. above shall be applied.
- 14.4. For the act of setting-off pursuant to this Article, it shall be sufficient to deliver subsequently a statement from the respective account by the Bank to the Client or the Guarantor as the owner of the account, from which the execution of the setting-off shall be evident.
- 14.5. The Client and the Guarantor are not authorised to unilaterally set-off any of their receivables towards the Bank, including any Receivable from the Client's Account or the Receivable from the Guarantor's Account against the Total Bank's Receivable.
- 14.6. The Client and the Guarantor are not authorised to assign to a third party any receivable towards the Bank, especially a receivable that shall arise on the basis of or in connection with the Factoring Documents, and also a receivable for damage compensation or for delivery of unjust enrichment, which arose in connection with the Factoring Documents. This prohibition relates also to the assignment of the Receivable from the Client's Account, the assignment of the Receivable from the Guarantor's Account and to the establishment of pledge over the Receivable from Client's Account and the Receivable from the Guarantor's Account. The exception from the prohibitions according to this Clause is:
- a. assignment of the Receivable from the Client's Account and/or the Receivable from the Guarantor's Account in favour of the Bank,
 - b. establishment of pledge over the Receivable from the Client's Account and/or the Receivable from the Guarantor's Account in favour of the Bank.
- 14.7. The Client and the Guarantor are not authorised to transfer to a third party any obligations towards the Bank, especially the obligations that shall arise on the basis of or in connection with the Factoring Documents.

Article XV Communication

- 15.1. Any notifications, requests or other communication to be submitted or executed between the Bank and the Client under the Master Agreement and also between the Bank and the Guarantor under the Security Agreement must be made in a written form unless set forth otherwise in the Factoring Document. Such notifications, requests or other communication shall be delivered by hand, by registered mail, reputable courier service or e-mail to the party to which the given notification or other communication must or may be submitted or delivered.
- 15.2. **Addresses and Contacts**
For the purposes of the Factoring Documents, any notifications, requests or other communication shall be sent to the following addresses and contacts set forth:
- a. for this purpose in the Factoring Documents. If no such address and contact are set forth for this purpose in the Factoring Documents in relation to any of its parties, the address and contact set forth in the section of the respective Factoring Document, which contains the identification of the parties, shall be applied for the purposes of communication,
 - b. in a notification of the respective party to the Factoring Document containing a change of addresses and contacts set forth in the Factoring Document.

Addresses and contacts set forth in the Master Agreement for the purposes of delivery to the Client shall be used also for the purposes of delivery to the Client in connection with the Security Agreements. The Bank, the Client and the Guarantor shall notify the other party in writing of any change in the addresses and contacts set forth in the Factoring Documents, if any such change occurs and that always within 30 days of the date of the given change at the latest. For delivery purposes, always the last known address or contact of the contracting party detected in line with this Clause shall be used.

- 15.3. For the purposes of delivery pursuant to the Factoring Documents it shall apply, that notifications, requests or other communication:
- a. delivered by e-mail shall be deemed as delivered on the day of the sending of electronic mail, if sent until 5:00 p.m. on any Banking Day, in other cases on the Banking Day following the day of sending,
 - b. delivered by registered mail shall be deemed as delivered on the third day following the posting day,
 - c. delivered by hand or by a courier service shall be deemed as delivered at the moment of delivery. In case of an unsuccessful delivery by hand or by a courier service the delivery moment shall be deemed to be the third day following the first delivery attempt, and the delivery attempt shall be proved by a declaration of the delivering person.
- 15.4. The Client, by signing the Master Agreement and the Guarantor, by signing the Security Agreement, agree that the Bank made audio records of telephone calls between the Client and the Bank, or between the Guarantor and the Bank and/or their employees and used such audio records as evidence proving facts related to the Factoring Documents.
- 15.5. By signing the Framework Agreement, the Client and Bank have agreed that:
- 15.5.1. The Client is entitled to deliver the Request and the List of Receivables to the Bank also as a part of an electronic request under the BBTB Agreement and in the manner specified therein,
- 15.5.2. the Client is entitled to deliver to the Bank, as part of an electronic application submitted under the BBTB Agreement and in the manner specified therein, any document of which the Client is obliged to submit a copy under the Factoring Documents. For the avoidance of doubt, the parties agree that this Section does not apply to any document that the Client is required to submit to the Bank under the Factoring Documents unless it is expressly stated that a copy of such document must be submitted.
- 15.5.3. The Bank is entitled (but not obliged) to deliver any notices, requests, or other correspondence that are to be submitted or made between the Bank and the Client and also between the Bank and the Guarantor under the Factoring Documents and Factoring Conditions and Terms, also by delivering them exclusively:
- a. to the message box of the electronic banking service Business Banking[™] of Tatra banka, a.s., the services of which are provided under the BBTB Agreement,
 - b. to the message box in Internet banking, which is understood as a separate payment instrument, a secure environment located on the internet, where it is possible to conduct transactions with the Bank and at the same time a collective/generic designation of all services provided by the Bank through the Bank's websites,
- and that to:
- (i) any person acting as a User (as this term is interpreted in connection with the BBTB Agreement) and/or
 - (ii) any person whose consent and/or other expression of will, whether in their own name and/or on behalf of the Client and/or on behalf of the Guarantor, is required and/or demanded by the Bank in connection with such delivered document (notice, request, or other correspondence),
- with which the Client and the Guarantor expressly agree.
- 15.5.4. In the case of delivery by the Bank in accordance with Section 15.5.3 above, it is understood that all such messages are considered delivered to the Client or the Guarantor on the day they are delivered to any of the relevant message boxes in accordance with Section 15.5.3 above.

Article XVI Miscellaneous

- 16.1. If any provision of the Factoring Document becomes entirely or partially invalid or illegal or unenforceable, this fact shall have no effect upon validity and enforceability of the remaining part of the affected Factoring Document. In such case the parties of the affected Factoring Document shall be obliged to replace the affected provisions by new provisions, which shall correspond, to the greatest possible extent, to the purpose intended by the affected provisions of the Factoring Document. For this purpose the Guarantor and/or the Client as the party to the affected Factoring Document shall provide the requested assistance to the Bank and that within 30 days as of the day of delivery of the Bank's notification.
- 16.2. If, during the term of the Factoring Document, a generally binding legal regulation is changed, or an existing generally binding legal regulation is cancelled and a new one is adopted (hereinafter referred to as the "**adoption of a new legal regulation**") to which or to a provision of which the Factoring Document and/or the Factoring Terms and Condition refer, then such reference to a generally binding legal regulation shall relate to such generally binding legal regulation and/or a provision thereof, which are closest in terms of their contents, purpose or effects to the cancelled or changed generally binding legal regulation and/or a provision thereof.
- 16.3. If, during the term of the Security Agreement, a new legal regulation is adopted, in consequence whereof the security of the Total Bank's Receivable and/or the Bank's rights arising therefrom shall be affected, the Guarantor shall be obliged to perform such legal acts and/or to provide the Bank with such assistance within 30 days as of the notification of the Bank so that the security of the Total Bank's Receivable and/or the Bank's rights arising therefrom were equal to those of the preceding legal regulation, especially concerning the enforceability and the order of satisfaction of the Total Bank's Receivable.
- 16.4. In connection with the security provided by the Guarantor in favour of the Bank under the Security Agreement and in case a new legal regulation is adopted that shall allow establishment of a security of the Total Bank's Receivable:
- a. improving or strengthening the Bank's position in enforcement of a decision, execution, bankruptcy, public preventive restructuring proceedings, non-public preventive restructuring proceedings or settlement and/or
 - b. extending the scope of the Bank's rights in connection with the execution of the security of the Total Bank's Receivable or with satisfaction of the Total Bank's Receivable
- (hereinafter referred to as the "**new security**"), the Guarantor shall be obliged, for the purpose of establishment of a new security, to enter into a security agreement with the Bank upon the Bank's notification, to provide the Bank with the requested assistance and the relevant documents.
- 16.5. If the Bank and the Guarantor sign a deed which contains several Security Agreements (hereinafter referred to as the "**deed**"), for such deeds and agreements contained therein the following shall apply:
- a. expressions and terms used in all agreements forming the contents of the deed shall be used and interpreted with the meaning used in the deed for the first time, unless set forth otherwise in the text of the deed,
 - b. conclusion of any of the agreements contained in the deed is not a condition of conclusion of the remaining agreements contained in the deed. Cessation of any of the agreements contained in the deed in other manner than upon fulfilment or in a manner replacing fulfilment does not cause cessation of other agreements contained in the deed. Each of the agreements contained in the deed shall cease on the Full Payment Date.
- 16.6. **Exemptions.**
To the Client and/or the Guarantor who:
- a. is a natural person, not acting within their business or entrepreneurial activity, shall not apply the following provisions of the Factoring Terms and Conditions: Clause 9.1. par. b., Clause 9.1. par. c., Clause 9.1. par. d., Clause 9.2., Clause 9.3. par. a. to e., Clause 13.1. par. d., Clause 13.1. par. g., subpar. (ii), (iii), (iv), (v), (vi) and (vii), Clause 13.1. par. o., Clause 13.1. par. p., Clause 13.1. par. z., Clause 13.2. par. c., Clause 13.2. par. d., Clause 13.5. and Clause 13.6. of the Factoring Terms and Conditions;
 - b. is a natural person – entrepreneur, shall not apply the following provisions of the Factoring Terms and Conditions: Clause 13.1. par. g., subpar. (ii) and (iii), Clause 13.1. par. o. and Clause 13.1. par. p. of the Factoring Terms and Conditions.

- 16.7. By concluding a Factoring Document, all arrangements of the contracting parties related to the scope and the contents of the concluded Factoring Document, made prior to the conclusion of the Factoring Document, shall cease, and that regardless whether all earlier arrangements are contained in the concluded Factoring Document.
- 16.8. In case of dissolution of the Client and/or the Guarantor being a legal entity, and also in case of death of the Client and/or the Guarantor being a natural person or a natural person – entrepreneur, no transfer or assignment of the Client's and/or Guarantor's obligations towards the Bank from the Factoring Documents to other person than to the person to which the Client's and/or Guarantor's rights and receivables towards the Bank from the Factoring Document shall be transferred in connection with the respective event, is possible, without a prior written consent of the Bank.
- 16.9. If the Factoring Document is made in Slovak and in a foreign language simultaneously then the prevailing version of the Factoring Document shall be the Factoring Document made in Slovak and the Factoring Document in a foreign language is only a translation of the Factoring Document in Slovak.
- 16.10. The Bank (hereinafter also referred to as the **"Initial Lender"**) is authorised to assign receivables and transfer its rights towards the Client and the Guarantor arising from the Factoring Documents or any portion thereof (hereinafter referred to as the **"Assigned Receivables"**), and that also in case the Assigned Receivables are not due and payable, or if the respective assignment results in a change in the contents of the Assigned Receivables. The Initial Lender has the right according to the previous sentence especially if the Initial Lender enforces the Assigned Receivables upon a request of the Transferee. By signing the Factoring Document the Client and the Guarantor grant consent to the assignment of receivables and transfer of rights set forth herein. Granting the consent by the Client and the Guarantor according to this Clause shall be without prejudice to the Bank's right to assign or transfer the Assigned Receivables to a third party in terms of generally binding legal regulations even without Client's and Guarantor's consent.
- 16.11. By concluding:
- a. the Factoring Document the Client and/or Guarantor declares that the limitation periods of every Bank's right arising from the Factoring Document shall be prolonged and
 - b. the Master Agreement the Client declares that the limitation periods of every Bank's right arising from the notarial deed, set forth in the Master Agreement and drawn up for the purpose of strengthening enforceability of the Total Bank's Receivable, shall be prolonged, and that for the period of ten years as of the date when such limitation period in relation to every such right commences.
- 16.12. **Disclosure of data in the relevant registers or databases and processing of personal data.**
- 16.12.1. Client and Guarantor are responsible for the accuracy, truthfulness and timeliness of the data disclosed or provided to the Bank. Bank is entitled to verify their accuracy and completeness by comparing the data with the information at its disposal. In order to verify the accuracy of the data, the Bank is entitled to address any third parties who possess the relevant data, and to this end it is entitled to provide such parties with data protected by banking secrecy to the extent necessary for such verification. For verification purposes, the Client and the Guarantor also authorise such third parties to provide the Bank with the required data to the extent necessary. At the same time, the Client and the Guarantor agree that the Bank will make the data provided by them available to the payment beneficiary as well as to a third party if these data form part of information and documents stored with the Bank, which relate to such third party.
- 16.12.2. The Client and the Guarantor agree that the Bank may provide all information and documents on matters relating to them, which are protected by banking secrecy, insurance secrecy, or other legal form of confidentiality, to the persons referred to in Clause 17.3. below and, where applicable, for the period specified in the Factoring Terms and Conditions (if such period is specified in the Factoring Terms and Conditions).
- 16.12.3. Under § 91, para. 1 of the Act on Banks, the Client and the Guarantor consent to provision and accessing the data on banking transactions concluded with the Bank (including the data obtained by the Bank when negotiating their conclusion), their security, payment discipline in terms of repaying the liabilities, for the purpose of assessing the ability to repay the loan in the scope and under the conditions set out in § 92a of the Act on Banks:
- to the provider of the common register of banking information, namely Slovak Banking Credit Bureau, s.r.o., Identification number: 35 869 810, or any other legal person replacing it (hereinafter the **"SRBI"**),

- to the entities authorised to process the data in SRBI,
- to banks and foreign bank branch offices,
- through Non-Banking Credit Bureau, interest association of legal persons, Identification number: 42 053 404, or any other legal person replacing it (hereinafter the “NRKI”), to the authorised users of NRKI

for a period of 12 months from the date of submitting a request for conclusion of the Master Agreement and in the case of the conclusion of banking transaction, for the period stipulated in § 92a of the Act on Banks.

16.12.4. In cases where the Client and the Guarantor provide the Bank with personal data of third parties, they undertake to inform these persons of the fact that their data was provided to the controller, being Tatra banka, a.s., as well as other facts under Article 14 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which information is also available on the website www.tatrabanka.sk. Full information on the processing of the personal data of the Client, Guarantor and other persons, including the definition of the processing purposes, the legal bases of the processing and the rights of the data subjects, is available in the Personal Data Protection Memorandum available at the Bank's branches and on the website www.tatrabanka.sk.

16.13. Subject to any modification of the relevant legal regulations, the Bank's business policy or decision, the Bank is authorised to change the scope of the provided products and services, as well as the amount and scope of fees and prices for products and services in the Tariff of Fees, regardless of whether by change of the existing or by issuance of a new Tariff of Fees (hereinafter jointly referred to as the “**Change**”). The Bank publishes the Change along with specification of the effective date thereof in its business premises and on its website or in any other appropriate manner arranged with the Bank's client. The Bank ensures the publishing not later than two months prior to the effective date of the Change unless specified otherwise in the Factoring Documents. The Tariff of Fees is available in the Bank's business premises and/or on the Bank's website, and that either as a separate document or as part of the “Service Charges” of the Bank. As of the effective date of the Change, the mutual relations of the Bank and the Client, or mutual relations of the Bank and the Guarantor arising from the Factoring Documents shall be governed by the changed, or the new Tariff of Fees.

16.14. **Liability for Damages**

In connection with the Factoring Documents, the Bank is liable exclusively for damages that shall incur according to any Factoring Document or by execution or non-execution of any act on the basis of or in connection with any Factoring Document, resulting from wilful misconduct or gross negligence of the Bank. Any circumstances and events, other than wilful misconduct or gross negligence shall be interpreted as circumstances excluding liability for the purposes of the provisions of Article 373 et seq. Commercial Code as amended. The scope of the damages compensation, the Bank is liable for, is determined solely according to the extent of the actual damages.

16.15. Bank may anytime exercise any right (including any receivable) resulting from any Factoring Document for securing the Bank's commitment and the Client and Guarantor agree to any change in the beneficiary from any Factoring Document which would result from the exercise of rights under such security.

16.16. If under the legal regulations other than the legal regulations of the Slovak Republic the Guarantor is obliged to pay any tax, fee, stamp duty or any other payment obligation under or in connection with the Factoring Documents, to which the Guarantor is a party, failing which could have an impact on the validity, effectiveness or enforceability of such Factoring Document or security established under it (hereinafter referred to as “**Foreign Fee**”), the Guarantor must pay such fee immediately.

The Bank is entitled (but not obliged in any way) to pay Foreign Fee instead of the Guarantor (including possible penalties for late payment of the Foreign Fee).

Upon Bank's call and within the time limit and on the account specified therein

- (i) Client must pay the Bank all amounts incurred by the Bank under the preceding sentence,
- (ii) Guarantor must pay the Bank all amounts incurred by the Bank under the preceding sentence.

16.17. In case the Client or Guarantor pays any amount owed under the Factoring Document and:

- (i) as a consequence of such payment of any owed sum under the Factoring Document, such amount duly ceased to exist and at the same time
- (ii) Bank will be obliged to return or provide such payment to anyone after having been received (regardless of the reason for establishment of such obligation),

then the Client, respectively the Guarantor (depending on who originally made the payment) will be obliged to pay the Bank the amount in the extent of the Bank's obligation on the day it is performed by the Bank. To avoid doubts, the preceding sentence also applies in the case the Bank acknowledged its obligation to return the payment in the previous sentence or if the obligation established in the court or out of court settlement for the Bank.

16.18. Repealing the guarantee representation (in Slovak: "ručiteľské vyhlásenie") of the Guarantor.

If Security Agreement contains a guarantee representation (in Slovak: "ručiteľské vyhlásenie") of the Guarantor, it applies that repealing the Guarantor's obligations arising under such guarantee representation (in Slovak: "ručiteľské vyhlásenie") may only be performed under:

- (i) a written agreement of the Guarantor and the Bank;
- (ii) a written notice from the Bank of the termination of all rights and obligations of the Guarantor and the Bank arising from such a guarantee representation (in Slovak: "ručiteľské vyhlásenie") (hereinafter referred to as the "**Notice of the Bank on Repealing the guarantee representation**") sent to the Guarantor.

The Bank is entitled (but in no case obliged) to send to the Guarantor the Notice of the Bank on Repealing the guarantee representation at any time, at its sole discretion. On the day the Notice of the Bank on Repealing the guarantee representation is sent to the Guarantor, all rights and obligations of the Guarantor and the Bank arising from the respective guarantee representation (in Slovak: "ručiteľské vyhlásenie") shall be terminated, unless otherwise stated in the Notice of the Bank on Repealing the guarantee representation. Sending the Notice of the Bank on Repealing the guarantee representation is without prejudice to the other provisions of the Factoring Documents and / or the Factoring Terms and Conditions. In this respect, the Bank is not obliged to return any performance received by the Bank to the Guarantor.

16.19. In connection with the conclusion of any Factoring Document, the following applies:

- a. If the draft Factoring Document is prepared in electronic form and signed by the Bank with a qualified electronic seal:
 - (i) the draft Factoring Document will be made available to the persons listed in the signature table at the end of the Factoring Document as persons acting for or on behalf of the Client or Guarantor through a communication channel containing electronic means or functionality allowing the signing of this draft Factoring Document for or on behalf of the Client or Guarantor in the manner set out in subparagraph (ii) below, and at the discretion of the Bank, the draft Factoring Document may also be made available in other ways,
 - (ii) the acceptance of the draft Factoring Document by the Client or Guarantor, or by the Client or Guarantor, must be signed with a qualified electronic signature of the persons authorised to act for or on behalf of the Client or Guarantor and affixed with a qualified timestamp, through electronic means acceptable to the Bank, which are mainly:
 - A. Business banking, which for the purposes of the Factoring Document means the Business Banking^{TB} electronic banking system, used under the BBTB Agreement,
 - B. Internet banking, which for the purposes of the Factoring Document means a separate payment instrument, a secure environment located on the internet, where it is possible to conduct transactions with the Bank and at the same time a collective/generic designation of all services provided by the Bank through the Bank's websites,
 - C. other electronic means, which the Bank (if any exist) has previously informed the Client or Guarantor about and in connection with which it generally applies that access to them is available to the Client or Guarantor, or the persons identified in the signature table at the end of the Factoring Document as persons acting for or on behalf of the Client or Guarantor, subject to possessing identification, authentication, and authorization means acceptable to the Bank, and
 - D. any other electronic means agreed between the Bank and the Client or Guarantor,otherwise, it applies that the Factoring Document was not made or concluded in the form agreed between the contracting parties, and the Bank is entitled to claim the relative invalidity of the Factoring Document;
- b. if the draft of the Individual Agreement is prepared in electronic form:
 - (i) the draft of the Individual Agreement shall be delivered to the Bank through a communication channel that contains electronic means or a functionality allowing the draft of the Individual Agreement to be signed for or on behalf of the Client or the Guarantor in the manner set out in subparagraph (ii) below,

- (ii) the draft of the Individual Agreement must be signed for or on behalf of the Client or the Guarantor, or by the Client or the Guarantor, with a simple or qualified electronic signature of the Client or the Guarantor, or of persons authorised to act for or on behalf of the Client or the Guarantor, and must be time stamped, using electronic means acceptable to the Bank, which include in particular:
 - A. Business banking, which, for the purposes of the Individual Agreement, means the Business Banking[™] electronic banking system used under the BBTB Agreement,
 - B. Internet banking, which, for the purposes of the Individual Agreement, means an independent payment instrument—a secure environment accessible on the internet—through which transactions with the Bank can be carried out, and also a collective designation for all services provided by the Bank through its website,
 - C. other electronic means (if any) of which the Bank has informed the Client or the Guarantor in advance, and to which the Client or the Guarantor, or the persons identified in the signature table at the end of the draft Individual Agreement as persons acting for or on behalf of the Client or the Guarantor, generally have access subject to possessing identification, authentication, and authorisation tools acceptable to the Bank, and
 - D. any other electronic means agreed between the Bank and the Client or the Guarantor, and the Bank's acceptance of the draft Individual Agreement shall be signed with an advanced or qualified electronic seal; otherwise, the Individual Agreement shall be deemed not to have been made or concluded in the form agreed between the parties, and the Bank shall be entitled to claim the relative invalidity of the Individual Agreement.
- c. in the event that the agreement between the parties on the Bank's right to claim the invalidity of the Factoring Document due to the failure of the parties to comply with the agreed form in accordance with paragraph a. of this Section above is invalid, it applies that the act by which the Bank will claim the relative invalidity of the Factoring Document in accordance with paragraph a. above will be considered as a withdrawal from the given Factoring Document, and for the avoidance of doubt, it applies that due to the failure of the parties to comply with the agreed form in accordance with paragraph a. of this Section above, only the Bank is entitled to withdraw from the Factoring Document.
- d. in the event that the draft Factoring Document is prepared in electronic form according to the provisions above, and the list of persons acting for or on behalf of the Client or Guarantor listed in the signature table at the end of the Factoring Document and/or the legal title on the basis of which these persons act for or on behalf of the Client or Guarantor is not identical to the actual state (i.e., if the Factoring Document or the acceptance of the draft Factoring Document is actually signed by persons other than those listed at the end of the Factoring Document in the signature table and/or from a different legal title authorizing these persons to act for or on behalf of the Client or Guarantor), the Client or Guarantor is obliged within 30 days from the date of signing the Factoring Document by such persons and/or on the basis of such legal title to prove to the satisfaction of the Bank the authorisation of the persons acting on behalf of/for the Client or Guarantor to conclude the Factoring Document or accept the draft Factoring Document, whereby, if the Client or the Guarantor proves this fact within the specified period to the satisfaction of the Bank, this fact shall not constitute a defect in the Factoring Document (or the contracting process). If the Client or the Guarantor fails to prove this fact to the satisfaction of the Bank, the Bank shall be entitled to rescind the Factoring Document, whereby for the avoidance of doubt, the Bank exclusively is entitled to rescind the Factoring Document.
- e. the Client or Guarantor is obliged to ensure that the Factoring Document (if prepared in electronic form) is stored without undue delay in a data storage independent of the Internet banking, Business Banking, or electronic means of the Bank;
- f. in the event that the Bank exercises the right to claim the relative invalidity of any Factoring Document, the draft of which was prepared in electronic form and was not accepted in accordance with the provisions of such Factoring Document, or if the Bank withdraws from any Factoring Document, the draft of which was prepared in electronic form and was not accepted in accordance with the provisions of such Factoring Document, the Bank's performance of such an act (i.e., claiming relative invalidity or withdrawal) is not considered a frustration to fulfil a condition or obligation of the Client or Guarantor arising from and/or related to the Factoring Document.

Article XVII Final Provisions

- 17.1. Any different arrangements in the Factoring Document shall prevail over the Factoring Terms and Conditions and the Account Agreement. Mutual relations between the Bank and the Client arising from or connected with the Master Agreement and mutual rights between the Bank and the Guarantor arising from or connected with the Security Agreement not regulated by the respective agreement and the Factoring Terms and Conditions, shall be regulated by the currently valid and effective General Commercial Terms and Conditions of the Bank, the Commercial Code, the Civil Code and other relevant legal regulations valid in the territory of the Slovak Republic, and that in the given order. The respective legal regulations shall be applied for the regulation of relations between the Bank and the Client and/or the Bank and the Guarantor only if:
- a. application thereof is not directly or indirectly excluded by the Factoring Document, and
 - b. application thereof is allowed by the nature of the affected provisions of the Factoring Document.
- 17.2. **Change of the Factoring Terms and Conditions**
- 17.2.1. Change of the Factoring Terms and Conditions can be executed depending on a decision of the Bank:
- a. By an agreement of the Bank and the Client and/or Bank and Guarantor, which shall be confirmed by concluding a written addendum to the Framework Agreement or Security Agreement, or
 - b. By a unilateral decision of the Bank under Clause 17.2.2. herein.
- 17.2.2. Depending on changes of the respective legal regulations, business strategy or decision of the Bank, the Bank shall be entitled to replace or change the Factoring Terms and Conditions (hereinafter referred to as the "**Change of Factoring Terms and Conditions**"). The Bank shall publish the change of the Factoring Terms and Conditions and its effectiveness on its website or it shall notify the Client and the Guarantor thereof by delivery of a notification about the change of the Factoring Terms and Conditions not later than 30 days before the effective date of the change of the Factoring Terms and Conditions. In case the Client or the Guarantor does not agree with the change of the Factoring Terms and Conditions, they are obliged to notify the Bank thereof not later than until the effective date of the change of the Factoring Terms and Conditions. After the Bank is delivered the disagreement with the change of the Factoring Terms and Conditions the Bank shall prompt the Client or the Guarantor in writing to negotiate the individual change of the mutual rights of the Bank and the Client or the Guarantor. In case no written agreement between the Bank and the Client or the Guarantor is concluded in the period of 15 days as of the day such negotiations started, the Bank shall be entitled to use any of its rights specified in Clause 13.2. Factoring Terms and Conditions.
- 17.2.3. If the Client and the Guarantor do not notify the Bank of their disagreement with the change of the Factoring Terms and Conditions not later than on the effective day of the change of the Factoring Terms and Conditions, it applies that they agree with the respective change. Mutual relationships of the Bank, the Client and the Guarantor shall be governed by the changed or replaced Factoring Terms and Conditions as of the day the respective period for provision of the disagreement expires.
- 17.3. The Client and the Guarantor agree that the Bank is authorised to provide the Information as well as a copy of any Factoring Document:
- a. to the National Bank of Slovakia for the purpose and/or in connection with the performance of its obligations arising from regulations of the National Bank of Slovakia and generally binding legal regulations,
 - b. to the Guarantor and the Client, the Customer, the Insurer, the Auxiliary Undertaking and a third party, whose obligation are secured under the Security Agreement
 - c. to legal entities:
 - (i) which hold direct or indirect property interest in the Bank, or
 - (ii) with direct or indirect property interest of the person meeting the conditions set forth in subparagraph (i) of this paragraph c., or
 - (iii) with direct or indirect property interest of the Bank,
 - d. to its auditors, translators, external counsels (including legal counsels and experts providing the expert opinions on the price of immovable and movable assets), experts and rating agencies,

- e. to persons which enforce for the Bank the repayment of the Total Bank's Receivable or a portion thereof and also to persons with whom the Bank collaborates in this relation,
 - f. to the Transferee,
 - g. and if the object of security of the Total Bank's Receivable is a Guarantor's financial receivable towards a third party, to such third party, however only in the extent required for proving the establishment of the respective security of the Total Bank's Receivable,
 - h. to persons who satisfy or intend to satisfy the Total Bank's Receivable or a portion thereof to the Bank,
 - i. to a person who maintains the pledge register and to the members thereof, to the state administration body which maintains a special register and to the state administration body acting as a land registry office,
 - j. to the auctioneer to whom the Bank delivered or shall deliver an application for a voluntary auction,
 - k. for the purposes of any court, arbitration, administration or other proceedings the Bank is a party to, in the extent limited only to such proceedings,
 - l. to each person with whom the Bank shall conclude a participation agreement or a differently named agreement on the basis whereof the respective person shall participate in the risk of payment failure regarding any sum of the Total Bank's Receivable,
 - m. to each person with whom the Bank shall conclude any agreement or with whom the Bank starts negotiations, and that in connection with the Securitisation of the Bank's receivables or in connection with any Credit Derivative for Credit Risk Mitigation,
 - n. to each person who provides maintenance or archiving of contractual documentation to the Bank, and to each person providing printing and distribution of communication to the Bank,
 - o. any person, in favour of which the Bank intends to establish its security obligations by exercising any of its rights (including any of its receivables) resulting from any Factoring Document and any assignee of such rights,
 - p. in the event the Client and/or the Guarantor is a national or tax resident of the U.S.A. or the Bank discovers that the Client and/or the Guarantor is a national or tax resident of the U.S.A., to the tax authority and tax administrator in the U.S.A., together with the information requested from the Client and/or the Guarantor under the Factoring Terms and Conditions, in order to fulfil its obligations in respect of compliance with the international tax laws and in order to ensure exchange of tax information about the nationals and tax residents of the U.S.A. in connection with introduction of the FATCA Act (Foreign Account Tax Compliance Act). Each of the Client and the Guarantor acknowledges that the relevant information will be provided to the country which does not guarantee adequate level of personal data protection, and the consent with processing the provided personal data is irrevocable during performance of the purpose of processing, however, it may be revoked in case of proving that the personal data are processed contrary to the declared purpose,
- 17.4. The Client and the Guarantor hereby consent that the Bank disclosed and provided the data set forth in Article 92a, par. 1 Act on Banks in the manner set forth in Article 92a Act on Banks.
- 17.5. Provisions of the Factoring Document and of the Factoring Terms and Conditions which in any manner change or supplement provisions of the Account Agreement, concluded between the Bank and the Client or the Bank and the Guarantor shall prevail over provisions of the respective Account Agreement.
- 17.6. Records of the Bank and extracts from these records are decisive for determination of the existence and the amount of the Total Bank's Receivable. The place of performance for the purposes of performance of all Client's and Guarantor's obligations arising from the Factoring Documents is the seat of the Bank, unless determined otherwise by the Bank in writing. If the Bank changes its seat or place of business after conclusion of the Factoring Document, it shall not bear the increased costs and the increased risk connected with payment of the Client's or Guarantor's financial obligation from the Factoring Document.
- 17.7. Unless otherwise specified in the Factoring Document, the Factoring Document and all non-contractual obligations between the parties to the Factoring Document relating to the Factoring Document are governed by the legal regulations of the Slovak Republic. Without prejudice to any provision of the Factoring Document, it applies that the application of any provision of any legal regulation of the Slovak Republic, which is not mandatory, is expressly excluded to the extent that its use may change (wholly or partially) the meaning of, interpretation or purpose of any provision of the Factoring Document. Unless otherwise stated in the Factoring Document, all disputes shall be settled by the competent

court in the Slovak Republic. The territorial jurisdiction of the court will be determined (i) according to the registered office of the Bank, in the event that such agreement on determination of the territorial jurisdiction of the court is not excluded by the applicable legal regulations of the Slovak Republic or (ii) according to the applicable legal regulations of the Slovak Republic, if such agreement on determination of the territorial jurisdiction of the court is excluded by the applicable legal regulations of the Slovak Republic. The Parties shall be subject to the jurisdiction of such competent court.

17.7.1. In accordance with its obligations, the Bank hereby informs the Parties to the relevant Factoring Document, not being consumers, that

- (i) if the parties to the relevant Factoring Document conclude an arbitration agreement, any disputes that arise or arose from the banking transactions may be resolved in addition to the complaint procedure and court proceedings also in the arbitration proceedings under Act No. 244/2002 Coll. on Arbitration Proceedings,
- (ii) if the parties to the relevant Factoring Document conclude a mediation agreement for the settlement of the disputes, they will have the option to settle any dispute out of court by mediation under Act No. 420/2004 Coll. on Mediation,
- (iii) arbitration agreements that were concluded to settle disputes before the Permanent Arbitration Court of the Slovak Banking Association and on the basis of which no arbitration proceedings were not initiated at the Permanent Arbitration Court of the Slovak Banking Association expired on 2 January 2019.

17.7.2. In accordance with its obligations, the Bank hereby informs the Parties to the relevant Factoring Document, being consumers, that:

- (i) there exists the option of alternative dispute resolution for bank transactions, including payment services disputes and disputes relating to the transfer of payment account, through alternative dispute resolution entities authorised to resolve disputes related to such transactions, at the discretion of the consumer, including the choice of the relevant alternative dispute resolution entity at consumer's choice,
- (ii) the list of alternative dispute resolution entities is maintained by the Ministry of Economy on the website: www.mhsr.sk,
- (iii) arbitration agreements (including consumer arbitration agreements) that were concluded to settle disputes before the Permanent Arbitration Court of the Slovak Banking Association and on the basis of which no arbitration proceedings were not initiated at the Permanent Arbitration Court of the Slovak Banking Association expired on 2 January 2019.

In particular, the Bank draws consumers' attention to the fact that the payment service providers, through their interest association of the Slovak Banking Association, have set up an alternative dispute resolution entity called the Alternative Dispute Resolution Institute of the Slovak Banking Association, having registered office in Bratislava, through which the clients – consumers can resolve disputes arising from banking transactions relating to the consumer agreements. For more information on this entity's dispute resolution, please visit: <http://institutars.sk/>.

17.8. Amendment No. 1 to the Factoring Terms and Conditions and the complete wording of the Factoring Terms and Conditions shall become effective on 1 January 2017.

17.9. Amendment No. 2 to the Factoring Terms and Conditions and the complete wording of the Factoring Terms and Conditions shall become effective on 1 July 2019.

17.10. Amendment No. 3 to the Factoring Terms and Conditions and the complete wording of the Factoring Terms and Conditions shall become effective on 1 September 2026.

The Factoring Terms and Conditions were approved in Bratislava by the Credit Committee of Tatra banka, akciová spoločnosť on 10 January 2014.

Amendment No. 1 to the Factoring Terms and Conditions was approved in Bratislava by the Credit Committee of Tatra banka, a.s. on 14 October 2016.

Amendment No. 2 to the Factoring Terms and Conditions was approved in Bratislava by the Credit Committee of Tatra banka, a.s. on 19 March 2019.

Amendment No. 3 to the Factoring Terms and Conditions was approved in Bratislava by the Credit Committee of Tatra banka, a.s. on 16 June 2026.