

# TERMS AND CONDITIONS OF ISSUE

## **GFF TK Capital s.r.o.**

Fixed rate bonds with annual interest of 10.0%  
estimated principal amount of issue up to CZK 12,500,000  
due on 31 March 2026

Issue date: 1 October 2022

## BASIC DETAILS

Issuer:	<b>GFF TK Capital s.r.o.</b> ID No.: 108 10 404 Lidická 700/19, Veverí, 602 00 Brno
Bond name:	TK 10/22/3 Bond
International Securities Identification Number (ISIN):	CZ0003545196
Issuer's bank account:	For payments in CZK: 69120/5500; for payments in EUR: IBAN: CZ68 5500 0000 0000 0006 9120 BIC/SWIFT: RZBCCZPP.
Issue date:	1 October 2022
Subscription period:	From 1 October 2022 to 30 September 2023
Principal amount of the Bond:	CZK 1000 (one thousand Czech crowns) or EUR 40 (forty euros) for the purposes of the Issue
Interest:	Fixed coupon of 10.0% p.a.
Interest period:	Calendar quarter
Interest periods (from-to, both dates inclusive):	1 October 2022 - 31 December 2022, 1 January 2023 - 31 March 2023, 1 April 2023 - 30 June 2023, 1 July 2023 - 30 September 2023, 1 October 2023 - 31 December 2023, 1 January 2024 - 31 March 2024, 1 April 2024 - 30 June 2024, 1 July 2024 - 30 September 2024, 1 October 2024 - 31 December 2024, 1 January 2025 - 31 March 2025, 1 April 2025 - 30 June 2025, 1 July 2025 - 30 September 2025, 1 October 2025 - 31 December 2025, 1 January 2026 - 31 March 2026
Interest due date:	By the 15th day of the calendar month following the end of the respective interest period;
Final redemption date:	31 March 2026
Bond form:	Order securities
Bond type:	Certificated securities
Website:	<a href="https://dluhopisy.gffgroup.cz/emisni-podminky/podlimitni">https://dluhopisy.gffgroup.cz/emisni-podminky/podlimitni</a>
E-mail:	<a href="mailto:klient@gffgroup.cz">klient@gffgroup.cz</a>

## TERMS AND CONDITIONS OF ISSUE

These Terms and Conditions of Issue (hereinafter the “**Terms and Conditions**”) define the rights and obligations of the Issuer (as defined below) and Bondholders (as defined below) as well as other information about an issue of unsubordinated unsecured (other than the Guarantee given by the Guarantor) TK 10/22/3 Bonds due on 31 March 2026 in the estimated volume of issue of CZK 12,500,000.00, with fixed coupon defined in Article 3 hereof (hereinafter the “**Issue**” and the “**Bonds**”), issued by **GFF TK Capital s.r.o.**, ID No.: 108 70 059, with its registered office at Lidická 700/19, Veveří, 602 00 Brno, Czech Republic, registered in the Commercial Register kept by the Regional Court in Brno, File No. C 127927 (hereinafter the “**Issuer**”).

No party other than the Issuer will pay the interest or other yield, nor redeem the Bonds.

The principal under the Bonds is secured by guarantee provided GFF s.r.o., ID No.: 075 84 644, with its registered office at Vídeňská 188/119d, Dolní Heršpice, 619 00 Brno, Czech Republic (hereinafter the “**Guarantor**”). The memorandum of guarantee constitutes Annex No. 1 hereto. Under the guarantee, the Guarantor undertakes to repay any debts owed to the Bondholders by the Issuer arising from the Bonds hereunder if requested to do so in writing; the debts include claims to receive the Interest and to the redemption of the principal amount of the Bond if the Issuer defaults on the timely and proper repayment in compliance with these Terms and Conditions. By subscribing the Bonds, the Subscribers acknowledge the Guarantee provided by the Guarantor.

As of the Issue Date, the Issuer does not intend to have the Bonds admitted for trading on a regulated market.

These Terms and Conditions have been prepared in compliance with Act No. 190/2004 Sb., on bonds, as amended (the “**Bonds Act**”).

The Bonds hereunder will be offered in reliance on an exemption under Article 3(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (when there is no obligation to publish a bonds issue prospectus approved by the Czech National Bank), i.e. the total value of consideration does not exceed EUR 1,000,000; such value is calculated for all securities offered in EU member states during a period of 12 months.

The Issuer’s Executive Director approved the issuance of Bonds on 1 October 2022.

The Issuer intends to use the debt capital raised by issuing the Bonds to provide a loan to the parent company in compliance with any applicable legislation. The Issuer assumes that the parent company will use such funds to support its business or the business of its subsidiaries (i.e. Issuer’s sister companies); the Issuer is not able, however, to definitely determine the precise way the funds will be used by the parent company.

### 1 GENERAL PROVISIONS

#### 1.1 Type, Form and Principal Amount and Class

The Bonds are issued as certificated order securities. The principal amount of each Bond equals CZK 1000; for the purposes hereof, the principal amount in EUR has been set to equal EUR 40.

No right of first refusal or right of conversion, or any other special right under Section 6(1)(b) of the Bonds Act is attached to the Bonds.

#### 1.2 Bondholders

A Bondholder is defined as a person registered in the Register of Bondholders (the “**Register of Bondholders**”) kept by the Issuer (the “**Bondholder**”). For individual Bondholders, the

minimum details to be entered include their first name and surname, date of birth and address. For corporate Bondholders, the minimum details to be entered include the business name, identification number and registered office. Other details kept by the Issuer in the Register of Bondholders include their e-mail address and bank account details.

Unless required otherwise by legislation or by a court decision delivered to the Issuer's registered office, the Issuer will consider any Bondholder to have title to the Bonds in all respects and to be eligible to receive all payments made hereunder. Anyone that holds Bonds and is not entered in the Register of Bondholders shall notify the Issuer without undue delay thereof as well as of the acquisition of title to the Bonds and other details required to be entered in the Register of Bondholders by means of a notice sent to the registered office of the Issuer.

At its discretion, the Issuer may issue and deliver/send to the Subscribers a Consolidated bond replacing individual Bonds that the Subscribers have subscribed for; except for the Bond numbering, the Consolidated bond will include all details required for individual Bonds as well as the total number of Bonds that are being replaced and their respective numbers. The rights attached to each Consolidated bond are identical to the rights attached to the Bonds that are being replaced. The rights attached to the Consolidated bond cannot be split upon its transfer.

If the holder of the Consolidated bond applies for the conversion of the Consolidated bond into individual Bonds that have been replaced, the holder is entitled to the conversion; the application must be delivered by the holder in writing to the Issuer's registered office. The holder of the Consolidated bond shall deliver the Consolidated bond to the Issuer together with the application. The Issuer shall deliver the individual Bonds within 15 business days after receiving the application for the conversion of the Consolidated bond either by post or, if requested by the Subscriber, in person at the registered office of the Issuer on business days between 9 a.m. and 4 p.m. The Issuer shall notify the Subscriber in writing of the fact that the Bonds are ready to be delivered by post or in person.

### **1.3 Bond Transferability and Transfers**

The transferability of the Bonds is not subject to any limitations. Under the existing legislation, the Bonds are transferred by endorsement and delivery to the transferee Bondholder. For a transfer of the Bonds to be effective vis-à-vis the Issuer, the change of the Bondholders must be registered in the Register of Bondholders. The Issuer shall register the change as soon as it has been evidenced to the Issuer.

Anyone that becomes a Bondholder shall notify the Issuer without undue delay thereof as well as of the acquisition of title to the Bonds and other details required to be entered in the Register of Bondholders by means of a notice sent to the registered office of the Issuer.

### **1.4 No Interest Separation**

The right to receive Interest cannot be separated from the Bonds.

### **1.5 Issuer's Obligations**

The Issuer agrees to pay Interest and redeem the principal amount of the Bond in accordance with the terms hereof.

### **1.6 Financial Rating**

No financial rating of the Issuer or the Bonds has been carried out by a rating agency nor is it expected.

## **2 BOND SUBSCRIPTION DATE AND METHOD, ISSUE PRICE, SUBSCRIPTION PRICE, ISSUER'S DEBT STATUS, BOND SECURITY**

## 2.1 Issue Date and Issue Price, Subscription Price

The Issue Date has been set to fall on 1 October 2022 (hereinafter the “**Issue Date**”).

The Issue Price of the Bonds on or after the Issue Date equals 100% of their principal amount (hereinafter the “**Issue Price**”).

The Subscription Price of the Bonds will equal the Issue Price on the Issue Date, and thereafter the sum of the Issue Price and the corresponding pro-rata Interest as accrued with respect to the Bonds subscribed in the Interest Period, in which the Bond subscription became valid and effective, as of the effective date of Bond subscription (i.e. the date when the Subscription Agreement has been executed and the Issue Price/principal amount of the Bonds subscribed has been paid) (hereinafter the “**Subscription Price**”).

## 2.2 Estimated Volume of the Bond Issue, Subscription Period, Additional Subscription Period

The estimated volume of the Bond issue equals CZK 12,500,000.00.

The Subscription Period commences at 0:00 on 1 October 2022 and terminates on 30 September 2023 (hereinafter the “**Subscription Period**”).

The Issuer may issue the Bonds whose total volume is inferior to the estimated volume of the Bond issue.

If the Issuer does not issue all the Bonds during the Subscription Period, the Issuer may issue the remainder of the Bonds even after the expiry of the Subscription Period during the Additional Subscription Period set by the Issuer and announced in accordance with the applicable laws and regulations (hereinafter the “**Additional Subscription Period**”).

The Issuer may issue the Bonds successively both during the Subscription Period or the Additional Subscription Period that may have been set by the Issuer.

The Issuer may set more than one Additional Subscription Period; any Additional Subscription Period set by the Issuer must, however, terminate on or before the date preceding the Final Bond Redemption Date (as defined below).

Without undue delay after the Subscription Period has expired, the Issuer will notify the Bondholders in compliance with the applicable laws and regulations of the total principal amount of all issued Bonds provided that the total principal amount of all issued Bonds is lower or higher than the estimated principal amount of the Bond issue. The Issuer shall also do so after the expiry of the Additional Subscription Period if set by the Issuer.

## 2.3 Subscription Method and Place

The Bonds will be offered for subscription by means of a public offering. Any activities related to the issuance and placement of the Bonds will be done by the Issuer, who has not authorized any other person to this effect.

The Bonds may be subscribed by executing the Subscription Agreement (as defined below) by the Issuer and the Subscriber during the Subscription Period or Additional Subscription Period, if any. The Subscription Agreement may be executed by distance communication means or in person by the Issuer and the Subscriber.

For the Bond subscription to be valid and effective, the following procedure must be followed during the Subscription Period or Additional Subscription Period (if applicable):

A. Execution of the Subscription Agreement by distance communication means:

- a) the Subscriber shall send a scan of a completed and signed Bond Subscription Form of the Issuer to the following e-mail address: klient@gffgroup.cz.

- b) the Subscriber will receive from the Issuer a letter of full or partial acceptance of the subscription (hereinafter the "**Letter of Acceptance**"). The Subscription Agreement is executed upon the Subscriber receiving the Letter of Acceptance. The Subscriber will receive a scan of the signed copy of the Letter of Acceptance by e-mail; the copy will be sent to the Subscriber's e-mail address from which the Bond Subscription Form was sent or which was provided in the Bond Subscription Form.
  - c) within 5 days after receiving the Letter of Acceptance, the Subscriber shall pay the Issue Price (principal amount) of all Bonds subscribed for, subject to the acceptance in the Letter of Acceptance, to the following bank accounts of the Issuer: for payments in CZK, bank account No. 69120/5500, and for payments in EUR, IBAN: CZ68 5500 0000 0000 0006 9120, SWIFT: RZBCCZPP (hereinafter the "**Bank Account**"), where the Subscriber's funds are blocked until the Bonds are issued. The payment for the Bonds may be made from the moment a Bond Subscription Form under A(a) above is sent. The subscription of the Bonds is not valid or effective before the payment is made (i.e. if the payment is made before receiving the Letter of Acceptance, then it is valid and effective upon the receipt of the Letter of Acceptance; if the payment is made after receiving the Letter of Acceptance, it is valid and effective upon the payment);
- B. Execution of the Subscription Agreement by the Issuer and Subscriber in person:
- a) the Subscriber and the Issuer shall enter into the Subscription Agreement; the Subscriber shall complete and sign the Bond Subscription Form and deliver it to the Issuer, and the Issuer shall accept the subscription by delivering the Letter of Acceptance to the Subscriber. The Subscription Agreement is made upon the delivery of the Letter of Acceptance to the Subscriber.
  - b) within 5 days after the Subscription Agreement is executed under B a) above, the Subscriber shall pay the Issue Price (the principal amount of the Bonds subscribed by the Subscriber as accepted by the Issuer) to the Bank Account where the funds will be blocked until the Bonds are issued. The subscription of the Bonds will not be valid or effective until the payment under b) is made.

Under the Subscription Agreement, the Subscriber will be obliged to subscribe the Bonds under the terms thereof (hereinafter the "**Subscription Agreement**").

The remainder of the Subscription Price corresponding to the pro-rata interest of all the Bonds subscribed as accrued with respect to all the Bonds subscribed in the respective Interest Period, in which the Bond subscription became valid and effective, until the effective date of Bond subscription (i.e. the date when the Subscription Agreement has been executed and the Issue Price/principal amount of the Bonds subscribed has been paid) will be settled after the expiry of the Interest Period by means of set-off of the Issuer's claim to receive the remainder of the Subscription Price against the Subscriber's claim to receive the Interest accrued in the respective Interest Period, in which the Bond subscription became valid and effective.

The Issuer may, at its discretion, reduce the number of the Bonds the Subscriber wishes to subscribe. The final principal amount of the Bonds allotted to each Subscriber will be determined in the Letter of Acceptance. If the Subscriber has already paid the Issue Price corresponding to the number of Bonds that the Subscriber wishes to subscribe to the Bank Account, any overpayment will be unblocked and the Issuer shall transfer such overpayment to the Subscriber if requested to do so to the bank account from which the funds were credited.

The Subscribers will be provided with the Bonds within 15 business days after the Bond subscription is valid and effective (as defined above) either by post or, if requested by the Subscriber, in person at the registered office of the Issuer on business days between 9 a.m. and 4 p.m. The Issuer shall notify the Subscriber in writing of the fact that the Bonds are ready to be delivered by post or in person.

At its discretion, the Issuer may issue and deliver/send to the Subscribers a Consolidated bond replacing individual Bonds that the Subscribers have subscribed for; except for the Bond numbering, the Consolidated bond will include all details required for individual Bonds as well as the total number of Bonds that are being replaced and their respective numbers. The delivery of the Consolidated bond is governed by this Paragraph. The rights attached to each Consolidated bond are identical to the rights attached to the Bonds that are being replaced. The rights attached to the Consolidated bond cannot be split upon its transfer.

If the holder of the Consolidated bond applies for the conversion of the Consolidated bond into individual Bonds that have been replaced, the holder is entitled to the conversion; the application must be delivered by the holder in writing to the Issuer's registered office. The holder of the Consolidated bond shall deliver the Consolidated bond to the Issuer together with the application. The Issuer shall deliver the individual Bonds within 15 business days after receiving the application for the conversion of the Consolidated bond either by post or, if requested by the Subscriber, in person at the registered office of the Issuer on business days between 9 a.m. and 4 p.m. The Issuer shall notify the Subscriber in writing of the fact that the Bonds are ready to be delivered by post or in person.

## **2.4 Issuer's Debt Status**

The Bonds constitute direct, general, unconditional, unsecured (with no security other than Guarantee) and unsubordinated debts of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and equally with all other unsecured and unsubordinated debts of the Issuer save for such obligations that may be preferred by mandatory provisions of law. The Issuer shall comply with the principle of equal treatment of Bondholders.

## **2.5 Bond Security**

Any Issuer's debts owed to the Bondholders with respect to any payment of Interest and redemption of the Bond principal amount are secured by means of Guarantee under Section 2018 et seq. of Act No. 89/2012 Sb., the Civil Code. The debts will be settled by the Guarantor under the terms of the Memorandum of Guarantee, which constitutes Annex No. 1 hereto.

# **3 INTEREST**

## **3.1 Interest Calculation, Interest Period**

The Bonds will pay fixed annual interest of 10.0%.

The Interest due on each Bond is accrued from the Issue Date to the earlier of (i) the Final Bond Redemption Date (inclusive), or to (ii) the date determined by the Issuer as a date of early redemption of the Bonds, or (iii) the Early Bond Redemption Date.

The initial Interest Period starts running on the Issue Date and terminates on the last day of the respective quarter inclusive, i.e. 31 December 2022; the following Interest Periods correspond to quarters of the respective year and commence on the first day of the quarter following the previous quarter (inclusive) and terminate on the last date of the same quarter (inclusive). The last Interest Period commences on 1 January 2026 (inclusive) and terminates on 31 March 2026 (inclusive).

The Interest corresponding to a Bond for an interest period of one calendar quarter will be calculated as a multiple of the Bond principal amount and the applicable Interest rate (expressed as a decimal number) divided by 4. If the Issue Price of the Bonds has been paid in EUR, the Interest for the Interest Period, i.e. a calendar quarter, will be calculated as a multiple of the principal amount of the Bond for the purposes of the Issue, i.e. EUR 40, and the applicable Interest rate (expressed as a decimal number) divided by 4.

To calculate the Bond Interest for a period inferior to one year, a year will be deemed to consist of 360 days divided into 12 months of 30 days; for incomplete months, the actual number of days will be used (the 30E/360 method).

To calculate the Interest due on a Bond in an Interest Period, the Interest will be rounded to two decimal places (i.e. the whole hellers) depending on the third decimal place. The total amount of Interest accrued by one Bondholder will be rounded to two decimal places (i.e. the whole hellers) depending on the third decimal place.

As from the end of the initial Interest Period (31 December 2022), the Interest will be paid in arrears by the fifteenth day of the month following the previous Interest Period (i.e. the Interest corresponding to the initial Interest Period from the Issue Date to 31 December 2022 will be paid by 15 January 2023, the Interest corresponding to the second Interest Period lasting from 1 January 2023 to 31 March 2023 will be paid by 15 April 2023 etc.). The Interest accrued for the last Interest Period lasting from 1 January 2026 to 31 March 2026 will be paid by 15 April 2026.

The right to receive the Bond interest may be exercised by a person entered in the Register of Bondholders kept in compliance with the Terms and Conditions at the end of the twentieth day of the last month of the respective Interest Period, and on 20 March 2026 for the last Interest Period. In other words, the Bondholders must be registered on 20 December 2022 for the initial Interest period, and on 20 March 2023 for the last interest period.

The right to receive Bond interest may not be separated from the Bond.

The bank account communicated by the Bondholder to the Issuer will be used for the redemption of the Bonds and payment of Bond Interest (after any set-off with respect to the payment of any unpaid portion of the Subscription Price). The initial Bondholder will provide the bank account number in the Bond Subscription Form under Article 2.3. hereof. If the Bonds are transferred, the transferee Bondholder shall notify the Issuer of the bank account number within 10 days before the Interest payment; such a notice must be given in writing and must be signed by the Bondholder (individuals) or the governing body (legal entities). Legal entities shall attach thereto an original copy of an entry in the Commercial Register, or any other register as applicable, that evidences the authorization of the signatory. If the Bondholder fails to notify the Issuer of the bank account number, the Issuer will not be in default with the payment of the Interest. In such a case, the Issuer shall make the payment at a later date within 10 days after receiving the bank account number in the required form. If the Bondholder intends to change the bank account number, the Bondholder shall notify the Issuer thereof within 10 days before the payment of the Interest; otherwise, the Issuer may use the original bank account.

The Register of Bondholders under these Terms and Conditions is kept by the Issuer in compliance with the applicable laws and regulations.

## **4 BOND REDEMPTION AND REPURCHASE**

### **4.1 Final Redemption**

Except for the early redemption of the Bonds or an exercise of the Issuer's call option and the termination of the existence of the Bonds as described below, the total principal amount of the Bonds will be redeemed on **31 March 2026** (hereinafter the "**Final Bond Redemption Date**").

### **4.2 Early Redemption at the Option of the Issuer**

The Issuer may decide on the early redemption of the Bond at any date at its option provided that the decision is duly communicated to the Bondholders not later than 20 days before such a



date on the Issuer's website: <https://dluhopisy.gffgroup.cz/emisni-podminky/podlimitni> (hereinafter the "**Website**").

Any decision on the early redemption of the Bonds under Article 4.2 is not revocable and the Issuer is obliged to redeem all the Bonds in compliance with these Terms and Conditions. In such a case, the Issuer will pay to the Bondholders the principal amount of all Bonds held by them and the pro-rata unpaid Interest due on such Bonds. The Bondholders shall provide the Issuer with any assistance that the Issuer may require in relation to early redemption.

In such a case, the right under Bond redemption may be exercised by the person registered in the Register of Bondholders kept in compliance with the Terms and Conditions at the end of the day preceding by 10 days the date of early redemption defined in the respective notice given by the Issuer. For the avoidance of doubt, any transfers made within 10 days before the date of early redemption will be disregarded. Upon Bond redemption, the person registered in the Register of Bondholders shall deliver the Bonds (or the Consolidated bond, as the case may be) to the Issuer not later than 2 business days before their redemption date. If the Bondholder is in default with the delivery of the Bonds, the Issuer may, at its discretion either (i) refrain from redeeming the Bonds until their delivery, or (ii) redeem the Bonds irrespective of the fact that they have not been delivered to Issuer yet.

#### **4.3 Early Redemption at the Option of the Bondholders**

Except for the case of early redemption under Article 7, 10.4.1 and 10.4.2. hereof, the Bondholders may request early redemption of the Bonds before the Final Bond Redemption Date.

#### **4.4 Issuer's Right of Repurchase**

The Issuer may, at any time, repurchase the Bonds in any way, and for any price, if repurchased for value.

If the Issuer repurchases only some of the Bonds held by a Bondholder in the form of a Consolidated bond, the Bondholder shall deliver to the Issuer the entire Consolidated bond, which incorporates the repurchased Bonds; such Consolidated bond will be replaced by the Issuer with a new consolidated bond that will replace only such Bonds that have not been repurchased by the Issuer. The Issuer shall deliver such new consolidated bond to the Bondholder under the conditions agreed by the Issuer and the Bondholder.

#### **4.5 Termination of the Existence of the Repurchased Bonds**

The Bonds repurchased by the Issuer do not cease to exist and it is at the discretion of the Issuer whether to hold them, sell them again or eliminate them.

If the Issuer determines that the Bonds subject to the repurchase will be eliminated, the rights and obligations arising from the Bonds cease to exist too as they are consolidated in one person.

### **5 TERMS OF PAYMENT**

#### **5.1 Currency**

The Issuer agrees to pay the Interest and redeem the principal amount of the Bonds in Czech crowns (hereinafter "**CZK**"). The Interest will be paid and the principal amount of the Bonds will be redeemed to the Bondholders in accordance with the terms defined herein as well as by the tax, foreign exchange and other applicable laws and regulations of the Czech Republic in effect on the day that the respective payment was made. If the Issue Price of the Bonds has been paid in EUR, the Issuer may pay the Interest and redeem the principal amount of the Bonds in **EUR**.

#### **5.2 Payment Date**

The Interest will be paid and the principal amount or a part thereof will be redeemed by the Issuer on the dates defined in the Terms and Conditions (each such day may also be alternatively referred to as “**Interest Due Date**”, “**Final Bond Redemption Date**”, “**Early Bond Redemption Date**”, or “**Payment Date**” as a superordinate term). If the Payment Date falls on a day other than a business day, the Issuer will be obliged to pay the relevant amounts on the following business day, without being obliged to pay Interest or any other amounts related to such a delay.

For the purpose hereof, “**Business Day**” means a day (other than a Saturday or Sunday) on which banks in the Czech Republic are open for business and when international transactions are settled in CZK, or in any other currency used in the Czech Republic that may replace CZK.

### **5.3 Entitlement to Receive Payments Related to Bonds**

#### **5.3.1 Interest**

Unless stipulated otherwise herein, the payees who will receive the Interest from the Issuer include persons registered as Bondholders in the Register of Bondholders under Article 3.1 hereof (hereinafter the “**Record Date for the Interest Payment**”, each individual hereinafter the “**Payee**”).

#### **5.3.2 Principal amount**

Unless stipulated otherwise herein, the payees who will be paid the principal amount or a part thereof (if applicable hereunder) by the Issuer include persons registered as Bondholders in the Register of Bondholders at the end of the respective calendar day which precedes by 10 days the Early or Final Bond Redemption Date (hereinafter the “**Record Date for the Redemption of Principal Amount**”, each individual hereinafter the “**Payee**”). For the avoidance of doubt, any transfers made within 10 days before the date of early redemption, or the Final Bond Redemption Date will be disregarded. In compliance with the applicable laws and regulations, such transfers of all the Bonds made within such 10-day time limit may be suspended; if requested to do so by the Issuer in writing, the Bondholders shall provide any assistance necessary to implement such a suspension.

### **5.4 Payments**

The principal amount of the Bonds will be redeemed, and the Interest will be paid to a bank account the details of which will be communicated by the Bondholder to the Issuer in writing. The initial Bondholder will provide the bank account number in the Bond Subscription Form under Article 2.3. hereof. If the Bonds are transferred, the transferee Bondholder shall notify the Issuer of the bank account number within 10 days before the Interest payment or before the Record Date for the Redemption of the Principal Amount; such a notice must be given in writing and must be signed by the Bondholder (individuals) or the governing body (legal entities). Legal entities shall attach thereto an original copy of an entry in the Commercial Register, or any other register as applicable, that evidences the authorization of the signatory. If the Bondholder fails to notify the Issuer of the bank account number, the Issuer will not be in default with the payment of the Interest or the redemption of the principal amount. In such a case, the Issuer shall make the payment at a later date within 10 days after receiving the bank account number in the required form. If the Bondholder intends to change the bank account number, the Bondholder shall notify the Issuer thereof within 10 days before the payment of the Interest or redemption of the principal amount; otherwise, the Issuer may use the original bank account.

### **5.5 Change of Payment Method and Place**

The Issuer may at its discretion change the payment place and method provided that such a change is without prejudice to the standing and interests of the Bondholders (otherwise, such a change must be approved by the Meeting). Such a decision must be communicated to the Bondholders in compliance with Article 10 hereof.

## **6 INTEREST TAXATION**

### **6.1. Interest**

Any interest (hereinafter the “**Interest**”) paid to individuals is subject to withholding tax collected at source (i.e. by the Issuer upon payment of the Interest). The applicable rate of such withholding tax under Czech tax legislation equals 15%. If the Interest is paid to a corporate Bondholder that is not a tax resident of the Czech Republic, does not hold the Bonds through a permanent establishment in the Czech Republic, and neither is a tax resident of a member state of the European Union or European Economic Area, or a third country where there is Double Taxation Avoidance Treaty or Tax Information Exchange Agreement in place between such a country and the Czech Republic for the purposes of income taxes, including multilateral international treaties, the withholding tax rate equals 35%. For individuals who are tax residents of the Czech Republic, the withholding tax amounts to the final taxation of the Interest in the Czech Republic. For individuals who are not tax residents of the Czech Republic, but are tax residents of a member state of the European Union or European Economic Area, and opt for disclosing the Interest in the tax return, the withheld tax qualifies as tax prepayment. As a general rule, individuals carrying out business in the Czech Republic through their permanent establishments shall file a tax return in the Czech Republic.

Interest paid to a legal entity that is a tax resident of the Czech Republic, or is not a tax resident of the Czech Republic but holds the Bonds in the Czech Republic through its permanent establishment, will not be subject to the withholding tax, but rather part of the tax base and subject to a corporate income tax of 19%. Interest paid to a legal entity that is not a tax resident of the Czech Republic, and does not hold the Bonds in the Czech Republic through its permanent establishment, is subject to a withholding tax collected at source (i.e. by the Issuer upon payment of the Interest). The applicable rate of such withholding tax under Czech tax legislation equals 15%. If the Interest is paid to a corporate Bondholder that is not a tax resident of the Czech Republic, does not hold the Bonds through a permanent establishment in the Czech Republic, and neither is a tax resident of a member state of the European Union or European Economic Area, or a third country where there is Double Taxation Avoidance Treaty or Tax Information Exchange Agreement in place between such a country and the Czech Republic for the purposes of income taxes, including multilateral international treaties, the withholding tax rate equals 35%. For legal entities who are not tax residents of the Czech Republic, but are tax residents of a member state of the European Union or European Economic Area, and do not hold the Bonds through a permanent establishment in the Czech Republic, and opt for disclosing the Interest in the tax return, the withheld tax qualifies as tax prepayment. If the Interest is paid to a Czech permanent establishment that is not a tax resident of the Czech Republic, nor is a resident of a member state of the European Union or European Economic Area, the Issuer shall, upon payment, deduct tax security corresponding to 10% of the income. The tax authority may, but is not required to, consider the tax obligation of a taxpayer settled by means of the deduction under the preceding sentence. As a general rule, legal entities carrying out business in the Czech Republic through their permanent establishments shall file a tax return in the Czech Republic, and any tax withheld is applied towards the total tax liability.

### **6.2. Sale profit/loss**

Any profit made on the sale of Bonds by an individual that is a tax resident of the Czech Republic, or that is not a tax resident of the Czech Republic, but either holds the Bonds in the Czech Republic through a permanent establishment, or receives income from the sale of the Bonds from a buyer that is a tax resident of the Czech Republic or from a Czech permanent establishment of a buyer that is not a tax resident of the Czech Republic, is not subject to a withholding tax, but is part of the general tax base and subject to personal income tax of 15% or 23% (the 23% rate applies to a tax base exceeding 48-times the average salary). If the income is received as part of self-employment, it is also subject to payments of social and health insurance contributions. As a general rule, any losses suffered as a result of the sale of

the Bonds by individuals that do not qualify as business do not have any tax effects unless taxable profits on the sale of other securities are posted in the same taxation period;

Any profit made on the sale of Bonds by individuals that have not included the Bonds in the business assets are generally exempt from income tax for individuals if the total income from the sale of any securities and the sale from units corresponding to unit certificates when a unit fund is dissolved do not exceed an aggregate amount of CZK 100,000.00 in a taxation period. In addition, any profit made on the sale of Bonds by individuals that have not included the Bonds in the business assets are generally exempt from income tax if there is a period of 3 years between the acquisition and the sale of the Bonds, or, if the Bonds have been included in the business assets, a period of 3 years has elapsed from the termination of activities that generate income from self-employment.

Any profit made on the sale of Bonds by a legal entity that is a tax resident of the Czech Republic, or that is not a tax resident of the Czech Republic, but either holds the Bonds in the Czech Republic through a permanent establishment, or receives income from the sale of the Bonds from a buyer that is a tax resident of the Czech Republic or from the Czech permanent establishment of a buyer that is not a tax resident of the Czech Republic, is part of the general tax base and subject to corporate income tax of 19%. As a general rule, any losses suffered as a result of the sale of the Bonds by such persons have tax effects.

Any profit made on the sale of Bonds by an individual or a legal entity that is not a tax resident of the Czech Republic, and does not hold the Bonds in the Czech Republic through a permanent establishment, nor receives income from the sale of the Bonds from a buyer that is a tax resident of the Czech Republic or from a Czech permanent establishment of a buyer that is not a tax resident of the Czech Republic, is not taxable in the Czech Republic.

If the Bonds are sold by an individual or a legal entity that is not a tax resident of the Czech Republic and neither is a tax resident of a member state of the European Union or European Economic Area to a buyer that is a tax resident of the Czech Republic or to an individual or a legal entity that is not a tax resident of the Czech Republic but carries out business in the Czech Republic through its permanent establishment that is responsible for the payment, the buyer shall, as a general rule, apply a deduction of 1% to secure the payment of the income tax. The tax authority may, but is not required to, consider the tax obligation of a taxpayer (i.e. the seller) settled by means of the deduction under the preceding sentence.

As a general rule, a seller that receives income from the sale of the Bonds taxable in the Czech Republic, shall file a tax return in the Czech Republic, and the withheld tax security is applied towards the total tax liability.

A Double Taxation Avoidance Treaty in place between the Czech Republic and a country where the Bondholder selling the Bonds has the tax residence, may exclude the taxation of the profits made on the sale of the Bonds in the Czech Republic, including any tax security, if the Bonds are not held through a Czech permanent establishment. To qualify for the tax treatment under a Double Taxation Avoidance Treaty, it may be required that the applicability of the Double Taxation Avoidance Treaty to the payee be established by providing, without limitation, a certificate issued by a foreign tax authority certifying that the seller is a tax resident of the country, and certificate showing that the seller is the real payee with respect of the income from the sale.

### **6.3. Foreign Exchange Regulation in the Czech Republic**

Bonds do not qualify as foreign securities. The issuance and acquisition of the Bonds is not subject to foreign exchange regulation in the Czech Republic. Unless stipulated otherwise by an applicable international investment promotion and protection agreement in place between the Czech Republic and the country of tax residence of the payee, or unless a preferential treatment is stipulated, foreign Bondholders may, subject to meeting certain requirements, acquire cash in a foreign currency for Czech currency without foreign exchange restrictions, and transfer any interest, payments made by the Issuer in relation exercising the Bondholders'

option to have the Bond repurchased by the Issuer, or the redemption of the principal amount of the Bonds, from the Czech Republic in a foreign currency.

## 7 EARLY BOND REDEMPTION AND EVENTS OF DEFAULT

### 7.1 Events of Default

In the case that any of the following events occurs and continues (hereinafter the “**Event of Default**”):

a) Payment default

A default of more than 20 business days with respect to any payment related to the Bonds;  
or

b) Breach of other obligations hereunder

The Issuer fails to comply with or breaches any of its material obligations (other than those under Article 7.1(a)) hereunder, and fails to remedy such non-compliance within 30 days after being notified thereof by any of the Bondholders by a letter (provided that the respective Bond has not been redeemed, repurchased or cancelled) delivered to the address of the Issuer’s registered office; or

c) Insolvency, liquidation, bankruptcy etc.

Any of the following events occurs and continues for more than 40 business days: (i) the Issuer becomes insolvent on a cash flow basis, suspends the repayments of its debts and/or is not able to pay its debts as they fall due; or (ii) an insolvency administrator or a liquidator is appointed for the Issuer, or any part of its assets or income, or (iii) the Issuer files a voluntary insolvency petition or a moratorium petition (iv) insolvency or imminent insolvency of the Issuer is adjudicated by any competent court; or (v) an insolvency petition involving the Issuer is dismissed by the competent court due to lack of assets, or (vi) a final decision is issued by the competent court or a valid resolution is adopted regarding the Issuer’s liquidation, or (vii) the Issuer’s assets are subject to enforcement by court or a private enforcement agent regarding a debt, the total amount of which exceeds CZK 50,000,000 or its equivalent in any other currency;

any Bondholder may

at his or her discretion require early redemption of the principal amount of the Bonds by means of a written notice sent to the registered office of the Issuer (hereinafter the “**Early Redemption Notice**”) with respect to all Bonds held by such Bondholders, and the payment of any Interest accrued theretofore in compliance with these Terms and Conditions as of the Early Bond Redemption Date unless the Bonds are redeemable earlier under a mandatory provision of law (which applies in such situations).

Upon Bond redemption, the Bondholder who applies for early redemption shall deliver the Bonds to the Issuer not later than 2 business days before the Early Bond Redemption Date. If the Bondholder is in default with the delivery of the Bonds, the Issuer may, at its discretion either (i) refrain from redeeming the Bonds until their delivery, or (ii) redeem the Bonds irrespective of the fact that they have not been delivered to the Issuer yet. If a Consolidated bond has been issued and the Bondholder applies for early redemption of all Bonds incorporated in such Consolidated bond, the Bondholder shall return to the Issuer the Consolidated bond instead of the individual Bonds under the terms defined herein. If the Bondholder holds a Consolidated bond and applies for early redemption of only some of the Bonds incorporated in the Consolidated bond, the Bondholder shall return the Consolidated bond to the Issuer under the terms defined herein, and the Issuer will deliver to the Bondholder a new consolidated bond replacing the Bonds that have not been subject to early redemption within 15 business days after the Early Bond Redemption Date either by post or, if requested by

the Subscriber, in person at the registered office of the Issuer on business days between 9 a.m. and 4 p.m. The Issuer shall notify the Subscriber in writing of the fact that the Consolidated bond is ready to be delivered by post or in person.

## **7.2 Maturity of Bonds subject to Early Redemption**

Any amounts requested to be paid by a Bondholder under Article 7.1 hereof by means of Early Redemption Notice are payable on the last business day of the month following the month when the Bondholder delivered to the Issuer the Early Redemption Notice (in addition to other dates so designated herein, such a date will also be referred to as “**Early Bond Redemption Date**”), unless the Bonds are redeemable earlier under a mandatory provision of law (which applies in such situations) or unless the Bondholder withdraws the Early Redemption Notice.

## **7.3 Withdrawal of Early Redemption Notice**

The Bondholders may withdraw the Early Redemption Notice with respect to any Bonds held by the Bondholder provided that the notice of withdrawal is delivered to the Issuer’s registered office before the amounts are payable under Article 7.2 hereof. The withdrawal of the Early Redemption Notice is without prejudice to any Early Redemption Notice given by other Bondholders.

## **7.4 Other Requirements for Early Redemption of Bonds**

Article 5 hereof will apply with necessary modifications to early redemption under Article 7.

## **8 LIMITATION**

Any rights related to the Bonds are subject to a 3-year statute of limitation running from the date when the respective right could be enforced for the first time.

## **9 NOTICES**

For a notice given to the Bondholder hereunder to be valid and effective, the notice must be published in Czech on the Issuer’s Website. If the Terms and Conditions or a mandatory provision of applicable legislation requires a different mode of publication for any of the notices given hereunder, the notice will only be considered published if it complies with such a requirement. If any of the notices is published in more than one way, it will be considered published on the date when it is published for the first time.

For a notice hereunder to be duly given to the Issuer, the notice must be delivered to the registered office of the Issuer.

## **10 GENERAL MEETING OF BONDHOLDERS**

### **10.1 Powers of the Meeting and Rules for Convening the Meeting**

#### **10.1.1 The Right to Convene the General Meeting of Bondholders**

The Issuer or Bondholder(s) may convene a general meeting of Bondholders (hereinafter the “Meeting”) if necessary to adopt a decision on an issue of common interest to the Bondholders; this must be done in compliance with the Terms and Conditions. Unless stipulated otherwise by applicable legislation, the costs related to organizing and convening the Meeting are borne by the convener. If the Meeting is convened by one or more Bondholders, the convener shall (i) deliver to the Issuer a request for preparing a document evidencing the number of all Bonds with the rights to attend the Meeting attached, i.e. a copy of entries from the register of Bonds, not later than on the date of convening the Meeting (see Article 10.1.3 hereof); without the duly and timely delivery of the request and the respective advance payment the Meeting will not be duly convened. If the Meeting is convened by one or more Bondholders, the Issuer shall provide them with any cooperation they may require.

### 10.1.2 Meetings Convened by the Issuer

The Issuer shall convene a Meeting without undue delay to obtain an opinion of the Bondholders on any amendment hereto if such an approval of the amendment by the Meeting is required by law (hereinafter the “**Material Changes**”).

If restructuring or a similar insolvency procedure is in place with respect to the Issuer under the applicable laws and regulations of any EU or EEA country, the Issuer is not required to convene the Meeting.

### 10.1.3 Notice of the Meeting and Meeting Cancellation

The convener shall send a notice of the Meeting in compliance with Article 9 hereof within 15 days before the date of the Meeting. If the Meeting is convened by one or more Bondholders and unless the Issuer and the convener agree to apply Article 9 hereof, the convener shall, as a minimum, publish the notice of the Meeting in the Commercial Journal not later than 15 calendar days before the date of the Meeting; the convener shall deliver the notice of the Meeting to the Issuer’s registered office not later than 30 calendar days before the proposed date of the Meeting to make it possible for the Issuer to publish the notice as required.

Minimum details to be included in the notice of the Meeting include (i) details necessary for unambiguous identification of the Issuer, (ii) Bond name and Issue Date, (iii) place, date and time of the Meeting; the Meeting may only be held in Prague on a business day and may not start earlier than at 11 a.m., (iv) agenda of the Meeting including, if applicable, the proposed amendment to the Terms and Conditions and its reasoning, including the proposed resolutions on individual items of the agenda; and (v) the record date for attending the Meeting. Off-agenda items may only be dealt with at the Meeting provided that the Meeting is attended by all Bondholders and subject to the consent of all Bondholders. If a reason for convening the Meeting ceases to exist, the Meeting will be cancelled by the convener in the same way as it was convened.

## 10.2 Persons Having the Right to Attend the Meeting and Vote

### 10.2.1 Record Date of the Meeting

The Meeting may be attended, and votes may be taken by Bondholders registered as bondholders in the Register of Bondholders (the “**Eligible Bondholders**”) at the end of the day which precedes by seven calendar days the date of the Meeting (the “**Record Date of the Meeting**”). Any transfers of the Bonds after the Record Date of the Meeting are not relevant for the attendance of the Meeting.

### 10.2.2 Voting Rights

Eligible Bondholders have such a number of votes that corresponds to their share in the principal amount of unpaid portion of the Issue (as of the Record Date of the Meeting). If the Meeting decides on the dismissal of Joint Representative (as defined under Article 10.3.3 hereof), the Joint Representative, who is eligible for attending the Meeting, may not exercise the voting rights related to the Bonds held by the Joint Representative and the votes of the Joint Representative are disregarded when establishing the quorum of the Meeting.

### 10.2.3 Attendance of the Meeting by Other Persons

The Issuer shall attend the Meeting in person or may be represented by an agent. The Meeting may also be attended by the Joint Representative and other guests invited by the Issuer.

## 10.3 Meeting Agenda and Decision-making at the Meeting

### 10.3.1 Quorum

Eligible Bondholders of Bonds, the aggregate amount of which equals 30% of the principal amount of the unpaid portion of the Issue on the Record Date of the Meeting, constitute quorum.

If a quorum is not present at a meeting which is to decide on an amendment to the Terms and Condition and if the need to convene the meeting continues to exist, the convener will convene a new meeting to be held within six weeks after the original date. The notice of such a new meeting with the identical agenda will be given to the Bondholders within 15 days after the date of the original Meeting. A quorum is present at such a meeting regardless of the requirement under the preceding paragraph.

Before the Meeting is opened, the convener shall announce the number of all Bonds with the right to attend the Meeting attached in order to check the attendance. The Bonds held by the Issuer on the Record Date are disregarded for the purposes of Article 10.3.1.

#### 10.3.2 Chairperson of the Meeting

Meetings convened by the Issuer are chaired by a chairperson appointed by the Issuer. Meetings convened by one or more Bondholders are chaired by a chairperson elected by a simple majority of Eligible Bondholders; until the chairperson is elected, the Meeting is chaired by a person appointed by the convener and the election of the chairperson must be the first item of agenda of a Meeting not convened by the Issuer.

#### 10.3.3 Joint Representative

The Meeting may resolve to appoint an individual or a legal entity to act as a joint representative. Under the Bonds Act, the Joint Representative may (i) exercise any rights attached to the Bonds for the benefit of all Bondholders in the extent defined by the Meeting's decision, (ii) audit the Issuer's compliance with the Terms and Conditions, and (iii) make any acts for the benefit of the Bondholders and protect their interests in a manner and extent defined by the Meeting. The Joint Representative may be dismissed by the same procedure as the Joint Representative was appointed, or a new Joint Representative may be appointed. Any agreement to appoint Joint Representative of Bondholders will be publicly accessible on the Issuer's Website.

#### 10.3.4 Decision-making at the Meeting

The Meeting adopts decisions by means of resolutions. A qualified majority of a minimum of three quarters of votes of the Eligible Bondholders is required to adopt a resolution that (i) approves a motion under Article 10.1.2 hereof, or (ii) appoints or dismisses a Joint Representative. Unless stipulated otherwise by applicable laws and regulations, a simple majority of the Eligible Bondholders present is sufficient to adopt any other resolutions.

### 10.4 Other Bondholders' Rights

#### 10.4.1 Voting against Resolutions of the Meeting Approving Material Changes

If the Meeting consented to a Material Change, then an Eligible Bondholder who either voted against such a resolution consenting to the Material Change as recorded in the minutes, or did not attend the Meeting (the "**Applicant**") may apply for the principal amount related to Bonds held on the Record Date of the Meeting and not alienated to be redeemed and the unpaid pro rata Interest to be paid.

The Applicant shall do so within 30 days after the resolution of the Meeting under Article 10.5 has been published by means of a written application (hereinafter the "**Application**") delivered to the Issuer's registered office; otherwise, the right ceases to exist. The amounts under this Article become payable within 30 days after the day when the Issuer receives the Application (also referred to "**Early Bond Redemption Date**") and will be paid in accordance with Article 5.4 hereof.



A notarial record must be drawn up if the Meeting considered a Material Change. If the Meeting consented to the Material Change, the notarial record must include the names of the Bondholders who voted against the respective resolution at the Meeting, and the number of Bonds held by such Bondholders on the Record Date of the Meeting.

#### 10.4.2 Application Requirements

The Application under Article 10.4.1 must specify the number of Bonds whose redemption is sought under Article 10.4.1. The Application must be filed in writing and must bear an authenticated signature of the Applicant or persons authorized to act on behalf of the Applicant. The same time limit applies to the duty of the Applicant to send all documents necessary to make the payment under Article 5 hereof to the Issuer's registered office.

#### 10.5 Minutes of the Meeting

Minutes of the Meeting will be drawn up by the convener or a person authorized by the convener within 30 days after the date of the Meeting; the minutes will include the conclusions of the Meeting including, without limitation, the resolutions that have been adopted. If the Meeting is convened by one or more Bondholders, the Bondholder shall deliver the minutes of the Meeting to the registered office of the Issuer within 30 days after the date of the Meeting. The Issuer shall publish all decisions adopted at the Meeting within 30 days after the date of the Meeting in the same manner as these Terms and Conditions were published. The Issuer shall keep the minutes until the rights arising from the Bonds cease to exist by lapse of time. The minutes of the Meeting may be consulted by the Bondholders during the standard office hours at the registered office of the Issuer. This is without prejudice to Article 10.4.1 on the requirement for notarial records.

### 11 GOVERNING LAW, LANGUAGE AND DISPUTE RESOLUTION

The Bonds are issued under applicable laws and regulations of the Czech Republic including, without limitation, the Bonds Act, and the Financial Markets Act. The rights and obligations arising from the Bonds will be governed and construed in accordance with the laws and regulations of the Czech Republic. Any disputes arising from or in connection with the Bonds or these Terms and Conditions will be resolved by the courts of the Czech Republic.

### 12 ANNEXES

Annex No. 1 – Memorandum of Guarantee of 1 October 2022

In Brno on 1 October 2022

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Ondřej Bartoš

Issuer's Executive Director

**MEMORANDUM OF GUARANTEE GIVEN FOR  
TK 10/22/3 Bond**

**WHEREAS:**

- A. GFF TK Capital s.r.o., ID No.: 108 10 404, with its registered office at Lidická 700/19, Veverří, 602 00 Brno, Czech Republic, entered in the Commercial Register kept by the Regional Court in Brno, File No. C 127927 (hereinafter the “**Issuer**”), has decided to issue TK 10/22/3 Bonds with the following characteristics: the principal amount of the Issue is CZK 12,500,000, the principal amount of one Bond is CZK 1,000, Issue Date: 1 October 2022, due on 31 March 2026 (hereinafter the “**Bonds**”); the Bonds will be issued under the Terms and Conditions of Issue of 1 October 2022 (hereinafter the “**Terms and Conditions**”); and
- B. GFF s.r.o., ID No.: 075 84 644 150, with its registered office at Vídeňská 188/119d, Dolní Heršpice, 619 00 Brno, Czech Republic, registered with the Regional Court in Brno, File No. C 108959 (hereinafter the “**Guarantor**”) agrees to give guarantee with respect to the obligations under the Bonds (hereinafter the “**Guarantee**”); the Guarantor gives the Guarantee under the following terms:

**1 GUARANTEE**

- 1.1 Under Section 2018 et seq. of Act No. 89/2012 Sb., the Civil Code, as amended (hereinafter the “**Civil Code**”), the Guarantor agrees to pay any Guaranteed Obligations (as defined below) of the Issuer to any Bondholder (hereinafter the “**Bondholder**”) if the Bondholder requests so in writing and if the Issuer fails to meet the Guaranteed Obligations duly and timely.

For the purposes hereof, “Guaranteed Obligations” mean any financial obligations of the Issuer with respect to the Bondholders under the Bonds, and include **only the duty to redeem the principal amount of the Bonds and pay the Interest on the Bonds**;

- 1.2 The Guarantor shall make the payment hereunder within 10 business days after receiving a written notice from the Bondholder.
- 1.3 The Bondholder may exercise his or her rights at any time when the Issuer defaults on the Guaranteed Obligations provided, however, that the Guarantor **first demands that the Issuer make the payment, and provides the Issuer with reasonable time to do so.**

**2 TERMS OF GUARANTEE**

- 2.1 The amount of guarantee is not limited.
- 2.2 The obligations of the Guarantor hereunder constitute direct, general, unconditional, and unsubordinated obligations of the Guarantor ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Guarantor save for such obligations that may be preferred by mandatory provisions of law.

**3 TERMS AND CONDITIONS OF ISSUE**

- 3.1 The Guarantor hereby declares that it is familiar with the Terms and Conditions.

**4 SUBORDINATION OF SUBROGATION**

- 4.1 Any debts owed by the Issuer to the Guarantor arising from the Guarantor’s payment of any debts owed by the Issuer to the Bondholders will only be paid once all other debts owed by the Issuer to the Bondholders related to the payment of the Interest and redemption of the principal amount will be paid; this also applies in situations of Issuer’s insolvency under Section 172 of Act No. 182/2006 Sb., on insolvency (the Insolvency Act).

## **5 PAYMENTS**

- 5.1 Any payments made by the Guarantor hereunder will be made in the same way as any payments made by the Issuer to the Bondholders under the Terms and Conditions. No payments made by the Guarantor hereunder will be subject to any taxes or charges unless such an amount is required to be withheld by law.

## **6 GUARANTEE**

- 6.1 The Guarantor represents and warrants to the Bondholders that any obligations under the Guarantee constitute existing, effective, and enforceable obligations under the Terms and Conditions.
- 6.2 The Guarantor represents and warrants to the Bondholders that it has capacity and authorization to give this Guarantee.

## **7 FINAL PROVISIONS**

- 7.1 This Guarantee is governed and will be construed in accordance with the laws and regulations of the Czech Republic including, without limitation, Act No. 89/2012 Sb., the Civil Code.
- 7.2 The Bondholders accept the Guarantee related to the subscription of Bonds, which is acknowledged by the Guarantor.
- 7.3 Any dispute arising in connection with the Guarantee, including its existence, validity, and termination, will be submitted to and finally resolved by the Metropolitan Court in Prague.

In Brno on 1 October 2022

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GFF s.r.o.

Ondřej Bartoš, Executive Director