

**Business Conditions of Slovenská sporiteľňa, a.s. for Providing
Mortgage Loans to Natural Persons**

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This is the complete text of the Business Conditions with effect from January 1st 2003 as amended by Amendment no. 1 with effect from July 1st 2003, Amendment no. 2 with effect from January 1st 2004, Amendment no. 3 with effect from January 1st 2005, Amendment no. 4 with effect from January 1st 2007, Amendment no. 5 with effect from July 15th 2007 and Amendment no. 6 with effect from January 1st 2009.

These Business Conditions govern legal relations between the Bank, Borrower and the Pledger in providing a Loan subject to the General Business Conditions (hereinafter referred to as the "GBCs") and applicable legal regulations, notably the Law.

These Business Conditions are part of the Agreement and any other agreement made between the Bank and the Borrower and/or the Pledger in connection with a Loan.

Where these Business Conditions contradict the GBCs, these Business Conditions shall have preference over the GBCs.

I. Definitions

Terms starting with capital letters used in these Business Conditions, Agreement or in other agreements and documents relating to the Agreement shall have the meaning as defined in these Business Conditions or in the GBCs, unless expressly stated otherwise in the Agreement, those other agreements or documents.

Lender, Pledgee	The Bank
Creditworthiness	The Borrower's capacity to repay a Receivable duly and on time, to perform its obligations under an Agreement and to provide to the Bank a Security for the Receivable.
Price	The price for which the same or comparable collateral is normally sold on comparable conditions at the time and in the place of selling the Collateral.
Borrower	A national of the Slovak Republic or a foreign national who has made or will make an Agreement with the Bank.
Fixed Interest Rate Period	A period of time during which the Interest Rate is fixed.
Collection Account	The account from which a Receivables is repaid in the form of collection.
Loan Provision Period	A period of time which, unless otherwise agreed, starts on the day the Agreement is made and ends on the day the Loan is made in the amount agreed in the Agreement, but not later than on the date identified in the Basic Conditions as the last day of the Loan Provision Period whichever event comes earlier.
Voluntary Auction	An auction under the Voluntary Auctions Act 527/2002.
Documents	Deeds proving the purpose of a Loan which must contain substantial data required by special regulations.
Documentation	A document proving the Borrower's Creditworthiness, such as a wage confirmation from the employer, payroll slips, tax disclosure, statement of assets and liabilities for the current period or for the last taxation period, expert opinion on the Collateral, etc.
Deed	A document confirming an additional security for a Loan, such as an insurance payment document, lien on securities agreement, issuance of a promissory note by the Borrower and the note's co-acceptance by the other Borrowers under the Agreement, which note is accepted by the Bank as a form of security for the Loan, etc.
Minimum Repayment Period	The period within the first four years after providing the Loan.
Business Conditions	Slovenská sporiteľňa's business conditions for providing mortgage loans to natural persons with effect from 1 January 2003 as amended.
Notice	A deed by which the Bank notifies of changes relating to a Loan (notably Interest Rate, early maturity of a Receivable, change in the Repayment Schedule) subject to the Business Conditions or the Agreement.
Support from the Bank	Support provided by the Bank to a Borrower under an Agreement.
Receivable	The principal amount, interest, Interest for Delay, Lender's Charges and costs relating to a Loan.

Bonus from the Bank	A bonus from the Bank provided to a Borrower under an Agreement as part of the Support from the Bank.
First Interest Period	A period starting on the day the Loan or each single Tranche was made and ending on the last day of the current calendar month in which the Loan or the Tranche was made.
Repayment Schedule	A schedule specifying the due date and amount of an instalment which may be changed by the Lender subject to the Agreement or the Business Conditions.
Tender	A public tender under section 281 of the Commercial Code, the method of selling a Collateral.
State Bonus	A bonus paid out from the state budget of the Slovak Republic, i.e. a percentage by which the state reduces the Interest Rate set in the Agreement pursuant to a special regulation.
State Bonus for the Young	A bonus from the Slovak Republic's state budget, i.e. a percentage by which the state reduces the Interest Rate set in an Agreement under a special regulation and which is provided to Borrowers who meet the preconditions to providing a state bonus for the young as set forth in the Law.
Tranche	Part of a Loan, for which the Borrower applies by one application for part of a Loan delivered to the Lender on one day; the amount of a tranche shall not exceed the amount of the Loan.
Borrower's Account	The Borrower's account or any other account agreed in the Agreement, to which the Bank will credit a Loan.
Interest Rate	A rate for calculating interest that the Borrower must pay to the Bank during an Interest Period.
Interest Period	A period for which the Borrower must pay to the Bank interest on a Loan at an agreed upon Interest Rate.
Interest for Delay	An interest set by the Bank by Publication which must be paid by the Borrower if he fails to perform a monetary liability under the Agreement.
Loan	A mortgage loan under the Law and the Agreement.
Security Agreements	An agreement on establishing a lien on real property and an agency agreement and other additional security for a Loan, e.g. in the form of a lien on other real property, securing assignation of a receivable from a deposit account, lien on securities, etc.
Collateral	A real property in Slovakia which secures a Loan under the Law and is specified in an agreement on establishing a lien on real property and in an agency agreement.
Pledger	The owner of the real property which serves as a Collateral.
Law	Act 483/2001 on Banks and on Amending and Supplementing Some Laws as amended.
Basic Conditions	Basic conditions of the Agreement which specify notably the Loan amount, the purpose of the Loan, type and rate of Interest rate, amount of an instalment, instalment frequency, first instalment due date, final maturity of the Loan, Loan Provision Period, repayment method, and the Borrower's Account number.
Agreement	A mortgage loan agreement between the Borrower and the Bank.

II. Loan Application and Purpose of a Loan

1. The Borrower may apply to the Bank for a Loan in writing in any Place of Business. A Loan Application contains mainly data on the Borrower, data on the requested Loan and data on the purpose of the Loan.
2. The Borrower may apply to the Bank for a Loan for the purposes listed below:
 - a) acquisition of a domestic real property or its part,
 - b) construction or modification of completed structures,
 - c) maintenance of a domestic real property,
 - d) repayment of a loan used for the purposes set forth in subparagraphs a) to c) which loan is a Loan made by a mortgage bank in bankruptcy,
 - e) repayment of a loan used for the above purposes which is not a Loan.

The purposes under subparagraphs a) to e) may be combined with each other.

III. Preconditions to Providing a Loan

1. The providing of a Loan is conditional on the Borrower's Creditworthiness. The Bank shall assess the Borrower's Creditworthiness and shall notify the Borrower of its decision.
 2. The Bank is bound only by its own appraisal of a Collateral. If the value of a Collateral set by the Bank is not sufficient for securing the required amount of a Loan, then the Bank may require the Borrower to secure the Loan with another real property.
 3. The Bank shall make a Loan upon meeting the preconditions below:
 - a) if the Bank receives an agreement on establishing a lien on real property and an agency agreement with a permission to register the lien in favour of the Bank on a real property whose value is sufficient to secure the Loan Receivable,
 - b) if the Bank receives an extract from a title deed usable for legal acts with registered lien on the Collateral in favour of the Bank, free of other liens or transferability limitations of the real property except for a lien or real-property transferability limitation established under special regulations¹,
 - c) if the Bank receives an application for registering the ownership right to a real property financed by a Loan with an application receipt confirmation from the land registry concerned, unless the Pledger is the person that is transferring to the Borrower the ownership right to the real property financed by the Loan,
 - d) if the Bank receives an insurance policy for the Collateral, and a receipt of insurance payment under the insurance policy,
 - e) if the Bank receives a decision by a competent authority on issuing a listing and orientation number of a structure under construction, if the competent authority has issued such decision,
 - f) if the Bank receives a notice of establishing a lien with a receipt of such notice from the insurer concerned,
 - g) if the Bank receives the Documents,
 - h) if the Borrower receives a transcript of a notarial record under a special regulation², provided that the Bank in its own discretion requires such notarial record and the Borrower has paid the charges and expenses relating to the drawing up of the notarial record under a special regulation,³
 - i) if required Charges are paid by the Borrower,
 - j) if the Bank receives other Deeds necessary for securing the Loan.
- All these preconditions to providing a Loan must be met not later than on the day the Loan is made, unless the Agreement states otherwise.
4. The day on which Loan or Tranche funds are credited by the Bank to the Borrower's Account is considered as the providing of the Loan or the Tranche to the Borrower.
 5. If the Borrower does not apply for providing the Loan in the aggregate amount agreed upon as the Loan amount within the Loan Provision Period, then the Bank may refuse to pay out to the Borrower the remainder of the Loan; and the Loan amount shall be the sum of money actually lent to the Borrower. Based on this fact, the Bank may unilaterally change the Repayment Schedule, but the Loan maturity shall remain unchanged. For the purpose of calculating the amount of Charges, the Loan amount shall be the Loan amount agreed upon the the Agreement.

¹ Slovak National Council's Act 182/1993.

Regulation of the Federal Finance Ministry, Finance Ministry of the Czechoslovak Socialist Republic, Finance Ministry of the Slovak Socialist Republic and chairman of the Czechoslovak State Bank 136/1985 of the Coll. on financial, loan and other aid to cooperative individual apartment construction and on modernization of privately owned family houses as amended.

Building Saving Act 310/1992 as amended.

Slovak National Council's State Housing Development Fund Act 124/1996 as amended.

² Slovak National Council's Act 483/2001 on banks and on amending and supplementing some laws as amended.

Slovak National Council's Act 233/1995 on judicial distrainers and distraintment activities (Distraint Rules) and on amending and supplementing some laws as amended.

³ Slovak Justice Ministry's Regulation 423/2002 of the Coll. on remuneration of the Slovak Chamber of Notaries.

IV. Documents Confirming the Use of a Loan

1. The Documents comprise mainly:
 - a) an advance invoice or invoice (tax document) issued by the contractor or subcontractor of the structure or building material,
 - b) a receipt from an electronic cash register of cash payment for goods or services relating to a construction,
 - c) construction agreement, purchase agreement, apartment ownership transfer agreement,
 - d) other document necessary and required by the Bank for proving the purpose of the Loan .
2. The Documents may be reviewed only by the Bank. The Bank may reject the submitted Documents, particularly if the Bank considers Documents baseless or incomplete or untrue or inadequate for proving the purpose or the amount of the Loan, the Bank may elect not to accept them or may accept them in the amount and structure required by the Bank.
3. The Bank may reduce the amount of each Tranche by subtracting such amount of the preceding Tranche whose purpose, in the Bank's opinion, has not been adequately demonstrated or has not been demonstrated at all by the Borrower.
4. Upon request of the Bank, the Borrower shall prove financing with his own funds, i.e. funds not coming from the Loan which the Borrower used for appreciating the real property financed by the Loan. The provisions of subparagraph 2 shall be applied where appropriate. If the Borrower does not demonstrate adequately or does not demonstrate at all the use of his own funds, then the Bank may refuse to pay out another Tranche to the Borrower.

V. State Bonus, State Bonus for the Young and Support from the Bank

1. State Bonus
 - 1.1. A Borrower who has received a Loan for purposes specified in Article II(2)(a) to (d) is entitled to a State Bonus if he has met the preconditions required by the Law.
 - 1.2. The State Bonus shall be provided for a Loan on a maximum amount stated for the Law per one residential real property; also in the case of a married couple or if such real property is being acquired to ownership in equity. A residential property is an apartment building as set forth in a special regulation⁴.
 - 1.3. The Borrower applies for the State Bonus through the Bank.
 - 1.4. The State Bonus is provided to the Borrower each year during the Loan term agreed upon in the Agreement and only for one Agreement. One Agreement means also a change in an existing Agreement provided that the Loan amount does not exceed the sum specified in the paragraph 1.2.
2. State Bonus for the Young
 - 2.1. A Borrower who has received a Loan for purposes specified in Article II(2)(a) to (c) is entitled to a State Bonus for the Young if he has met the preconditions required by the Law.
 - 2.2. The State Bonus for the Young shall be provided for a Loan on a maximum amount stated for the Law per one residential real property; also in the case of a married couple or if such real property is being acquired to ownership in equity. A residential property is an apartment building as set forth in a special regulation.
 - 2.3. The Borrower applies for the State Bonus for the Young through the Bank.
 - 2.4. The State Bonus for the Young is provided to the Borrower each year over a period of five years from the date the Loan started bearing interest, and for one Agreement only. One Agreement means also a change in an existing Agreement provided that the Loan amount does not exceed the sum specified in paragraph 2.2.
 - 2.5. After five years from the date the Loan started bearing interest, the Borrower's title to the State Bonus for the Young shall lapse and at the same time he shall become entitled to the State Bonus.
3. Support from the Bank
 - 3.1. If the Agreement specifies that the Bank shall provide to the Borrower Support from the Bank, then the Bank shall provide to the Borrower Support from the Bank on conditions agreed upon in the Agreement.

⁴ Act 50/1976 of Collection on landscape planing and building regulations (Building Act) as amended.

4. In case of wrongfully awarded a State Bonus, State Bonus for the Young or Bonus from the Bank, the Bank is entitled to debit from any Borrower's account held by the Bank with the funds in the amount of such wrongfully awarded State Bonus, State Bonus for the Young or Bonus from the Bank, also without being presented a transfer order by the Borrower in accordance with provisions of the Article 4, Section 3, Letter d) of the Act No. 510/2002 of Coll. on payment systems and amendment of certain acts as amended by later regulations, and the Borrower gives the Bank by signing Agreement his consent to do so.

VI. Interest Rate and Interest Period

1. The rate and type of Interest Rate are agreed upon in the Agreement as follows:
 - a) variable rate – is set by the Bank, and the Bank may unilaterally change the agreed upon Interest Rate.
 - b) variable, privileged rate – is an average of a fixed interest rate guaranteed by the Bank on 50 % of the Loan amount throughout the Loan repayment period and a variable interest rate on the remainder of the Loan amount. The fixed rate shall be announced by the Bank by Publication. The Bank may unilaterally change the agreed upon Interest Rate.
 - c) fixed rate – is fixed during a Fixed Interest Rate Period; during a Fixed Interest Rate Period the Bank shall not unilaterally change the type and amount of Interest Rate. Following expiry of Fixed Interest Rate Period, in dependence on the Lending Policy of the Bank, on the change of the level of risk Loan relation, on the change of applicable law, on the change applicable rates for which the mortgage bonds could be issued or in dependence on overall development on the banking market or in dependence on the development on monetary and capital market, the Bank is entitled to unilaterally change the type and amount of applicable Interest Rate and determine new Fixed Interest Rate Period and this change is agreed upon by the Borrower; the change of Interest Rate and setting of the Period of Fixed Interest Rate takes effect upon the bank's decision, and the Bank shall notify the Borrower of such change and setting by a Notice.
2. In dependence on the Lending Policy of the Bank, on the change of the level of the Loan relation, risk, on the change of applicable law, on the change applicable rates for which the mortgage bonds could be issued or in dependence on development on the banking market or in dependence on the development on monetary and capital market, the Bank is entitled to change the amount of the Interest Rate, except for the fixed Interest Rate during the Fixed Interest Rate Period.
3. The current Interest Rate in effect at the time the Agreement is made is specified in the Agreement. A change in the Interest Rate takes effect upon the Bank's decision. The Bank shall notify the Borrower of a change in the Interest Rate without undue delay after the change took effect by Publication.
4. At any time throughout the duration of the loan relation, the Borrower may apply to the Bank for changing the Interest Rate from variable or variable privileged to fixed.
5. Upon changing the Interest Rate upon the Borrower's request or upon changing the Fixed Interest Rate Period, the Borrower shall pay to the Bank a charge in the amount set in the Service Charge List.
6. Interest is computed on the exact number of days of the Interest Period and at the Interest Rate in effect in the Interest Period concerned, including the first and the last day of the interest period. Under the Agreement, the length of the First Interest Period or any following Interest Period may be set differently that the length of other Interest Period. The interest base is the actual number of days in the given calendar year divided by 360.

VII. Maturity and Repayment of a Receivable

1. The maturity of a Receivable is not less than 4 years and not more than 30 years.
2. The repayment of a Receivable is divided into two periods:
 - a) the Loan Provision Period when the Borrower pays Charges and interest on the Loan made, which charges and interest are due on the end of the month,
 - b) the post Loan Provision Period when the Borrower pays until maturity of the first annuity instalment the Borrower pays Charges and interest on the Loan made, which are due on the end of the month, subsequently the Borrower pays regular annuity instalments (Charges + Interest for Delay + interest + principal amount due in this order) which are due on the due date of the monthly instalment.
3. The Borrower pays up the Bank's Receivable in regular instalments whose frequency is specified in the Basic Conditions of the Agreement:
 - a) by collections from the Collection Account,

- b) by cash or non-cash payments,
 - c) by setting off a receivable from any of the Borrower's accounts with the Bank against the Bank's Receivable or part thereof.
4. An instalment is paid on time, if it is credited to the Bank's account on the due date of the instalment and the Bank is able to handle the credited amount.
 5. If under the Agreement an instalment or a Receivable is due at the end of a month, it means that the due date is the last calendar day of the month. Such day is then also the last day of the Interest Period.
 6. Instalments paid by the Borrower before the set due date shall have no effect on interest calculation and shall be registered by the Bank as an overpayment and shall be credited to the Bank account on the due date of the instalment.
 7. The Borrower may apply to the Bank in writing for an early repayment of a Receivable. The Borrower may repay early a Receivable or part thereof if he applies to the Bank in writing for the early repayment, and pays to the Bank a charge for the early Loan repayment as set in the Service Charge List.
 8. The Bank may change the Repayment Schedule, notably if a Loan is not made to the Borrower in the full amount, if a Loan is made to the Borrower in the full amount before the last day of the Loan Provision Period, or if the Interest Rate has changed or if the amount of Charges changes or in the event of any fact which would result in the extension or cutting short the Loan maturity, notably if the Receivable is not being repaid when due, and such change in the Repayment Schedule may be made even without an Amendment to the Agreement; the Bank shall then notify the Borrower of such change by a Notice.
 9. If the Borrower fails to repay a Loan, then it shall pay to the Bank an Interest for Delay in addition to the interest on the Loan agreed upon in the Basic Conditions of the Agreement. The amount owed carries an Interest for Delay on a daily basis from the first day of delay (inclusive) to the day immediately preceding the day on which the amount owed is repaid (inclusive). If the Borrower fails to pay interest on the Loan, Charges, remunerations, indemnity and costs incurred by the Bank or other monetary liabilities, then the Borrower shall also pay to the Bank an Interest for Delay. Such amounts owed shall carry the Interest for Delay on a daily basis from the first day of delay (inclusive) to the day immediately preceding the day on which the relevant amount owed is repaid (inclusive). The Interest for Delay is due daily.

VIII. Securing a Loan Receivable

1. A Loan shall be secured with a lien on a domestic real property accepted by the Bank and registered in the land registry in favour of the Bank as the first-order pledgee. In the case of a lien set by the Law, the Bank may accept also a lien registered in a later order (not the first one). A real property is deemed to be free of liens or transferability limitations, if a receivable secured with other lien or transferability limitation shall lapse upon providing the Loan by which the receivable is repaid and if the lien or transferability limitation on the real property lapses.
2. A Loan may only be made if the Collateral is insured by an insurer for the full term of the loan relation. The Borrower or the Pledger shall perform or shall ensure performance of the insurance conditions so that the insurance relation is not terminated by the insurer. The Pledger shall allow the Bank to inspect the Collateral at any time upon request of the Bank.
3. The Bank may check the quality of a security provided for a Loan at any time throughout the duration of the loan relation, and the Borrower shall expand the security for the Loan upon the Bank's request, in the event that the security for the Receivable has been destructed in whole or in part or the value of the security has been decreased.
4. In addition to a basic security, the Borrower may secure a Loan also with other Securing Agreements accepted by the Bank, specifically:
 - a) by a lien on other real property or properties,
 - b) by a securing assignment of a receivable from a deposit account with the Bank,
 - c) by a securing assignment of a receivable and by a securing assignment of a title from an insurance policy on any life or general insurance of the Borrower,
 - d) by a lien on mutual fund shares in Asset Management Slovenskej sporitel'ne, správk.spol.,a. s.,
 - e) by a bank guarantee issued by an accepted bank,
 - f) by other form by agreement with the Bank.
5. The Borrower shall pay all charges and costs the payment of which is a precondition to a proper establishment, creation and termination of a lien on a real property or other security under Securing Agreements, notably administrative charges and other costs relating to land register proceedings (mainly an application for registering an agreement on lien on real property), the cost of proving the

establishment of a lien on the real property (notably the cost of an extract from the land register), the cost of preparing an expert appraisal under a special regulation, an expert's remuneration for preparing an expert appraisal of the Collateral, possibly the cost of verifying that a copy or photocopy to be officially notarized/legalized is identical with a Loan-related deed as well as the cost of officially notarization/certification the authenticity of signatures of parties to Securing Agreements or other Loan-related agreements, if notarization/certification legal regulations require so.

6. Upon the Borrower's written request, the Bank may release some securing means, if the value of the remaining securing means pursuant to individual securing agreements is sufficient for securing the outstanding amount of the Loan; the conditions of the release shall be determined by the Bank in its sole discretion, unless the Bank and the Borrower agree otherwise.
7. A lien on a real property established for securing a Loan Receivable shall lapse upon repayment of the Loan together with interest and charges. After a lien on a real property lapses, the Bank shall give to the Pledger a written confirmation that he has completely performed his obligations under the Agreement or a deed confirming the lapse of the lien, and the Pledger shall apply to the land registry concerned for deleting the lien.

IX. Special Rights and Obligations of the Parties to the Agreement

1. At any time throughout the duration of a loan relation, the Bank may check the Borrower's Creditworthiness and may require the Borrower to present Documentation demonstrating his Creditworthiness. The Documentation shall be procured by the Borrower himself at his own cost and shall be presented to the Bank as originals or officially legalized copies.
2. The Borrower shall notify the Bank without undue delay of all changes relating to his property or income, Collateral, Securing Agreements, or changes which may influence the purpose of the Loan as well as all changes in the address and personal details.
3. If a building permit was necessary for a construction, modification of a completed real property and its maintenance, then the Borrower shall present to the Bank a legally valid official clearance of the building for use within 15 days of the day on which the clearance became legally valid. If a Loan is made for a modification and maintenance of a completed real property which may be carried out without a building permit, then the Borrower shall notify the Bank in writing of the completion of the financed modification or maintenance within 15 days of its completion. Upon acquisition of a real property, the Borrower shall submit an extract from the title deed in which in part B the Borrower shall be identified as the owner of the real property financed by the Loan, not later than one month of permitting the registration of the title in the land register.
4. If the Collateral is an unfinished structure, then prior to making an agreement on lien on real property and an agency agreement, the Borrower shall deliver to the Bank a decision of a competent authority on issuing a listing and orientation number for the unfinished structure, if such decision has been issued by the competent authority. If the listing and orientation number have not been issued for an unfinished structure, then the Pledger shall make a security agreement on such structure within 30 days of the day on which the official clearance for use became legally valid.
5. Upon completion of the Minimum Repayment Period and upon repayment of a Loan, the Borrower shall present to the Bank upon request the original title deed usable for legal acts for the real property that is the subject of the purpose of the Loan, in which title deed the Borrower, who has received the Loan from the Bank, is identified as the owner of the real property.
6. If the character of the real property, which is the subject of the purpose of the Loan, changes during the execution of the purpose of the Loan in accordance with the Law and other legal regulations, then the Borrower shall submit to the Bank upon request the original of the title deed usable for legal acts for such real property, which title deed shall contain the said change in the character of the real property financed by the Loan. The provisions of Article VIII(3) shall be reasonably applied.

X. Early Maturity, Withdrawal from and Termination of the Agreement

1. If any contractual obligation or covenant is breached by the Borrower or if:
 - a) the Borrower is late with payment of one instalment in principal or interest for more than 10 days, or
 - b) the Borrower uses a Loan otherwise than for the agreed upon purpose, without the Bank's consent, or
 - c) within the time set by the Bank, the Borrower fails to present to the Bank Documents confirming the purpose of the Loan or the original of the title deed for the real property that is the subject of the

purpose of the Loan and in which title deed the Borrower is identified as the owner of the real property, or

- d) upon request of the Bank, the Borrower fails to demonstrate the financing by his own funds for the appreciation of the real property which is financed by the Loan, or
- e) the Borrower's or Pledger's assets or liabilities have changed substantially, which may in result threaten the capacity to repay the Receivable or may threaten the ownership of the security for the Loan, or
- f) the Borrower or the Pledger have supplied to the Bank incorrect or incomplete data or basic documents, or
- g) the security for the Bank's Receivable has been destructed in whole or in part or if the value of the security for the Bank's Receivable has been decreased or is threatened for whatever reason, and if the Borrower or the Pledger has failed to perfect the security within the time set by the Bank, unless the Bank and the Borrower or the Pledger agree otherwise, or any third party is late with repayment of the Bank's receivable, if the Bank's receivable from such third party and the Bnk's receivable from the Client have been secured by the same Security, or
- h) the Borrower expresses in writing his disapproval of a change in the Interest Rate or the Repayment Schedule, or
- i) the Borrower has failed to perform or breached obligations under the Agreement or Securing Agreements, or
- j) the Borrower becomes insolvent or declares or accepts that he is unable to pay any of his financial obligations to the Bank when due, or
- k) the Bank's Receivable is secured with a lien on a real property and if an insurance event has occurred which, in the Bank's opinion, threatens the Borrower's performance of his obligations under the Agreement, or
- l) the Borrower revokes any power of attorney or covenant on power of attorney contained in the Agreement or in Securing Agreements, or
- m) upon completion of construction or modification of a finished real property which was the Collateral and at the time of establishing the lien that Collateral had no listing and orientation number assigned, the Borrower fails to establish a lien on that real property in favour of the Bank, or
- n) a petition has been filed to declare the Borrower or the Pledger bankrupt, or a petition has been filed to make a composition with the Borrower's or the Pledger's creditors or a petition has been filed to liquidate the Borrower or the Pledger or a petition has been filed to start the execution of a court ruling or a petition has been filed to start distraint proceedings, or
- o) the Borrower or the Pledger by his actions has breached or failed to comply with the Law or other generally binding legal regulation valid in the Slovak Republic, and such action in result could threaten the Borrower's existence or his legal capacity, notably his capacity to contract and to enter into contractual relations,

then the Bank may:

- a) declare the Receivable due early and demand that the Receivable under the Agreement is paid up, and the Borrower shall pay such Receivable by the due date set by the Bank by a Notice,
 - b) terminate the Agreement or to withdraw from the Agreement. The Bank's notice of termination shall take effect immediately, without a notice period, on the day it is delivered to the Borrower. A withdrawal from the Agreement shall not lapse the Borrower's obligation to repay the Receivable to the Bank, or Securing Agreements made between the Bank and the Borrower or a third party,
 - c) set off the Bank's Receivable against any Receivable of the Borrower from the Bank,
 - d) suspend the providing of the Loan until the circumstances resulting in the Loan suspension expire.
2. The Bank may terminate the Agreement with immediate effect, if the Loan is not made within 30 days of signing the Agreement.
 3. The Borrower may terminate the Agreement within 15 days of Publication of a new Interest Rate. The notice period shall start on the first day of the calendar month following the month in which the notice of termination was delivered to the Bank and shall end after six months. During a notice period, the last agreed upon or set Interest Rate shall remain in effect. By the end of the notice period, the Borrower shall repay the full amount of the Bank's Receivable. If the Borrower does not file a notice of termination within the said period, it is understood that he agrees to the change in the Interest Rate and from the effective date of such change shall repay a new amount of instalment which has been calculated from the new Interest Rate.
 4. A Receivable shall be due immediately on the day the Bank learns that the Borrower-supplied data on the Borrower's special relation to the Bank under a special regulation² are untrue.

XI. Miscellaneous Provisions

1. The place of performance is the Bank. The existence and amount of the Bank's Receivable shall be determined on the basis of the Bank's records.
2. The Borrower agrees that the Bank may disclose the information on the Borrower's loan to a third party that has given a security and to other persons that the Bank contacts in actions relating to the Loan.
3. The Borrower and the Pledger agree that all known data arising out of this business relation may be used by the Bank for interbank information in a form normally used in banking practice, notably for protecting the Bank.
4. The Bank accepts all powers of attorney and proposals to grant a power of attorney which are contained in the Agreement or in other agreements arising out of the Agreement or of the Business Conditions.
5. If there is more than one party to the Loan Relation on the Borrower's side, then all Borrowers shall be jointly and severally liable to the Bank for all obligations under the Loan Agreement or relating to the Loan Agreement. The Borrowers agree that the actions taken by the Bank with or towards one or several Borrowers shall be deemed the Bank's actions with or towards all Borrowers; the Bank's action shall become accomplished when taken with or towards at least one of the Borrowers. For this purpose, by signing the Loan Agreement the Borrowers authorise each other to take all actions relating to the Loan Agreement; but the Bank need not take an action relating to the Loan Agreement with or towards only one or some of the Borrowers nor must accept an action taken only by one of some of the Borrowers.

XII. Final Provisions

1. All agreements and covenants made between the Bank, Borrower and the Pledger shall become valid and take effect on the signing date, unless the agreement or these Business Conditions state otherwise.
2. The Bank is authorized to amend or supplement these Business Conditions (and it is understood that an amendment is also the replacement of the Business Conditions in whole or in part by special business conditions), and if agreed with the Borrower, the Bank is also authorized to change the particular conditions of an Agreement, for the reasons below:
 - a) change of applicable law, or
 - b) changes in the bank or financial market, that may objectively influence the provision of the Bank Product or conditions of its provision, or
 - c) changes in the technical possibilities of the provision of the Bank Product, or
 - d) securing safe functioning of the bank system, or
 - e) securing prudent banking business of the Bank and banking stability, or
 - f) quality improvement and simplification of the provision of the Bank Products or the extension of the range of Bank Products offered..

The Bank shall determine the current wording of the Business Conditions or the particular condition of an Agreement by Publication. The Borrower may express his disagreement with such a change by a written notice delivered to the Bank within 15 days of the determination of such a change by Publications. Otherwise, the amendments and supplements take effect on the day specified in them, if, after the Publication of the Business Conditions, or the particular condition of an Agreement, the Borrower (i) takes any action in relation to the Bank, or continues (ii) to accept the banking services from the Bank in such a way that from that situation it is obvious that he wishes to continue with the existing contractual relationship with the Bank, or (iii) confirms by his actions that he knows the wording of the amended or supplemented Business Conditions or the particular condition of an Agreement. If the Borrower expresses disagreement with such a change within the above time limit and if no agreement is reached, the Borrower may terminate his contractual relation with the Bank with immediate effect. Likewise the Bank may terminate its contractual relation with the Borrower with immediate effect and declare the Bank's receivables from the Borrower immediately payable

3. All contractual relations established between the Borrower and the Bank, and between the Bank and the Pledger as of the effective date of these Business Conditions shall be governed by these Business Conditions unless otherwise stated herein. Contractual relations which were governed by any business conditions, shall be governed solely by these Business Conditions from the effective date of these Business Conditions onwards. The Borrower agrees that these Business Conditions have fully superseded the original business conditions and similar documents of the Bank and that such contractual relations shall be subject solely to these Business Conditions, unless otherwise stated herein.
4. These Business Conditions take effect on January 1st 2003.

