
**The Financial Markets Association of
the Czech Republic (A.C.I.)**

2000 Definitions

**The Financial Markets Association
of the Czech Republic (A.C.I.)**

TABLE OF CONTENTS

| | Page |
|--|-------------|
| INTRODUCTION TO THE FINANCIAL MARKETS ASSOCIATION OF THE CZECH REPUBLIC (A.C.I.) 2000 DEFINITIONS..... | i |

ARTICLE 1

GENERAL DEFINITIONS

| | |
|---|---|
| Section 1.1. Czech Transaction | 1 |
| Section 1.2. Czech Koruna..... | 1 |
| Section 1.3. Czech FX Transaction..... | 1 |
| Section 1.4. Certain ISDA Definitions Booklets..... | 1 |

ARTICLE 2

DEFINITIONS RELATING TO BUSINESS DAY

| | |
|--|---|
| Section 2.1. Business Day; Czech Business Days..... | 2 |
| Section 2.2. Business Day for Payments | 2 |
| Section 2.3. Business Day for Valuation..... | 3 |
| Section 2.4. Business Day for Notice..... | 3 |
| Section 2.5. Business Day for Other Purposes | 4 |
| Section 2.6. Technical Amendments to ISDA Definition Booklets Regarding Business Day | 5 |
| Section 2.7. Banking Day; Praha Banking Day..... | 7 |
| Section 2.8. Seller Business Day | 7 |
| Section 2.9. Stock Exchange Days..... | 7 |
| Section 2.10. Business Day Conventions..... | 8 |
| Section 2.11. Principal Financial Center | 9 |
| Section 2.12. TARGET Settlement Day | 9 |

ARTICLE 3

CZECH PRICE SOURCES

| | |
|---|----|
| Section 3.1. Czech Rate Options, Czech FX Settlement Rate Options, Czech..... Exchange Price Option | 9 |
| Section 3.2. Czech Rate Options..... | 9 |
| Section 3.3. Czech FX Settlement Rate Options..... | 10 |
| Section 3.4. Czech Exchange Price Option..... | 10 |
| Section 3.5. PRIBOR Regulation..... | 10 |

| | | |
|---------------|-----------------------------|----|
| Section 3.6. | CZK FX Regulation | 10 |
| Section 3.7. | Reference Banks..... | 10 |
| Section 3.8. | Reset Date | 11 |
| Section 3.9. | Designated Maturity | 11 |
| Section 3.10. | Representative Amount | 11 |
| Section 3.11 | Spot Rate | |
| Section 3.12. | Calculation Agent..... | 11 |

ARTICLE 4

CERTAIN DEFINITIONS RELATING TO CZECH GOVERNMENT BOND OPTIONS

| | | |
|--------------|----------------------------|----|
| Section 4.1. | Definitions of Bonds | 12 |
|--------------|----------------------------|----|

ARTICLE 5

ROUNDING

| | | |
|----------------------|---|----|
| Section 5.1. | Rounding Convention for the Czech Koruna..... | 12 |
| INDEX OF TERMS | | 13 |

INTRODUCTION TO THE FINANCIAL MARKETS ASSOCIATION OF THE CZECH REPUBLIC (A.C.I.) 2000 DEFINITIONS

The Financial Markets Association of the Czech Republic (A.C.I.) 2000 Definitions (the "Czech Definitions") are intended for use in confirmations of individual transactions that involve the Czech Koruna or any other relevant Czech underlying cash market ("Confirmations"), including, without limitation, transactions governed by agreements such as the 1992 ISDA Master Agreements published by the International Swaps and Derivatives Association, Inc. ("ISDA"). For transactions involving at least one non-Czech party, parties should consult the Financial Markets Association of the Czech Republic (A.C.I.) 2000 Supplement to the 1992 ISDA Master Agreement.

The Czech Definitions can be used as a supplement to other sets of definitions and provisions published by ISDA (each an "ISDA Definitions Booklet"), including, among others:

- 1991 ISDA Definitions
- 1996 ISDA Equity Derivatives Definitions
- 1997 ISDA Government Bond Option Definitions
- 1998 Supplement to the 1991 ISDA Definitions
- 1998 Euro Definitions
- 1998 FX and Currency Option Definitions (published jointly by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee)

When used as a supplement to an ISDA Definitions Booklet, the Czech Definitions can be incorporated into a Confirmation by reference to the relevant ISDA Definitions Booklet "(as amended and supplemented by the Financial Markets Association of the Czech Republic (A.C.I.) 2000 Definitions)".

The Czech Definitions can also be incorporated into a "long form" Confirmation (that is, one that does not incorporate any of the above ISDA Definitions Booklets) or any other document where provisions related to the Czech Koruna or any other Czech underlying cash market are considered appropriate.

Existing Confirmations or other documents will not, without further action by the parties, be affected by the use of the Czech Definitions for subsequent transactions.

The Financial Markets Association of the Czech Republic (A.C.I.) has provided these Czech Definitions to assist the smooth and efficient functioning of privately negotiated derivatives activity involving Czech markets by providing a common set of terms for parties to use in preparing Confirmations. [During the course of the project, the Financial Markets Association of the Czech Republic (A.C.I.) received valuable guidance from members of ISDA's European Emerging Markets Task Force. The Financial Markets Association of the Czech Republic (A.C.I.) gratefully acknowledges the contributions of ISDA and its members to the

preparation of the Czech Definitions.] *The precise documentation of each individual transaction remains, however, the responsibility of the parties concerned. Neither the Financial Markets Association of the Czech Republic (A.C.I.) nor ISDA assumes any responsibility for any use to which these Czech Definitions may be put, including, without limitation, any use of these Czech Definitions in connection with any privately negotiated derivative transaction. Each party to a transaction evidenced by a Confirmation referring to or incorporating these Czech Definitions must satisfy itself that these Czech Definitions are appropriate for the transaction, that they have been properly used or adapted in the Confirmation for the transaction and that the Confirmation has generally been properly drafted, in each case to reflect the commercial intentions of the parties.*

The Czech Definitions will be updated periodically to include additional definitions and provisions. Czech law and market practice relating to OTC derivatives are evolving rapidly; parties are therefore advised to monitor changes in relevant Czech law since the date of publication of these Czech Definitions. It is anticipated that the Financial Markets Association of the Czech Republic (A.C.I.) will, if necessary, update the Czech Definitions to account for substantive changes in relevant law or market practice. At any time a copy of the then current version of the Czech Definitions can be obtained from the offices of the Financial Markets Association of the Czech Republic (A.C.I.).

Neither the Financial Markets Association of the Czech Republic (A.C.I.) nor ISDA has undertaken to review all applicable laws and regulations in other jurisdictions in which these Czech Definitions may be used, and therefore parties are advised to consider the application of any relevant jurisdiction's regulatory, tax, accounting, exchange or other requirements that may exist in connection with the entering into and documenting of a privately negotiated derivatives transaction.

**THE FINANCIAL MARKETS ASSOCIATION OF THE CZECH REPUBLIC (A.C.I.)
2000 DEFINITIONS**

Any or all of the following definitions and provisions may be incorporated into a document by wording indicating that, or the extent to which, the document is subject to the Financial Markets Association of the Czech Republic (A.C.I.) 2000 Definitions (the "Czech Definitions") or subject to one or more of the definitions booklets published by the International Swaps and Derivatives Association, Inc. (each an "ISDA Definitions Booklet") "as amended and supplemented by the Financial Markets Association of the Czech Republic (A.C.I.) 2000 Definitions". All definitions and provisions so incorporated in a document will be applicable to that document unless otherwise provided in that document, and all terms used in any definition or provision that is incorporated by reference in a document will have the respective meanings set forth in these Czech Definitions or in the relevant ISDA Definitions Booklet as modified by these Czech Definitions, unless otherwise provided in the document. In the event of any inconsistency between the provisions of these Czech Definitions and the provisions of that ISDA Definitions Booklet, the provisions of these Czech Definitions will prevail unless otherwise specified in any document incorporating these Czech Definitions and an ISDA Definition Booklet. For the avoidance of doubt, where these Czech Definitions are intended to modify or supplement an existing ISDA Definitions Booklet, appropriate amendments to that ISDA Definitions Booklet are set forth in the text below in italics.

ARTICLE 1

GENERAL DEFINITIONS

Section 1.1. Czech Transaction. "Czech Transaction" means (a) any transaction in respect of which a payment is to be made in, or calculated by reference to, the Czech Koruna, including a Czech FX Transaction or a transaction in respect of which a calculation is to be made by reference to a Czech Rate Option, Czech FX Rate Option or Czech Exchange Price Option, (b) any transaction to which these Czech Definitions are specified to apply and (c) any other transaction identified as a Czech Transaction in the related confirmation or other document governing that Czech transaction.

Section 1.2. Czech Koruna. "Czech Koruna" and "CZK" each means the lawful currency of the Czech Republic.

Section 1.3. Czech FX Transaction. "Czech FX Transaction" means (a) any transaction designated as such in the related confirmation or other document governing that Czech Transaction or (b) any transaction in which one party agrees to purchase from or sell to the other party an agreed amount of Czech Koruna in exchange for an agreed amount of another currency.

Section 1.4. Certain ISDA Definitions Booklets. For purposes of these Czech Definitions, (a) the "1991 Definitions" means the 1991 ISDA Definitions, (b) the "1996 Equity Definitions" means the 1996 ISDA Equity Derivatives Definitions, (c) the "1997 Bond Option Definitions" means the 1997 ISDA Government Bond Option Definitions and (d) the

"1998 Supplement" means the 1998 Supplement to the 1991 ISDA Definitions, in each case as published by the International Swaps and Derivatives Association Inc. (formerly the International Swaps Dealers Association Inc.), and (e) the "1998 FX Definitions" means the 1998 FX and Currency Option Definitions, published jointly by the International Swaps and Derivatives Association Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee.

ARTICLE 2

DEFINITIONS RELATING TO BUSINESS DAY

Section 2.1. Business Day; Czech Business Days. The term "Business Day" has a meaning that varies and may depend upon whether, for example, the relevant day is a day on which a payment or delivery is to be made, a rate or value is to be sought, or notice is to be given. [If "Czech Business Days" are specified to apply to a Czech Transaction, the term "Business Day" will be interpreted in accordance with Sections 2.2(a), 2.3(a), 2.4(a) and 2.5(a).]

Section 2.2. Business Day for Payments. For the purpose of determining the day on which a payment is to be made or currency is to be delivered, "Business Day" means:

(a) if "Czech Business Days" are specified or if there is no place specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), and

(i) if the relevant transaction is not a Czech FX Transaction,

(A) a Praha Banking Day if the payment obligation is payable in Czech Koruna,

(B) a TARGET Settlement Day if the payment obligation is payable in euros, or

(C) a day on which commercial banks and foreign exchange markets settle payments in the Principal Financial Center for the currency of the payment obligation, if that currency is not the Czech Koruna or the euro, or in the place of delivery, if a delivery other than a payment is to be made on that day; or

(ii) if the relevant transaction is a Czech FX Transaction,

(A) a day on which foreign exchange markets settle payments involving Czech Koruna in Praha; and

(B) a day on which commercial banks and foreign exchange markets settle payments in the Principal Financial Center for the

currency being exchanged for the Czech Koruna (or, if that currency is the euro, then a day that is a TARGET Settlement Day); or

(b) if a place is specified for the purpose of determining business day in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), and

(i) the relevant transaction is not a Czech FX Transaction,

(A) a Praha Banking Day if "Praha" is specified, or

(B) a day on which commercial banks and foreign exchange markets settle payments in each of the specified places other than Praha, if any;

(ii) the relevant transaction is a Czech FX Transaction, a day on which commercial banks and foreign exchange markets settle payments in the place(s) so specified.

Section 2.3. Business Day for Valuation. For the purpose of determining the day on which an official fixing rate, market rate, spot price, market value or other similar rate, price or value is to be obtained, or for purposes of determining the date for which such a rate, price or value should be obtained, "Business Day" means:

(a) if "Czech Business Days" are specified or if there is no place specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), and

(i) if the relevant rate, price or value is to be calculated by reference to a Czech Rate Option, Czech FX Settlement Rate Option, Czech Exchange Price Option or other similar source published in the Czech Republic, a Praha Banking Day; or

(ii) if the relevant rate, price or value is not to be calculated by reference to a Czech Rate Option, Czech FX Settlement Rate Option, Czech Exchange Price Option or other similar source published in the Czech Republic, a day on which commercial banks and foreign exchange markets settle payments in the Principal Financial Center(s) of each of the currencies by reference to which the relevant rate, price or value is to be determined (and that is a TARGET Settlement Day, if any such rate, price or value is to be determined by reference to the euro);

(b) if "Praha" is specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), a Praha Banking Day; or

(c) if some other place or places are specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), a day on which commercial banks and foreign exchange markets settle payments in each of those places.

Section 2.4. Business Day for Notice. For the purpose of determining the day on or by which notice is to be given to a party in respect of a Czech Transaction, "Business Day" means:

(a) if "Czech Business Days" are specified or if there is no place specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), and

(i) if the party receiving such notice (or, in the case of the expiration date of an option, the party which would have received a notice of exercise if one had been sent) is transacting through an office in the Czech Republic, as specified in the relevant confirmation or other document governing the Czech Transaction, a Praha Banking Day; or

(ii) if the party receiving such notice (or, in the case of the expiration date of an option, the party which would have received a notice of exercise if one had been sent) is transacting through an office outside the Czech Republic, a day on which commercial banks and foreign exchange markets settle payments in the place of the office through which that party is transacting, as specified in the relevant confirmation or other document governing the Czech Transaction;

(b) if "Praha" is specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), a Praha Banking Day; or

(c) if some other place or places are specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), a day on which commercial banks and foreign exchange markets settle payments in each of those places.

Section 2.5. Business Day for Other Purposes. For purposes of any other provision of these Czech Definitions or a confirmation or other document governing a Czech Transaction, "Business Day" (with reference to paragraph 2.10) means:

(a) if "Czech Business Days" are specified or if there is no place specified for the purpose of determining business days in the confirmation or other document governing the Czech Transaction (either generally or specifically for purposes of the relevant date), and

(i) if (as specified in the relevant confirmation or other document governing the Czech Transaction) both parties are transacting through offices in the Czech Republic, a Praha Banking Day;

(ii) if (as specified in the relevant confirmation or other document governing the Czech Transaction) one party is transacting through an office in the Czech Republic and the other party is transacting through an office outside the Czech Republic (the "Non-Czech Party"), a day which is both a Praha Banking Day and a day on which commercial banks and foreign exchange markets settle payments in the place of the office through which the Non-Czech Party is transacting; or

(iii) if (as specified in the relevant confirmation or other document governing the Czech Transaction) both parties are transacting through offices outside the Czech Republic, a day on which commercial banks and foreign exchange markets settle payments in the places of the offices through which each party is transacting;

(b) if "Praha" is specified (either generally or specifically for purposes of the relevant date) in the confirmation or other document governing the Czech Transaction, a day which is a Praha Banking Day; or

(c) if some other place or places are specified (either generally or specifically for purposes of the relevant date) in the confirmation or other document governing the Czech Transaction, a day on which commercial banks and foreign exchange markets settle payments in each of those places.

Section 2.6. Technical Amendments to ISDA Definition Booklets Regarding Business Day. *The provisions of the ISDA Definitions Booklets will be deemed to be amended as follows. With respect to a Czech Transaction in which "Czech Business Days" is specified, these amendments will be interpreted as if no place is specified with respect to the "Business Day".*

(a) *if the 1991 Definitions (whether or not supplemented by the 1998 Supplement) are incorporated,*

(i) *the words "(except for a Payment Date or Premium Payment Date for which "Praha" is specified and, if no place is specified, except for any date on which a payment is to be made in Czech Koruna and for which the Confirmation does not provide that such payment or part thereof is to be exchanged into another currency on that date)" will be inserted after the words "in respect of any date" in Section 1.4(a) of that ISDA Definitions Booklet; and*

(ii) *the words "in respect of a Payment Date or Premium Payment Date for which "Praha" is specified, or any date for which no place is specified and on which a payment is to be made in Czech Koruna and for which the Confirmation does not provide that such payment or part thereof is to be exchanged into another currency on that date, any day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange)." will be added as a new Section 1.4(c) of that ISDA Definitions Booklet;*

(b) *if the 1998 FX Definitions are incorporated,*

(i) *the words "if a place other than "Praha" is specified in a Confirmation generally or specifically for purposes of that date," will be added at the beginning of subsections 1.1(b)(i), 1.1(c)(i), 1.1(d)(i) and 1.1(e)(i), respectively, of that ISDA Definitions Booklet;*

(ii) *the words "and a rate, price or value is to be calculated on or by reference to that date without reference to any price source published within the Czech Republic," will be added after the words "if a place is not so specified" in each of subsections 1.1(b)(ii) and 1.1(d)(ii), respectively, of that ISDA Definitions Booklet;*

(iii) *the words "if "Praha" is specified, or if no place is specified in a Confirmation generally or specifically for purposes of the relevant Valuation Date or Averaging Date, respectively, and the relevant rate, price or value is to be calculated on the relevant Valuation Date or Averaging Date by reference to a price source published in the Czech Republic, a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange)," will be added as new subsections 1.1(b)(iii) and 1.1(d)(iii) of that ISDA Definitions Booklet;*

(iv) *the words "and, as specified in a Confirmation, the Seller is not transacting through an office located in the Czech Republic," will be added after the words "if a place is not so specified" in subsection 1.1(c)(ii) of that ISDA Definitions Booklet;*

(v) *the words "if "Praha" is specified in a Confirmation generally or specifically for purposes of the Exercise Date, Specified Exercise Date, Exercise Period or Expiration Date, respectively, or if, as specified in a Confirmation, the Seller is transacting through an office located in the Czech Republic, a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange);" will be added as a new subsection 1.1(c)(iii) of that ISDA Definitions Booklet;*

(vi) *the words "and neither party is transacting through an office located in the Czech Republic," will be added after the words "if a place is not so specified" in subsection 1.1(e)(ii) of that ISDA Definitions Booklet;*

(vii) *the words "if "Praha" is specified in a Confirmation generally or specifically for purposes of the relevant date, or if no place is specified and both parties are transacting through an office located in the Czech Republic, a day on which commercial banks are open for general business (without reference to dealings in foreign exchange) in Praha" will be added as a new subsection 1.1(e)(iii) of that ISDA Definitions Booklet; and*

(viii) *the words "if no place is specified and only one of the parties is transacting through an office located in the Czech Republic, a day on which commercial banks are open for general business (without reference to dealings in foreign exchange) in*

Praha and on which commercial banks and foreign exchange markets settle payments in the location of the office through which the party not located in the Czech Republic is transacting, as specified in a Confirmation." will be added as a new subsection 1.1(e)(iv) of that ISDA Definitions Booklet; and.

(c) *if the 1997 Bond Option Definitions are incorporated,*

(i) *except for the words "'Business Day' means, in respect of any day that is specified in these Definitions or in a Confirmation to be subject to adjustment in accordance with any applicable Business Day Convention," the full text of section 3.2 of that ISDA Definitions Booklet will become subsection 3.2(a) of that ISDA Definitions Booklet; the period at the end of the existing subsection 3.2(c) will be replaced by "; or" and the subsections of the existing subsection 3.2(a) will be re-numbered accordingly;*

(ii) *the words "unless "Praha" is specified for that purpose in the relevant Confirmation, (or no place is specified and a payment is to be made in or calculated by reference to the Czech Koruna and the Confirmation does not provide that such payment or part thereof is to be exchanged into another currency on that date)," will be added at the beginning of the new subsection 3.2(a) of that ISDA Definitions Booklet;*

(iii) *the words "if "Praha" is specified for that purpose in the relevant Confirmation, or if no place is specified and a payment is to be made in or calculated by reference to the Czech Koruna and the Confirmation does not provide that such payment or part thereof is to be exchanged into another currency on that date, a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange)" will be included as a new subsection 3.2(b) of that ISDA Definitions Booklet; and*

(iv) *the words "except that, if the address for notice provided by the recipient is in the Czech Republic, "Local Business Day" means a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange)" will be added to the end of subsection 6.4(e) of that ISDA Definitions Booklet.*

Section 2.7. Banking Day; Praha Banking Day

(a) "Praha Banking Day" means a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange).

(b) "Banking Day" means, in respect of any city other than a city in the Czech Republic, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

(c) *If the 1991 Definitions (whether or not supplemented by the 1998 Supplement) are incorporated, the provisions of that ISDA Definitions Booklet will be deemed to be amended by replacing Section 1.3 of that ISDA Definitions Booklet with subsection (a) and (b) above.*

Section 2.8. Seller Business Day. (a) "Seller Business Day" means,

(i) if "Praha" or any other city in the Czech Republic is specified to apply to "Seller Business Days" in the relevant confirmation or other document governing the Czech Transaction or if no place is specified and the seller or, if designated, seller's agent is located in the Czech Republic for purposes of receiving notice, a day on which commercial banks in Praha are open for general business (without reference to dealings in foreign exchange); or

(ii) if a place outside the Czech Republic is specified to apply to "Seller Business Days" in the relevant confirmation or other document governing the Czech Transaction or if no place is specified and the seller or, if designated, seller's agent is located outside of the Czech Republic for the purpose of receiving notice, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits), and, if seller is not a commercial bank, which is a scheduled trading day on local securities exchanges, in the place(s) specified for that purpose in the relevant confirmation or other document governing the Czech Transaction or, if a place is not specified, where the seller or, if designated, seller's agent is located for purposes of receiving notice.

(b) *The provisions of the ISDA Definitions Booklets will be deemed to be amended as follows:*

(i) *if the 1997 Bond Option Definitions are incorporated, subsection (a) above will replace Section 3.4 of that ISDA Definitions Booklet; and*

(ii) *if the 1996 Equity Definitions are incorporated, subsection (a) above will replace Section 1.19 of that ISDA Definitions Booklet.*

Section 2.9. Stock Exchange Days. If "Stock Exchange Days" is specified in the relevant confirmation or other document governing the Czech Transaction to be applicable to a particular date, the term "Business Day" in relation to that date will have the meaning given to it in Section 2.1 above, except that any day on which the stock exchange, if any, in the place specified in such confirmation or other document governing the Czech Transaction (or, if no such place is specified, in the Principal Financial Center of the currency by reference to which the relevant payment or value is to be made or calculated) is not open for business will not be a Business Day.

Section 2.10. Business Day Conventions. (a) "Business Day Convention" means, with respect to a particular date, the convention for adjusting that date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the

term "Business Day Convention" and a date, shall mean that an adjustment will be made to that date if that date would otherwise fall on a day that is not a Business Day so that:

- (i) if "Preceding" is specified, that date will be the first preceding Business Day;
- (ii) if "Following" is specified, that date will be the first following Business Day;
- (iii) if "Modified Following" is specified, that date will be the first following Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding Business Day; and
- (iv) if "Czech Modified Following" is specified, that date will be the day specified in the relevant confirmation or other document governing the Czech Transaction if such date is the first date of that type to occur under the Czech Transaction or, if such date is not the first date of that type to occur under the Czech Transaction, the day in the calendar month specified that numerically corresponds to the applicable date of that type in the last calendar month in which a date of that type occurred, adjusted by the application of the Modified Following Business Day Convention, except that:
 - (A) if there is no such numerically corresponding day in the calendar month in which a date of that type should occur, then the date will be the last Business Day in that month; and
 - (B) if such a day is not a Business Day, than that date will be the first following Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding Business Day; and
 - (C) if the preceding applicable date of that type occurred on the last Business Day in a calendar month due to an adjustment in accordance with (A) above, then all subsequent applicable dates will occur on the last Business Day in the month specified for that date.

(b) The Business Day Convention applicable to a date will be:

- (i) the Business Day Convention specified (either generally or specifically for purposes of the relevant date) in the relevant confirmation or other document governing the Czech Transaction; or
- (ii) if a Business Day Convention is not so specified,
 - (A) if that date is a date on which an official fixing rate, market rate, spot price, market value or other similar value or rate is to be obtained, the Preceding Business Day Convention; or

(B) if that date is a date on which a payment is to be made, or on which or by which notice is to be given or on or by which an option is to expire, the Following Business Day Convention.

Section 2.11. Principal Financial Center. Unless otherwise specified in the relevant confirmation or other document governing the Czech Transaction, the Principal Financial Center with respect to a currency is:

- (a) Praha if the currency is the Czech Koruna;
- (b) the principal financial center of a currency, if the currency is other than the Czech Koruna.

Section 2.12. TARGET Settlement Day. "TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

ARTICLE 3

CZECH PRICE SOURCES

Section 3.1. Czech Rate Options, Czech FX Rate Options, Czech Exchange Price Option. Czech Rate Option, Czech FX Rate Option or Czech Exchange Price Option mean, with reference to a transaction in respect of which a calculation is to be made by reference to Czech Rate Option, Czech FX Rate Option or Czech Exchange Price Option, any formulation as defined in 3.2, 3.3 or 3.4 of these Czech Definitions, or any term defined as Czech Rate Option, Czech FX Rate Option or Czech Exchange Price Option in a Confirmation or other document relating to a Czech Transaction.

Section 3.2. Czech Rate Options. For purposes of determining a relevant rate:

- (a) "CZK-PRIBOR-Reuters" means that the rate for a Reset Date will be the rate for deposits in Czech Koruna for a period of the Designated Maturity which appears on the Reuters Screen page PRIBOR as of 11:00 p.m., Praha time, on the day that is two Praha Business Days preceding that Reset Date and for which the "Date of Fixing" is designated as the day that is two Praha Business Days preceding that Reset Date. If such rate does not appear on the Reuters Screen at 11:00 p.m., Praha time, or is designated as the rate for a previous "Date of Fixing", the rate for that Reset Date will be determined on the basis of the PRIBOR rate as published by the Calculation Agent pursuant to the PRIBOR Regulation on the day that is two Praha Business Days preceding that Reset Date for a period of the Designated Maturity commencing on that Reset Date. If such rate is not available, the rate for that Reset Date will be determined as if the parties had specified "CZK-PRIBOR-Reference Banks" as the applicable price source.

(b) "CZK-PRIBOR-Reference Banks" means that the rate for a Reset Date will be determined on the basis of the rates at which deposits in Czech Koruna are offered by Reference Banks in the Praha interbank market for a period of the Designated Maturity commencing on that Reset Date and in a Representative Amount at approximately 11:00 p.m., Praha time, on the day that is two Praha Business Days preceding that Reset Date. The Calculation Agent will request the principal Praha office of each of the Reference Banks to provide a quotation of its rate. If quotations are obtained from more than eleven Reference Banks, the rate for that Reset Date will be the arithmetic mean of the rates remaining after the two highest and the two lowest are excluded. If at least six but fewer than eleven quotations are obtained, the rate for that Reset Date will be the arithmetic mean of the rates remaining after the single highest and the single lowest rates are excluded. If four or five quotations are obtained, the rate for that Reset Date will be the arithmetic mean of all the rates. If fewer than four quotations are provided as requested, the rate for that Reset Date will be the rate for deposits in Czech Koruna for a period of the Designated Maturity which was most recently published by the Calculation Agent pursuant to the PRIBOR Regulation.

Section 3.3. Czech FX Settlement Rate Options. "CZK CNB" means that the Spot Rate for a relevant date will be the rate specified for the relevant currency pair, expressed as the amount of Czech Koruna per one unit (or, in the case of the Japanese Yen or the Greek Drachma, per 100 units) of the other currency in the currency pair, which appears on the Reuters Screen page CSMA at 11:40 p.m., Praha time, on the relevant date and for which the "Value" date posted is the relevant settlement, delivery or payment date. If such rate does not appear on the Reuters Screen at 11:40 p.m., Praha time, or is designated as the rate for a "Value" date other than the settlement, delivery or payment date, the rate will be determined on the basis of the rate as reported by the Czech National Bank pursuant to the CZK FX Regulation designated as the rate for value on the relevant settlement, delivery or payment date.

Section 3.4. Czech Exchange Price Option. "PX-50" means the Praha Stock Exchange Index as calculated and published by the Praha Stock Exchange by 4:00 p.m., Praha time, on the relevant date.

Section 3.5. PRIBOR Regulation. "PRIBOR Regulation" means the regulation of the Calculation Agent regarding Praha Interbank Interest Rate Fixing or any successor regulation as it exists on the day the relevant rate quotation is sought.

Section 3.6. CZK FX Regulation. "CZK FX Regulation" means the Act no. 6/1993 Coll. on the Czech National Bank regarding the duties of the Czech National Bank in connection with the calculation and publication of foreign exchange rates or any successor regulation as it exists on the day the relevant rate quotation is sought.

Section 3.7. Reference Banks. "Reference Banks" means, for purposes of the "CZK-PRIBOR" rate, the banks designated as such (as defined in the PRIBOR Regulation) by the PRIBOR Regulations on the last Praha Business Day for which a PRIBOR rate was published by the Calculation Agent, subject (in the event that fewer than four Reference Banks provide quotations for the relevant rate) to substitution by one or more banks (as defined in the

PRIBOR Regulation) on the last Praha Business Day for which a PRIBOR rate was published by the Czech National Bank.

Section 3.8. Reset Date. "Reset Date" means, in respect of a Czech Transaction, a date in respect of which a relevant interest rate is to be determined as designated in the relevant confirmation or other document governing the Czech Transaction (which, for the avoidance of doubt, is equivalent to the term "Reset Date" as defined in the 1991 Definitions).

Section 3.9. Designated Maturity. "Designated Maturity" means, in respect of a Czech Transaction, the period of time specified as such in the relevant confirmation or other document governing the Czech Transaction (which, for the avoidance of doubt, is equivalent to the term "Designated Maturity" as defined in the 1991 Definitions).

Section 3.10. Representative Amount. "Representative Amount" means, for purposes of determining a relevant rate in respect of a Czech Transaction, an amount that is representative for a single transaction in the relevant market at the relevant time (which, for the avoidance of doubt, is equivalent to the term "Representative Amount" as defined in the 1991 Definitions).

Section 3.11. Spot Rate. "Spot Rate" means, in respect of a Czech Transaction, and any date for which an exchange rate is to be determined, the currency exchange rate determined in accordance with the method specified in the relevant confirmation or other document governing the Czech Transaction, or, if a method is not specified, the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the relevant currency pair for value on the relevant settlement, delivery or payment date, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

Section 3.12. Calculation Agent. "Calculation Agent" means the party specified as such and as further defined in the relevant confirmation or other document governing the Czech Transaction. Whenever requested, the Calculation Agent acts in good faith and in a commercially reasonable manner and his calculations are binding except for a case of an obvious error.

ARTICLE 4

CERTAIN DEFINITIONS RELATING TO CZECH GOVERNMENT BOND OPTIONS

Section 4.1. Definitions of Bonds. In respect of a Czech Transaction, the following designations mean the bonds or debt securities and their respective issuers as indicated.

| | |
|----------------------|---|
| Czech Treasury Bills | “Státní pokladniční poukázky”, “SPP”; short-term securities denominated in Czech Koruna with maturity below one year issued by the Czech Republic |
|----------------------|---|

| | |
|---------------------------|---|
| Czech Treasury Bonds | “Státní dluhopisy”, “SD”; fixed or floating rate bonds denominated in Czech Koruna with maturity over one year issued by the Czech Republic |
| Czech National Bank Bills | “Poukázky České národní banky”, “P ČNB”; short-term securities denominated in Czech Koruna with maturity below one year issued by the Czech National Bank |

ARTICLE 5

ROUNDING

Section 5.1. Rounding Convention for the Czech Koruna. For purposes of any calculations in respect of a Czech Transaction referred to in these Czech Definitions (unless otherwise specified), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655)), (b) all Yen amounts resulting from such calculations will be rounded downward to the next lower whole Yen and (d) all amounts denominated in any other currency resulting from such calculations will be rounded to the nearest two decimal places in such currency, with .005 being rounded upwards (e.g., .674 being rounded down to .67 and .675 being rounded up to .68).

INDEX OF TERMS

| <u>Term</u> | <u>Page</u> | <u>Section</u> |
|--|-------------|----------------|
| 1991 Definitions | 1 | 1.4 |
| 1996 Equity Definitions | 1 | 1.4 |
| 1997 Bond Option Definitions | 1 | 1.4 |
| 1998 FX Definitions | 1 | 1.4 |
| 1998 Supplement | 1 | 1.4 |
| Banking Day | 7 | 2.7 |
| PRIBOR Regulation | 9 | 3.1 |
| Praha Banking Day | 7 | 2.7 |
| Business Day | 2 | 2.1 |
| Business Day Conventions | 8 | 2.10 |
| PX-50 | 11 | 3.4 |
| Calculation Agent | 12 | 3.12 |
| Designated Maturity | 12 | 3.9 |
| CZK FX Regulation | 11 | 3.6 |
| CZK CNB | 11 | 3.3 |
| CZK-PRIBOR-Reference Banks | 10 | 3.2 |
| CZK-PRIBOR-Reuters | 10 | 3.2 |
| Czech Business Days | 2 | 2.1 |
| Czech Definitions | i | Preamble |
| Czech Koruna | 1 | 1.2 |
| Czech FX Transaction | 1 | 1.3 |
| Czech Transaction | 1 | 1.1 |
| Czech Treasury Bills | 12 | 4.1 |
| Czech Treasury Bonds | 12 | 4.1 |
| ISDA | I | Preamble |
| ISDA Definitions Booklet | I | Preamble |
| Czech National Bank Koruna Bills | 12 | 4.1 |
| PRIBOR Regulations | 11 | 3.5 |
| Principal Financial Center | 10 | 2.11 |
| Reference Banks | 11 | 3.7 |
| Representative Amount | 12 | 3.10 |
| Reset Date | 12 | 3.8 |
| Rounding Convention for the Czech Koruna | 13 | 5.1 |
| Seller Business Day | 8 | 2.8 |
| Spot Rate | 11 | 3.11 |
| Stock Exchange Days | 8 | 2.9 |
| TARGET Settlement Day | 10 | 2.12 |