



EXCHANGE RULES, SECTION XV.

Specific Details for Technical Design of Securities Admitted to Trading on the Exchange

Article 1

Subject Matter of the Regulation

- (1) This section of the Exchange Rules regulates the specific details of the technical design of mutually interchangeable securities listed at Burza cenných papírů Praha, a.s. (hereinafter the “Exchange”), the issuer of which is seated in the Czech Republic (hereinafter the “issuer”). , CDCP, a.s., a subsidiary of the Exchange, proceeds accordingly within the meaning of the present Regulation as regards the admission of securities in a separate register of CDCP, a.s. for the purpose of the settlement of trades involving securities.
- (2) The specific details of the technical design specified below are binding for the issuer, unless the Exchange stipulates otherwise.
- (3) The specific details of the technical design of securities issued by a foreign issuer are governed by the requirements applicable to the printing of securities according to the legal regulations of the country in which the foreign issuer is seated. Unless regulated by the foreign legal regulations, the Exchange shall proceed according to the present regulation, or within the meaning of paragraph 2 of this Article.
- (4) This regulation shall in particular apply to the transformation of a security from a book-entry security to a security.
- (5) This regulation does not apply to collective bonds issued in accordance with Act 190/2004 Coll. on bonds, as amended, and to other documentary securities, with the use of an analogy to collecting bond legislation.

Article 2

Location of Compulsory Data on the Jacket, Coupon and Talon of a Security

- (1) In addition to the data required by the specific laws and regulations, security jackets shall include the following information:
- a) identification according to the International Securities Identification Number system for the identification of securities; (hereinafter the “ISIN”);
 - b) the overall value of the issue and the quantity of the securities under the given issue, according to the nominal value or type
 - c) the number of the respective issue, if the same Issuer produces further issues, the total number of all issues and the total quantity according to the par value or type.
- (2) The par value is printed on the security jacket in a large font, both as a number and in words.
- (3) The security jacket is identified with the printed signatures of the persons authorized to act on behalf of the issuer as of the issue date. The signatures do not need to be printed if the persons set forth in the first sentence sign the securities concerned manually.

¹ For example, Art. 6 of Act 190/ 2004 Coll., on bonds, Art. 259 and Art. 285 of Act 90/2012 Coll., on Business Corporations,

(4) All compulsory data shall be printed on the front side of the security jacket. Print forms may be provided on the reverse side of the jacket for endorsement, if any, and the conditions under which the security concerned is issued.

(5) The following data shall be printed on security coupons, if existing:

- a) identification as a “coupon;”
- b) the trade name and registered office of the issuer;
- c) identification of the type of the security concerned;
- d) the coupon serial number (using a highly visible numerical font, in the upper right corner);
- e) in fixed-interest securities, the amount of the annual interest rate and the due date of the interest, with the specification of the month (in words) and the amount thereof;
- f) the amount of the yield and the method of the determination thereof;
- g) the date and place of the application of the right to the yield, and
- h) ISIN; if a separate ISIN is assigned to the coupon, the ISIN shall be specified; if no separate ISIN is assigned to the coupon, the ISIN assigned to the security shall be specified.

(6) As a general rule, coupon numbering begins in the bottom right corner of the coupon sheet and continues according to the due date and the serial numbers so that the last usable coupon is always located in the upper left corner of the coupon sheet. If part of the coupon sheet remains unused for the purpose of coupons or talons, such an area shall be removed or covered with a cross-print, and shall always be located ahead of the first payable coupon.

(7) The following data shall be printed on security talons, if existing:

- a) identification as a “talon;”
- b) the trade name and registered office of the issuer;
- c) identification of the type of the security concerned;
- d) the number of the first payable coupon of the new coupon sheet.

(8) If the reverse side of the jacket or the coupon sheet includes printing, such printing shall be of a light colour.

(9) The jacket shall on each single coupon and talon include the name or acronym of the printing house that printed the security on the blank bottom edge.

Article 3

Dimensions of Jacket, Coupon and Talon, Connection and Division of the Jacket and Coupon Sheet

(1) The dimensions of the security jacket are 297 x 210 mm (A4 format, portrait or landscape) or 148 x 210

² Act 191/1950 Coll., the Bill of Exchange and Cheque Act, as amended

mm (format A5 landscape).

(2) The security jacket is surrounded by a blank border with a minimum width of 3 mm.

(3) Coupons are printed on coupon sheets in one or more adjoining columns; each such column shall have the dimensions of 297 x 105 mm (half of the vertical A4 format). The column height does not need to be adhered to if the coupon sheet consists of a talon or if the jacket and the coupon sheet are located on a single sheet of paper (paragraph 7). The size of the coupon sheet depends on the overall number coupons.

(4) Coupons have the dimensions of 105 x 48 mm, 105 x 33 mm or 105 x 26 mm.

(5) Individual coupons are surrounded by a blank border with a minimum width of 3 mm, so that the text and numbers are not damaged as the coupons are detached. The size of the blank border is included in the coupon size.

(6) The talon shall have a width of 210 mm and the same height as the coupon, or a width of 105 mm and a double height of the coupon. The provisions of paragraph 5 shall apply for talon borders. As a general rule, talons are located in the upper part of the coupon sheet.

(7) Jackets and coupon sheets of securities are printed with the jacket and the coupon sheet connected and folded, or the jacket and coupon sheet located on a single sheet of paper (A4 format), if there are ten or less coupons, or the jacket and the coupon sheet may be separated. If a coupon sheet is loosely inserted in a jacket that is folded broad wise, the jacket must not be larger than the dimensions of a double A4 format.

(8) A broken dividing line is printed between the jacket and the coupon sheet and between coupons. The jacket must not be folded when the security is sent or filed.

Article 4

Paper and Colours Used for Security Printing

(1) Securities shall be printed on wood free paper, without optical bleaches, with at least 50% cotton, a high-quality continuous or local watermark (negative, positive or cascading). The majority of the watermark must be visible on each coupon. The paper shall have at least the following properties:

- a) Breaking length of 5000 m (lengthwise) and 2500 m (crosswise);
- b) Number of folds - 150 on average;
- c) Weight per 1 sq metre - 100 g with a permitted deviation of +/- 5 g.

(2) Securities shall be printed on strictly accountable paper with its own watermark that must not be commonly available for sale; it is possible to use paper with a watermark specific for the given issuer. Watermarks must be of an absolutely identical appearance; they must not have an irregular shape or tone and must not give the impression of a stain. The watermark may be combined with another safety feature (e.g. fibres). Security papers must not have their own fluorescence.

(3) Certified safety colours are used for security printing.

(4) Production tolerances must be adhered to during all security production phases. The same age-resistant materials with due identification shall be used for the production of the entire lot.

Article 5

Printing Technology, Print Quality

- (1) As a general rule, quality line gravure printing shall be used for the purpose of security printing, in combination with a wet or dry offset or letterpress technique; the letterpress technique may only be used in combination with one of the techniques specified below.
- (2) The line gravure must be of a perfect technical quality (line contrast, graduated laying-on, visible and clear relief). Some parts inside the line gravure may be left deliberately without colour for blind embossing, with a clearly protruding shape and size.
- (3) The security printing must have a technical and colour design that ensures that the design cannot be separated using photographic colour separation or other reproduction techniques.
- (4) A guilloche pattern and iridescent colour printing must be used during the security printing as a protective feature. The numbering of the security jackets and coupon sheets must be done using automatic machines and a single printing technique.
- (5) A guilloche means mechanically produced protective ornamental patterns consisting of complicated waved and mutually crossing fine lines formed according to geometric patterns, which may form a frame, fill in the area of the protective base or may be enclosed in the shape of rosettes. Positive guilloches are fine coloured lines printed on a blank base. Negative guilloches are fine colourless lines on a coloured base.
- (6) The guilloche weave must have a precise drawing and a fine structure. Guilloches and illusion reliefs must be produced using special electronic and mechanical devices for the production of print bases (films) or print forms for the printing of banknotes and securities, and not commonly available for sale. Patterns produced by means of drawing or photography or are formed exclusively or predominantly of straight lines, bent lines in parallel or points, are not permissible. Guilloches and illusion reliefs must be printed without technical defects. Guilloches are not permissible if including thicker layers at line crossing (as regards positive guilloches), nodular layers (as regards negative guilloches), melted spots next to lines close to each other, stains, blurred points or interrupted lines, or other deficiencies caused by defective printing plates or insufficient preparation. As regards multi-coloured guilloches, disordered overlaying of various guilloches is not permissible. Furthermore, interrupted guilloche lines are impermissible, as are defects caused especially as a consequence of the damaging of printing plates or poor alignment during printing.
- (7) Illusion reliefs mean the protective grids formed by the arrangement of fine lines on a surface; the lines create a uniform impression of a three-dimensional relief image.
- (8) The protective base or guilloche elements cover a larger part of the security jacket's surface designated for printing.
- (9) The protective base, at least one of the guilloche elements and text are printed in distinguishable colours.
- (10) The protective base, guilloche elements or some images must pass to the colour of another shade, with the use of an iris printer.
- (11) Multicolour guilloches are made with the use of at least two mutually processed guilloches in different overlapping colours. Common processing means that guilloches on individual plates match each other as regards the orientation of the lines, that they correspond to each other in terms of shape and complement each other. Line gravure is used at least for the printing of the frame comprised of guilloches. Painted motives or figural illustrations may only be used if the protective elements are not disrupted. The protective base must be printed using a visible colour.

(12) Securities for which line gravure is not used for printing must be protected with other protective elements, especially the embossing of safety paper holograms, special embossing applications using foils or imaging effects (“scramble”). The safety paper hologram used in the printing of securities must not be commonly available on the market and must not be used for purposes other than printing the security concerned. It is only possible to use the issuer’s or the printing house’s own safety paper holograms.

Article 6

Graphic Design of Securities

(1) Securities from different issuers must be markedly distinguished in terms of the graphic design, for example a different frame, protective base, guilloche elements or fonts.

(2) All issues of a single issuer will be printed with an identical graphic design, with the use of the same print base.

(3) Individual issues from a single issuer must have different colours. If securities of the same type and the same nominal value (tranche) are printed under subsequent issues from the same issuer, the colour and shade, dimensions and characteristics of the securities must be maintained according to Art. 3 (7).

(4) If different issues from a single issuer are printed in various printing houses, the graphic design of the securities under individual issues must have clear distinguishing elements so that the designs cannot be confused or considered as counterfeiting.

Article 7

Effectiveness

This section of the Exchange Rules “Specific Details for Technical Design of Securities Admitted to Trading on the Exchange Markets” was approved by a resolution of the Exchange Chamber on 12 May 2010 and takes effect on 1 July 2010.