

Public Tender
Concerning the Selection of an Entity with Which
an Agreement on Transfer of Ownership Interest Will Be Concluded

Česká konsolidační agentura with its registered office in Prague 7, Janovského 438/2, Postal Code: 170 06, Identification Number (IČ): 70109966, entered in the Commercial Register maintained by the Municipal Court in Prague, Section A., File No.: 45993 (hereinafter "ČKA"), hereby announces a public tender concerning the selection of an entity to which ČKA would transfer, subject to terms and conditions of an agreement on transfer of ownership interest (hereinafter the "Agreement on Transfer of Ownership Interest"), its 100% (one hundred per cent) ownership interest in the company defined below in the form of a one-round public tender with a possibility to file an additional offer (hereinafter the "Tender").

This document and all its exhibits constitute the rules of the Tender (hereinafter the "Rules of the Tender" or the "Rules").

1. SUBJECT-MATTER OF THE TENDER

The subject-matter of the Tender is the selection of the most suitable candidate to whom, subject to terms and conditions set forth in the Agreement on Transfer of Ownership Interest, a 100% (one hundred per cent) ownership interest in the business company ASSET PARK s.r.o., with its registered office at Prague 1, Jungmannova 34, Postal Code 110 00 (hereinafter the "Company"), representing a paid-in monetary contribution in the registered capital of the Company in the amount of CZK 200,000 (in words: two hundred thousand Czech crowns) (hereinafter the "Ownership Interest").

The Company can be generally described as follows:

I. Company information:

- (a) Business name: ASSET PARK s.r.o.
- (b) Date of incorporation: June 13, 2007
- (c) Registered office: Prague 1, Jungmannova 34, Postal Code 110 00
- (d) Scope of business: rent of residential and non-residential premises without provision of non-basic services
- (e) Statutory body:
 - i) Ing. František Hamáček, Executive
 - ii) Ing. Josef Krško, Executive
- (f) Members of the supervisory board:
 - i) Aleš Rádl
 - ii) Mgr. Petr Kratochvíl
 - iii) Mgr. Martin Hausner
- (g) Founder and sole shareholder: ČKA
- (h) Registered capital: CZK 200,000

- (i) The registered capital is comprised of the monetary contribution of the sole shareholder and was fully paid prior the Company's registration in the Commercial Register.

II. Financial situation of the Company:

Based on the terms and conditions set out in the Framework Agreement on the Assignment of Receivables entered into by and between ČKA as the assignor and the Company as the assignee (hereinafter the "Framework Agreement"), the Company shall become the creditor of the set of receivables specified below (hereinafter the "Assets"):

- i. Number of debtors: 150
 ii. Total value of the Assets: 12 488,5 CZK million
 iii. Classification of the Assets:

CLASSIFICATION OF THE ASSETS BY TOTAL VOLUME OF RECEIVABLES PER DEBTOR	NUMBER OF DEBTORS	TOTAL VALUE OF THE ASSETS IN CZK MILLION
• CZK 0 – 0.5 million	20	2,8
• CZK 0.5 – 1 million	5	4,0
• CZK 1 – 5 million	17	40,8
• CZK 5 – 10 million	20	144,3
• CZK 10 – 50 million	53	1334,4
• CZK 50 – 100 million	16	1129,5
• CZK 100 – 200 million	7	998,0
• CZK 200 million and over	12	8834,7

- 1.2 The information concerning the total volume of the Assets is based on ČKA's accounting records as of April 30, 2007. If any of the receivables comprising the Assets had been written off before such date, the interest belonging to such receivables need not have been recorded since the write-off date. This information may differ as of the date of transfer of the Ownership Interest to the winner of the Tender, because some of the receivables comprising the Assets may cease to exist or their amount may change.
- 1.3 Any change in the composition of the Assets shall be notified by ČKA to entities participating in the Tender (hereinafter the "Participant") by sending a notice to their postal and mail address stated in the Application pursuant to Section 4. and Section 14.2 of the Rules. More detailed rules concerning ČKA's possibility to decide on the final structure of the Assets are regulated by Section 10.2 of the Rules.
- 1.4 Detailed information about the Assets is recorded on a data carrier – CD-ROM, which contains information kept by ČKA concerning the Assets as of April 30, 2007, concerning security instruments, obliged persons/entities and pending proceedings (hereinafter the

"Datatapo"). If any receivable comprising the Assets has been written off, the interest belonging to such receivable need not have been recorded since the write-off date.

1.5 The receivables comprising the Assets may show certain legal defects, including, without limitation, the following legal defects:

- i) disputable amount of the receivable;
- ii) a disputable set-off with the receivable has been applied by the debtor;
- iii) the legal title of the receivable may be disputed from the viewpoint of validity and effectiveness of loan or other agreements;
- iv) it is not proved which entity is the debtor – the debtor's identification is questionable;
- v) the creditor of the receivable is questionable because the legal succession of creditors of the receivable is not conclusive and a number of assignment agreements shows legal defects;
- vi) there are certain court decisions on non-existence of the receivable, which are not final and effective.

2. DESCRIPTION OF CONTRACTUAL DOCUMENTATION

2.1 The Agreement on Transfer of Ownership Interest shall be concluded with the Participant that becomes the winner of the Tender or with the Designated Entity (as this expression is defined in Section 11. of the Rules); the Agreement on Transfer of Ownership Interest shall include in particular, without limitation:

- (a) rights and obligations of the contractual parties connected with the transfer of the Ownership Interest and payment of consideration by the transferee of the Ownership Interest;
- (b) the accession of the transferee of the Ownership Interest to the founder's deed of the Company.

2.2 The text of the Agreement on Transfer of Ownership Interest and the Framework Agreement shall be given to all the Participants that have met the qualification criteria and other terms and conditions of the Tender in compliance with Section 6. of the Rules of the Tender. ČKA undertakes that the text of the Framework Agreement as well as the text of individual agreements on assignment of receivables shall not be modified, except for an amendment reflecting changes in the structure of the Assets (if any).

3. QUALIFICATION CRITERIA

3.1 The Participant eligible to take part in the Tender must fulfill the criteria described further below throughout the entire term of the Tender:

- (a) the Participant is a legal entity;
- (b) the Participant is not subject to liquidation or similar proceedings pursuant to foreign legal regulations;
- (c) the Participant is not bankrupt, no bankruptcy order was issued in respect of the Participant's assets, no petition for declaration of a bankruptcy order was dismissed due to lack of the Participant's assets, and no bankruptcy proceedings in respect of the Participant's assets were cancelled due to lack of assets, the Participant is not a party to settlement proceedings, nor the Participant is a party

- to proceedings similar to bankruptcy or settlement proceedings according to the foreign legal regulations;
- (d) the Participant has no tax arrears in the Czech Republic;
 - (e) the Participant has no arrears on public health insurance payments in the Czech Republic or penalty relating thereto, no arrears on social security insurance payments in the Czech Republic or penalty relating thereto and no arrears on the state employment policy contribution in the Czech Republic;
 - (f) neither the Participant nor any entity belonging in the same Linked Group (as defined in Section 3.3 of the Rules) with the Participant or any other entity having a capital interest in the Participant in excess of 5% (five per cent), or any other entity taking concerted action with the Participant, or, as the case may be, with an entity belonging into the same Linked Group as the Participant, maintain any court or arbitration proceedings against ČKA in connection with the agreement containing the general terms and conditions for assignment of a large number of receivables from various debtors in the same moment (the so-called block sale of receivables). This qualification criterion is not met even in the case that any of the entities described in this sub-section 3.1(f) had not been successful in such proceedings in the past five years before the Tender was opened;
 - (g) any Entity belonging in the same Linked Group with the Participant (excluded the Participant itself) will not participate in the Tender and will not intent to take part in the Tender;
 - (h) in connection with the Tender the Participant does not take concerted action or cooperate with any other entity which participates in the Tender or which intends to participate in the Tender;
 - (i) neither the Participant nor any entity belonging in the same Linked Group with the Participant are as debtors in delay with the performance of enforceable receivables the creditor of which is ČKA;
 - (j) neither the Participant nor any entity belonging in the same Linked Group with the Participant, or any entity that is the statutory body or a member of a statutory body or a member of another body of the Participant or another entity belonging together with the Participant in the same Linked Group, directly or indirectly participate or participated in the past in criminal activities (unless such entity is deemed as not sentenced), and neither the Participant nor any of the aforementioned entities participate or participated in the past in any activity connected with legalization of proceeds from criminal activities. Activities that are considered as participation in criminal activities and what is considered as legalization of proceeds from criminal activities, shall be determined according to the Czech legal regulations and according to legal regulations of the countries where the Participant or another entity belonging together with the Participant in the same Linked Group has its registered seat or pursues business activities;
 - (k) the Participant has secured sufficient financial means necessary for fulfillment of the Participant's obligations arising from its participation in the Tender and from the Agreement on Transfer of Ownership Interest. Such financial means are not the proceeds from criminal activities;

- (l) the Participant itself or together with entities belonging in the same Group Having Property Ties (as defined in Section 3.4 of the Rules) holds total assets amounting to at least CZK 1,000 million or its equivalent in a foreign currency converted according to the rate published by the Czech National Bank as of the Tender announcement date, as such information is based on annual financial statements verified by an auditor for the past completed accounting period prior to opening of the Tender.
- 3.2 The Participant is obligated to inform ČKA about any change in facts decisive for evaluation whether or not the Participant meets the qualification criteria that occur during the Tender without undue delay after such change occurs.
- 3.3 For the purposes of these Rules, a **Linked Group** shall mean all entities (i) controlled directly or indirectly by the Participant, (ii) by which the Participant is controlled, directly or indirectly, or (iii) that are together with the Participant under direct or indirect control of the same controlling entity. The expressions "control", "controlling entity" and "controlled entity" shall be construed in accordance with the Commercial Code;
- 3.4 For the purposes of these Rules, a **Group Having Property Ties** shall mean all entities (i) controlled directly or indirectly by the Participant, (ii) by which the Participant is directly or indirectly controlled or (iii) that are together with the Participant under direct or indirect control of the same controlling entity, provided that such control is based on the fact that the controlled entity is a company having a majority shareholder and such majority shareholder is either the controlling entity or through such majority shareholder the controlled entity is controlled by the controlling entity. The expressions "control", "controlling entity", "controlled entity" and "majority shareholder" shall be construed in accordance with the Commercial Code, provided that only control resulting from a position of a majority shareholder shall be deemed as control.
4. **FILING AN APPLICATION TO THE TENDER**
- 4.1 Each entity that is interested in taking part in the Tender (hereinafter the "**Applicant**") is obligated to take the following steps:
- (a) deliver to ČKA's mailroom at the address Prague 7, Janovského 438/2, Postal Code 170 06, within the period from the opening of the Tender but no later than June 27, 2007 to 12:00 noon (hereinafter the "**Application Submission Deadline**"):
- (i) one original application for participation in the Tender signed by the Applicant; the application must correspond to the sample set out in Exhibit 1 to the Rules (hereinafter the "**Application**"); the signature must be officially verified;
- (ii) two counterparts of a draft Confidentiality Agreement signed by the Applicant; the draft Confidentiality Agreement must correspond to the sample set out in Exhibit 2 to the Rules; the signature must be officially verified;
- (iii) a deed certifying the Applicant's legal capacity. Legal capacity may be proved by an original or an officially verified copy of the current Excerpt from the Commercial Register or, in case of foreign entities, by an original or an officially verified copy of the current Excerpt from a register of companies similar to the Commercial Register in the Czech Republic, or

by an original or an officially verified copy of another similar document proving the legal capacity of the Applicant; such Excerpt or another similar document may not be older than three (3) months as of the Application delivery date;

- (iv) an original declaration on fulfillment of qualification criteria signed by the Applicant; the declaration must correspond to the sample set out in Exhibit 3 to the Rules (hereinafter the "**Declaration on Fulfillment of Qualification Criteria**"); the signature must be officially verified;
 - (v) an original statement on the structure of the Linked Group and the Group Having Property Ties to which the Applicant belongs (hereinafter the "**Statement on the Group Structure**") signed by the Applicant; the Statement on the Group Structure must correspond to the sample set out in Exhibit 4 to the Rules; the signature must be officially verified. The Statement on the Group Structure must include such information that allows to identify unambiguously and certainly those entities that control the Applicant directly or indirectly and including those entities that exercise the ultimate control over the Applicant, as well as entities belonging in the same Linked Group with the Applicant that have their registered seat in the Czech Republic or have established an organizational branch in the Czech Republic, and in addition all other entities that belong to the same Group Having Property Ties with the Applicant, provided that the Applicant has included the information about assets of such entities in order to meet the qualification criterion pursuant to Section 3.1(l) of the Rules; the Statement on the Group Structure must at all times include the information about the manner how the Applicant controls such other entities, whether directly or indirectly, how the Applicant is controlled by such entities, whether directly or indirectly, and/or how the Applicant together with such entities is under common direct or indirect control of the same controlling entity. All shareholders whose capital interest in such legal entity exceeds 5% (five per cent) shall be stated in the Statement on the Group Structure, if such shareholders are known. In case of a joint-stock company that has issued bearer shares which are not quoted, also a list of all shareholders holding such shares and whose ownership interest in the joint-stock company exceeds 5% (five per cent) must be provided; if such shareholders are not known as of the Statement on the Group Structure submission date, all shareholders whose ownership interest in the joint-stock company exceeds 5% (five per cent) who participated in the latest general meeting of the joint-stock company shall be provided. In case of a joint-stock company that has issued bearer shares, which are quoted, a list of shareholders holding such shares and whose ownership interest in the joint-stock company exceeds 5% (five per cent) must be provided only if such shareholders are known.
- (b) make a wire payment transfer of the administrative fee amounting to CZK 500,000 (in words: five hundred thousand Czech crowns) to the account of ČKA, account No. 2019661/3300, IBAN: CZ34 3300 0000 0000 0201 9661, maintained with Česká konsolidační agentura, with its seat at Prague 7, Janovského 438/2, Postal Code: 170 06, by the Application Submission Deadline at the latest. The administrative fee shall be deemed as paid in the moment of crediting the entire administrative fee amount to the aforementioned account of ČKA.

- 4.2 The Application and other documents signed by the Applicant must bear own-hand signatures of persons authorized to act on behalf of the Applicant in the Tender. If authorization of persons acting on behalf of the Applicant in the Tender does not follow from the Excerpt from the Commercial Register, or, in case of foreign entities, an Excerpt from a register of companies similar to the Commercial Register in the Czech Republic, the Applicant is obligated to evidence its authorization by another document that must be presented in an original or an officially verified copy. The Applicant may be represented in the Tender by a proxy authorized by a power of attorney; in such a case, the Applicant is obligated to provide ČKA with a written power of attorney issued to such proxy and bearing an officially verified signature of the Applicant. All documents evidencing the authorization to act on behalf of the Applicant including a power of attorney, if any, must be delivered together with the Application.
- 4.3 All documents submitted by the Applicant to prove its legal capacity or documents proving the authorization to act on the Applicant's behalf that are not executed in the Czech language must be officially translated into the Czech language or submitted in the English version (provided they were executed in the English language). All documents where an officially verified signature or an officially verified copy or original is required must meet the requirements set forth by Czech legal regulations for being deemed as documents with an officially verified signature, officially verified copies or originals (in case of foreign documents this is secured for example by attaching an Apostille or super-legalization clause; such authentication by a foreign state is only recognized if the Czech Republic has concluded an agreement on legal assistance with such state, which regulates this issue).
- 4.4 If the documents submitted pursuant to this Section do not correspond to the sample documents attached in the exhibits to these Rules (except for insertion of the required information), they need not be deemed as duly submitted.
- 4.5 The Application and other documents pursuant to this Section must be delivered ČKA in a sealed envelope labeled: "Tender – Application – Transfer of Ownership Interest – DO NOT OPEN". The envelope must contain the Applicant's designation and its sealing must bear the signature of persons authorized to act on behalf of the Applicant.
- 4.6 The Application and other documents delivered after the Application Submission Deadline shall not be taken into account except for documents delivered pursuant to Section 5. of the Rules upon a request of ČKA. The administrative fee paid after the Application Submission Deadline shall be returned to the entity that paid it.
- 4.7 If at any time during the Tender one of the following situations occurs:
- (a) a change in entities that directly or indirectly control the Participant (Applicant);
 - (b) a change in entities that belong, together with the Participant (Applicant) to the same Linked Group that have their registered seat in the Czech Republic or that have an organizational branch established in the Czech Republic, or
 - (c) a situation where entities belonging together with the Participant (Applicant) in the same Group Having Property Ties listed by the Participant (Applicant) in the Statement on the Group Structure for the purposes of meeting a qualification criterion pursuant to Section 3.1(l) of the Rules, shall cease to belong together with the Participant (Applicant) to the same Group Having Property Ties,

the Participant (Applicant) is obligated to inform ČKA about such change without undue delay after such change occurs.

5. REVIEW OF FULFILLMENT OF THE QUALIFICATION CRITERIA

- 5.1 ČKA shall review whether the qualification criteria have been met and whether the documents submitted by the Applicant pursuant to Section 4. of the Rules fulfill the stipulated requirements. No later than July 18, 2007 ČKA shall inform each entity that filed the Application whether or not such entity has met the qualification criteria and other terms and conditions of the Tender. As from the moment of delivery of such notice, the Applicant that has met the qualification criteria and other terms and conditions of the Tender, shall become the Participant in the Tender. A list of the Participants that have met the qualification criteria and other terms and conditions for participation in the Tender shall be published also on ČKA website.
- 5.2 The Applicant that has not met the qualification criteria or other terms and conditions set forth in Section 4. of these Rules, shall not become the Participant in the Tender. A notice thereof will be delivered to the Applicant concerned; the notice will include, *inter alia*, the reason why such Applicant has not become the Participant in the Tender.
- 5.3 Upon a review of the Application, ČKA has the right to invite any of the Applicants within 14 (fourteen) days following the Application Submission Deadline to:
- (a) provide additional information relating to the Statement on the Group Structure;
 - (b) submit documents pursuant to Section 4.1(a)(iii) of the Rules relating to evidence of the Applicant's legal capacity, if all such documents were not submitted together with the Application;
 - (c) submit documents pursuant to Section 4.2 of the Rules which would prove the right of persons acting on behalf of the Applicant to act on its behalf, if all such documents were not submitted together with the Application;
 - (d) submit audited regular or (if applicable) consolidated financial statements of members of the Group Having Property Ties for the last completed accounting period prior to the announcement of the Tender, whereby the Applicant shall prove the fulfillment of the qualification criterion pursuant to Section 3.1(l) of the Rules.
- 5.4 ČKA shall grant to the Applicant a reasonable period for submission of additional documents or information pursuant to the preceding Section of at least 7 (seven) days. If the Applicant fails to provide the requested documents or information within such given period of time or if, according to ČKA's opinion, such documents and information could not be considered as sufficient to prove fulfillment of the qualification criteria or other terms and conditions of the Tender, the Applicant shall not become the Participant in the Tender. ČKA shall inform the Applicant thereabout.
- 5.5 ČKA reserves the right to invite any Participant at any time during the Tender to submit within 10 (ten) days from being requested to do so a letter issued by a bank having its seat in a member state of the Organization for Economic Co-operation and Development (OECD), corresponding in its contents to the sample set out in Exhibit 13 to the Rules. The purpose of such letter shall be verification of fulfillment of the qualification criterion pursuant to Section 3.1(k) of the Rules relating to securing sufficient amount of financial

means. If the Participant fails to submit such letter, although ČKA requested the Participant to do so, ČKA reserves the right to eliminate such Participant from the Tender.

6. PROVISION OF INFORMATION ABOUT THE COMPANY AND THE ASSETS

- 6.1 ČKA shall allow those Participants that fulfilled the qualification criteria and other terms and conditions for taking part in the Tender, to review the information about the Company and the Assets (the so-called "due diligence") by providing them with the Datatape and CD-ROM/DVD containing electronic copies of documents relating to the Assets and electronic copies of all documents connected with the transaction, along with the Framework Agreement. Furthermore, as an additional source of information, ČKA shall make available to the Participants paper copies of documentation relating to these Assets. At the same time, the Datatape shall include information specifying which documents relating to the Assets ČKA has at its disposal in originals and which documents are available only in a copy or in an officially verified copy.
- 6.2 The review of information pursuant to the preceding Section shall be allowed to the Participant provided that the Participant submits:
- (a) a list of persons who should be allowed access to the provided information about the Company and the Assets that will correspond to the sample set out in Exhibit 6 to the Rules; and
 - (b) the Rules Applicable to Use of Data Carriers signed by the Participant that will correspond to the sample set out in Exhibit 7 to the Rules. The Rules Applicable to Use of Data Carriers must further be signed by each person who will review the provided information for the Participant. If the Participant wishes to extend the number of persons taking part in the due diligence review of information concerning the Company and the Assets, each such person must sign the Rules Applicable to Use of Data Carriers additionally and the Participant shall deliver such signed Rules Applicable to Use of Data Carriers to ČKA.
- 6.3 ČKA shall deliver the Datatape and CD-ROM/DVD to the Participant in the seat of ČKA at Prague 7, Janovského 438/2, Postal Code: 170 06. The date and time of such delivery shall be stated in a notice pursuant to Section 5.1 of the Rules. The delivery date shall be identical for all the Participants. On the same day, ČKA shall further hand-over to the Participant:
- (a) the text of the Agreement on Transfer of Ownership Interest that will be concluded with the Participant that has become the winner of the Tender;
 - (b) one counterpart of the Confidentiality Agreement signed by ČKA;
 - (c) two counterparts of the draft Agreement on the Cash Security and Contractual Penalty (hereinafter the "**Agreement on the Cash Security**") that shall correspond to the sample set out in Exhibit 5 hereto, signed by ČKA; and
 - (d) two counterparts of the draft Agreement on the Bank Guarantee and on Contractual Penalty (hereinafter the "**Agreement on the Bank Guarantee**") that shall correspond to the sample set out in Exhibit 15 hereto, signed by ČKA.
- 6.4 If the Participant does not appear for take-over of the Datatape and CD-ROM/DVD at the time determined by ČKA, the Datatape and CD-ROM/DVD will be given to that Participant on another date to be agreed by the Participant and ČKA. On such other date the Participant shall deliver to ČKA the documents described in Section 6.2 of the Rules and

shall receive from ČKA documents described in Section 6.3 of the Rules. The Participant acknowledges and agrees that the Participant shall not have the right to review the information relating to the Company and the Assets until the Participant delivers documents described in Section 6.2 of the Rules to ČKA, and that the time during which the Participant may perform its due diligence investigation shall be shorter by such time in comparison with the time given to other Participants.

- 6.5 ČKA and the Participant shall prepare a delivery protocol concerning the hand-over of the Datatape and CD-ROM/DVD, which shall correspond to the sample set out in Exhibit 8 to the Rules. The protocol shall be signed by a person authorized to act on behalf of the Participant.
- 6.6 ČKA shall allow the Participants and persons authorized by them to perform due diligence review of paper documentation relating to the Company and the Assets; such review to have the form of visits to the Data Room between July 19, 2007 and August 21, 2007 according to a time schedule to be determined by ČKA. ČKA shall inform the Participants about such time schedule in a notice on fulfillment of the qualification criteria and other terms and conditions stipulated by the Rules of the Tender according to Section 5.1 hereof. The Participant and persons authorized by it are obligated to abide by the Data Room Rules that are set out in Exhibit 9 to these Rules. Prior to first entrance to the Data Room, each person shall sign the Data Room Rules.
- 6.7 In the Data Room the Participants will further have access to regularly updated information about the Company and the Assets.
- 6.8 The Participant is obligated to return the Datatape, CD-ROM/DVD as well as any other electronic data carriers received by the Participant:
- (a) together with delivery of a notice on withdrawal from the Tender at the latest,
 - (b) within 3 (three) days as from delivery of a notice of elimination from the Tender at the latest,
 - (c) by 4:00 p.m. of the day preceding the Offer Submission Date pursuant to Section 7.1(a) of the Rules at the latest, or
 - (d) within 3 (three) days after the Tender was cancelled at the latest.
- 6.9 A hand-over protocol shall be prepared concerning the return of the Datatape, CD-ROM/DVD and possible other electronic data carriers. The Participant that has become the winner of the Tender shall receive the Datatape, CD-ROM/DVD and possible other electronic data carriers that had been provided to it. The Participant that fails to return the Datatape, CD-ROM/DVD or possible other electronic data carriers provided to it, shall pay to ČKA a contractual penalty of CZK 20,000 (in words: twenty thousand Czech crowns) for each individual unreturned electronic data carrier.

7. OFFER

- 7.1 If the Participant is interested in concluding the Agreement on Transfer of Ownership Interest with ČKA and to acquire the Ownership Interest subject to terms and conditions set forth therein, the Participant shall take the following steps:
- (a) on August 22, 2007 (hereinafter the "**Offer Submission Date**") the Participant shall deliver to ČKA its offer that shall include the following documents:

- (i) an original offer declaration signed by the Participant that shall correspond to the sample set out in Exhibit 10 – Part 1 to the Rules (hereinafter the “Offer Declaration”); the signature must be officially verified. If the Participant requests that the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity, the Offer Declaration must correspond to the sample set out in Exhibit 10 – Part 2 to the Rules and it must be signed by the Participant and the Designated Entity; the signatures must be officially verified;
 - (ii) six counterparts of the draft Agreement on Transfer of Ownership Interest signed by the Participant as the transferee or by the Designated Entity, if the Agreement on Transfer of Ownership Interest is to be concluded with the Designated Entity; the signatures must be officially verified. The draft Agreement on Transfer of Ownership Interest must include identification information about the transferee and the aggregate amount of consideration for the Ownership Interest that must be identical with the amount of consideration set forth in the Offer Declaration. The draft Agreement on Transfer of Ownership Interest must correspond to the text delivered by ČKA to the Participants pursuant to Section 10.2 of the Rules and must be binding upon the Participants for a period of 100 (one hundred) days as from the Offer Submission Date;
 - (iii) a deed evidencing the legal capacity of the Participant, and, as the case may be, of the Designated Entity, if the Agreement on Transfer of Ownership Interest is to be concluded with the Designated Entity. Legal capacity may be proved by an original or an officially verified copy of the current Excerpt from the Commercial Register or, in case of foreign entities, an original or an officially verified copy of the current Excerpt from a register of companies similar to the Commercial Register in the Czech Republic, or an original or an officially verified copy of another similar document proving the legal capacity of the Participant; such Excerpt or another similar document may not be older than three (3) months as of the Offer Submission Date;
 - (iv) if the Agreement on Transfer of Ownership Interest is to be concluded with the Designated Entity, a declaration of the Participant and the Designated Entity signed by the Participant and the Designated Entity, concerning the fact that the Designated Entity is acquainted with all information about the Company and the Assets as such information was provided to the Participant; signatures of the Participant and the Designated Entity must be officially verified. Such declaration must correspond to the sample set out in Exhibit 11 to the Rules; and
 - (v) if the Agreement on Transfer of Ownership Interest is to be concluded with the Designated Entity, a declaration of the Participant and the Designated Entity concerning the fulfillment of the qualification criteria and other terms and conditions of the Tender by the Designated Entity, signed by the Participant and the Designated Entity. Such declaration must correspond to the sample set out in Exhibit 12 to the Rules; signatures of the Participant and the Designated Entity must be officially verified;
- (b) the Participant shall provide ČKA with security amounting to CZK 50,000,000 (in words: fifty million Czech crowns), using one of the manners for provision of

security set forth in Section 9. of the Rules. At the same time, depending on the chosen manner of providing the security, the Participant shall deliver to ČKA together with the offer:

- (i) one counterpart of the Agreement on the Cash Security, or
- (ii) one counterpart of the Agreement on the Bank Guarantee and an original of the Bank Guarantee (guarantee certificate).

The Participant's signature on the Agreement on the Cash Security or on the Agreement on the Bank Guarantee shall be officially verified.

- 7.2 The Offer Declaration and other documents signed by the Participant or the Designated Entity must bear own-hand signatures of persons authorized to act on behalf of the Participant or the Designated Entity in the Tender. If authorization of persons acting on behalf of the Participant or the Designated Entity in the Tender does not follow from the Excerpt from the Commercial Register, or, in case of foreign entities, an Excerpt from a register of companies similar to the Commercial Register in the Czech Republic, the Participant is obligated to evidence such authorization by another document that must be presented in original or an officially verified copy. If the Participant or the Designated Entity are represented in the Tender by a proxy authorized by a power of attorney the Participant or the Designated Entity are obligated to provide ČKA with a written power of attorney issued to such proxy bearing an officially verified signature of the Participant or the Designated Entity.
- 7.3 All documents submitted by the Participant or the Designated Entity in order to prove their legal capacity or to prove the authorization to act on their behalf that are not executed in the Czech language, must be officially translated into the Czech language or submitted in the English version (provided they were executed in the English language). All documents where an officially verified signature is required, or where an officially verified copy or original is required, must meet the requirements set forth by Czech legal regulations for being deemed as documents with an officially verified signature, officially verified copies or originals (in case of foreign documents this is done, for example, by attaching an Apostille or super-legalization clause; such authentication by a foreign state is only recognized if the Czech Republic has concluded an agreement on legal assistance with such state, which regulates this issue).
- 7.4 If the documents submitted pursuant to this Section do not correspond to the sample documents attached in the exhibits to these Rules (except for insertion of the required information), they need not be deemed as duly submitted.
- 7.5 The offer and other documents pursuant to this Section must be delivered to ČKA to the address: Prague 7, Janovského 438/2, Postal Code: 170 06, on the Offer Submission Date in the time period from 11:30 a.m. to 12:00 noon, in a sealed envelope labeled: "Tender – Offer – Transfer of Ownership Interest – DO NOT OPEN". The envelope must contain the Participant's designation and its sealing must bear the signature of persons authorized to act on behalf of the Participant. The envelope must contain two smaller sealed envelopes; one of them to contain the Offer Declaration (Section 7.1(a)(i) of the Rules), clearly marked as the "Offer Declaration", signed on the sealing by persons authorized to act on behalf of the Participant, and another smaller envelope containing the remaining documentation pursuant to Section 7.1 of the Rules, clearly marked as "Other Documentation", also signed on the sealing by persons authorized to act on behalf of the Participant.

- 7.6 Offers will be submitted in the presence of a notary, who shall prepare a notarial record concerning take-over of sealed envelopes containing the offers of the Individual Participants.
- 7.7 A filed offer may not be withdrawn, changed or amended; errors made during execution of documents constituting the offer may not be corrected.
8. **EVALUATION (ASSESSMENT) OF OFFERS, ADDITIONAL OFFER**
- 8.1 On the Offer Submission Date the envelopes containing offers of the Individual Participants will be opened in the presence of a notary. Upon opening of an envelope designated "Offer Declaration", the aggregate amount of consideration offered by the respective Participant for the Transfer of the Ownership Interest will be announced. Subsequently, the envelope designated "Other Documentation" will be opened and its content will be reviewed. A notarial record will be prepared in respect of the above acts. Maximum of two representatives for each of the Participant may take part in the envelope opening procedure.
- 8.2 ČKA shall review whether a filed offer has the prescribed prerequisites and whether other terms and conditions for filing an offer set forth by the Rules have been met.
- 8.3 Those Participants that did not take the steps set forth in Section 7.1 of the Rules or failed to fulfill other conditions specified in Section 7. of the Rules shall be eliminated from the Tender. A notice thereof will be delivered to the Participant concerned; the notice will include the reason why such Participant was eliminated from the Tender.
- 8.4 Offers of the Participants that, according to ČKA, have met all the terms and conditions set forth by the Rules relating to the submission of the offer shall be then evaluated according to a single criterion which is the aggregate amount of consideration offered by the individual Participants for the Transfer of the Ownership Interest as such offers are stated in the Offer Declaration. ČKA shall choose from among such Participants the Participant that offered the highest aggregate amount of consideration for the Transfer of the Ownership Interest in its Offer Declaration.
- 8.5 The Participant that has submitted the highest valid offer for the Transfer of the Ownership Interest and all other Participants whose offer for the Transfer of the Ownership Interest was not lower by more than 15% (fifteen per cent) of the highest submitted offer than the highest submitted offer, shall have the right to additionally increase thereafter the consideration offered for the Transfer of the Ownership Interest stated in their Offer Declaration and the draft Agreement on Transfer of Ownership Interest. Following its assessment of the offers, ČKA will announce which Participants may file an additional offer.
- 8.6 A Participant wishing to increase additionally its consideration offered for the Transfer of the Ownership Interest shall hand over to ČKA on August 29, 2007 (hereinafter the "Additional Offer Submission Date") its additional offer, which shall be comprised of the following documents:
- (a) an original additional offer declaration signed by the Participant that shall correspond to the sample set out in Exhibit 14 – Part 1 to the Rules (hereinafter the "Additional Offer Declaration"); the signature must be officially verified. If the Participant requests that the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity, the Offer Declaration must correspond to

the sample set out in Exhibit 14 Part 2 to the Rules and it must be signed by the Participant and the Designated Entity; the signatures must be officially verified;

- (b) six counterparts of the draft Agreement on Transfer of Ownership Interest signed by the Participant as the transferee or by the Designated Entity, if the Agreement on Transfer of Ownership Interest is to be concluded with the Designated Entity; the signatures must be officially verified. The draft Agreement on Transfer of Ownership Interest must include identification information about the transferee and the aggregate amount of consideration for the Ownership Interest that must be identical with the amount of consideration set forth in the Additional Offer Declaration. The draft Agreement on Transfer of Ownership Interest must correspond to the text delivered by ČKA to the Participants pursuant to Section 10.2 of the Rules and must be binding upon the Participants for a period of 93 (ninety three) days as from the Additional Offer Submission Date; and
 - (c) other documents that have already been submitted by the Participant as a part of its offer pursuant to Section 7. of the Rules, if the information set forth in these documents has changed in the period between the Offer Submission Date and the Additional Offer Submission Date.
- 8.7 If the Participant requested in the original offer that the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity, the conclusion of the Agreement on Transfer of Ownership Interest must be also proposed in the additional offer; analogically, if the Participant did not ask in the original offer that the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity, the conclusion of the Agreement on Transfer of Ownership Interest may not be proposed in the additional offer.
- 8.8 The additional offer and other documents pursuant to this Section must be delivered to ČKA to the address: Prague 7, Janovského 438/2, Postal Code: 170 06, on the Additional Offer Submission Date in the period from 11:30 a.m. to 12:00 noon, in a sealed envelope labeled: "Tender – Additional Offer – Transfer of Ownership Interest – DO NOT OPEN". The envelope must contain the Participant's designation and its sealing must bear the signature of persons authorized to act on behalf of the Participant. The envelope must contain two smaller sealed envelopes; one of them to contain the Additional Offer Declaration (Section 8.6(a) of the Rules), clearly marked as the "Additional Offer Declaration", signed on the sealing by persons authorized to act on behalf of the Participant, and another smaller envelope containing the remaining documentation pursuant to Section 8.6 of the Rules, clearly marked as "Other Documentation", also signed on the sealing by persons authorized to act on behalf of the Participant.
- 8.9 Additional offers submitted by individual Participants shall be assessed in accordance with the principles set out in Section 8.4 of the Rules.
- 8.10 In case that two or more Participants submit additional offers with an identical highest amount of the total consideration for the transfer of the Ownership Interest, ČKA shall determine the winner from among those two or more Participants at its own discretion. In case that two or more Participants submit additional offers with an identical second highest amount of the total consideration for the transfer of the Ownership Interest, ČKA shall determine at its own discretion which of these additional offers will be considered as the second highest additional offer.
- 8.11 The security deposited for the purpose of the original offer under Section 9. of the Rules shall be used under the same terms for the purposes of the additional offer.

- 8.12 All representations made by the Participant in connection with the submission of the original offer, whether in relation to the Participant or to the Designated Entity (if any), shall not be affected by the submission of the additional offer and shall remain in full force.
- 8.13 If the Participant does not submit an additional offer and does not increase the amount of consideration for the Transfer of the Ownership Interest, the Participant's original offer shall be evaluated within the framework of assessment of additional offers.
- 8.14 A proposal for conclusion of the Agreement on Transfer of Ownership Interest that had been submitted by the Participant together with the Participant's original offer, shall not cease to exist and ČKA shall have the right to accept such proposal in the place of the draft Agreement on Transfer of Ownership Interest submitted by the Participant together with its additional offer.
- 8.15 In the time period between the Offer Submission Date and the Additional Offer Submission Date ČKA shall provide information about payments made towards the individual receivables comprising the Assets to those Participants that have the possibility to submit an additional offer.
- 8.16 Not later than within 100 (one hundred) days as from the submission of the offer (or 93 (ninety three) days of the submission of the additional offer), ČKA will announce the winner of the Tender by placing a notice on the website www.czka.cz and by sending a written notice to all Participants that had filed an offer.

9. SECURITY

- 9.1 Each of the Participants filing an offer is obligated to provide ČKA with a security amounting to CZK 50,000,000 (in words: fifty million Czech crowns). The security may be provided in either of the two following forms:
- (a) in monies via a bank account transfer to the account of ČKA, account No. 2019661/3300, IBAN: CZ34 3300 0000 0000 0201 9661, maintained with Česká konsolidační agentura with its registered seat at Prague 7, Janovského 438/2, Postal Code: 170 06 (hereinafter the "**Cash Security**"), the Cash Security must be paid on the day preceding the Offer Submission Date at the latest. The Cash Security shall be deemed paid on the moment when the entire amount is credited to the aforementioned account of ČKA; or
- (b) via an irrevocable bank guarantee issued by a bank holding long-term deposits ranking at least A1 according to the Moody's rating agency (hereinafter the "**Qualifying Bank**") with its registered office in any OECD country (hereinafter the "**Bank Guarantee**"). The Bank Guarantee (guarantee certificate) shall correspond to the sample set out in Exhibit 16 Part 1 to the Rules (in case of a Bank Guarantee issued by a Qualifying Bank with its registered office in an OECD country other than the Czech Republic) or the sample set out in Exhibit 16 Part 2 to the Rules (in case of a Bank Guarantee issued by a Qualifying Bank with its registered office in the Czech Republic). A Bank Guarantee (guarantee certificate) issued by a bank with its registered office in the Czech Republic must be issued in the Czech language; in other cases the Bank Guarantee must be issued in the English language. The Bank Guarantee must be valid for at least 100 (one hundred) days as from the offer submission date. The Bank Guarantee (guarantee certificate) must include a commitment of the Qualifying Bank to pay to ČKA on first demand and unconditionally CZK 50,000,000 (in words: fifty million Czech

crowns), provided that such demand is delivered to the Qualifying Bank in writing, states the requested amount and the fact that such amount is due and payable by the Participant, as well as the details of the bank account on which the requested amount is to be paid.

- 9.2 ČKA and the Participant shall conclude the Agreement on the Cash Security and Contractual penalty regarding the Cash Security in the form corresponding to the sample set out in Exhibit 5 to the Rules; ČKA and the Participant shall conclude the Agreement on the Bank Guarantee and Contractual penalty regarding provision of security in the form of a bank guarantee, corresponding to the sample set out in Exhibit 15 to the Rules.
- 9.3 The security provided by the Participant that became the winner of the Tender, shall be used as follows:
- (a) The Cash Security paid by the Participant together with the interest accrued thereon shall be used as an advance payment pursuant to the terms and conditions of the Agreement on Transfer of Ownership Interest. A similar procedure shall be taken in the case that the Agreement on Transfer of Ownership Interest is concluded with the Designated Entity according to the Participant's proposal;
 - (b) The Bank Guarantee (guarantee certificate) provided by the Participant shall be returned to the Participant within 5 (five) days after the Participant, or, as the case may be, the Designated Entity, will have fulfilled its obligation to pay the consideration pursuant to the terms and conditions of the Agreement on Transfer of Ownership Interest.
- 9.4 The security provided by the Participant whose offer was the second highest shall be returned as follows:
- (a) The Cash Security paid by the Participant together with the interest accrued thereon shall be returned to the Participant to the bank account determined by the Participant in its Application within 15 (fifteen) days following the conclusion of the Agreement on Transfer of Ownership Interest with the winner of the Tender, but in any case no later than the fifth day following the day when the binding nature of the proposal for conclusion of the Agreement on Transfer of Ownership Interest has ceased to exist. ČKA is entitled to pay the interest to the Participant only after the deduction of all applicable withholdings and deductions relating to the current or future taxes, imposts, levies and fees. All bank fees connected with return of the Cash Security shall be borne by the Participant. The Cash Security shall be deemed returned on the date when it was debited from ČKA's bank account in favor of the recipient's account. If the Agreement on Transfer of Ownership Interest is concluded based on the terms and conditions set forth in the Rules with the Participant whose offer was the second highest, further disposal of the Cash Security shall be governed by Section 9.2 of the Rules;
 - (b) The Bank Guarantee (guarantee certificate) shall be returned to the Participant within 15 (fifteen) days following the conclusion of the Agreement on Transfer of Ownership Interest with the winner of the Tender, but in any case no later than the fifth day following the day when the binding nature of the proposal for conclusion of the Agreement on Transfer of Ownership Interest has ceased to exist. A hand-over protocol shall be prepared in respect of returning the Bank Guarantee (guarantee certificate). If the Agreement on Transfer of Ownership Interest is concluded based on the terms and conditions set forth in the Rules with the

Participant whose offer was the second highest, further disposal of the Bank Guarantee (guarantee certificate) shall be governed by Section 9.2 of the Rules.

9.5 The security provided by Participants that have neither become the winner of the Tender nor their offer was the second highest shall be returned to such Participants by September 10, 2007 as follows:

- (a) The Cash Security paid by the Participant together with the interest accrued thereon shall be returned to the Participant to the bank account determined by the Participant in its Application. ČKA is entitled to pay the interest to the Participant only after the deduction of all applicable withholdings and deductions relating to the current or future taxes, imposts, levies and fees. All bank fees connected with return of the Cash Security shall be borne by the Participant. The Cash Security shall be deemed returned on the date when it was debited from ČKA's bank account in favor of the recipient's account;
- (b) The Bank Guarantee (guarantee certificate) shall be returned to the Participant and a hand-over protocol shall be prepared in respect thereof.

The security provided by the Participants shall be returned to all of them in the same manner in case that ČKA decides to reject all submitted offers and not to conclude the Agreement on Transfer of Ownership Interest with any of the Participants. The provided security shall be returned in the same manner to those Participants that have submitted an invalid offer.

9.6 If the Tender is cancelled, the provided Cash Security shall be returned to the Participants within 5 (five) days as from publication of a notice on cancellation of the Tender in a similar manner as in the case of returning Cash Security pursuant to the preceding paragraph.

9.7 The Cash Security shall bear interest at a rate "2T repo" published by the Czech National Bank minus 0.75% (zero point seventy five per cent) commencing as from the day following the date of crediting the Cash Security to the bank account of ČKA until the day immediately preceding the date when the Cash Security is returned, used for payment of a contractual penalty or used as an advance payment of the consideration pursuant to the concluded Agreement on Transfer of Ownership Interest.

9.8 If the Participant that has met the qualification criteria and other terms and conditions for participation in the Tender pursuant to Section 5.1 of the Rules materially breaches the Rules of the Tender, the Participant shall pay to ČKA a contractual penalty of CZK 200,000,000 (in words: two hundred million Czech crowns) for each individual case of material breach of the Rules of the Tender specified under clause b) of this Section, and a contractual penalty in the amount of CZK 50,000,000 (in words: fifty million Czech crowns) for each individual case of material breach of the Rules of the Tender specified under clauses a) and c) of this Section. The following conduct is deemed to be a material breach of the Rules of the Tender:

- (a) untrue notification or representation of the Participant, even if such notification or representation relates to the Designated Entity, in any document delivered to ČKA during the Tender;
- (b) the Agreement on Transfer of Ownership Interest is not concluded due to reasons on the part of the Participant or the Designated Entity in case that the Participant was chosen as the winner of the Tender; or

- (c) the Participant that was chosen as the winner of the Tender and that has asked the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity, ceases to control the Designated Entity in the period until conclusion of the Agreement on Transfer of Ownership Interest.
- 9.9 ČKA shall have the right to use the provided Cash Security for payment of its receivable or a part thereof from the Participant concerning the payment of a contractual penalty. The right of ČKA to payment of the contractual penalty shall not affect the right of ČKA to compensation of damage even in an extent exceeding the contractual penalty.
10. **ENTERING INTO AN AGREEMENT ON TRANSFER OF OWNERSHIP INTEREST**
- 10.1 If the Participant has any inquiries or comments concerning the text of the Agreement on Transfer of Ownership Interest delivered to it pursuant to Section 6.3(a) of the Rules, the Participant shall raise such inquiries or comments in writing no later than July 26, 2007. ČKA shall not respond to inquiries or comments raised at a later time.
- 10.2 Prior to the Offer Submission Date ČKA shall convene a meeting with each of the Participants where they will be informed about ČKA's position on the submitted inquiries and comments concerning the text of the Agreement on Transfer of Ownership Interest. ČKA reserves the right to exclude at any time, but not later than by 3:00 p.m. on the ninth day prior to the Offer Submission Date, any of the receivables from the Assets and not to assign them to the Company, and also the right to make any amendments to the text of the Agreement on Transfer of Ownership Interest that ČKA might deem appropriate. No later than by August 16, 2007, ČKA shall send electronically to Participants the revised final text of the Agreement on Transfer of Ownership Interest, which reflects proposed modifications and comments accepted by ČKA. No later than August 20, 2007, ČKA shall deliver to Participants the revised final text of the Agreement on Transfer of Ownership Interest and the final text of the amendment to the Framework Agreement (if any); the delivery shall take place at the seat of ČKA at Prague 7, Janovského 438/2, Postal Code: 170 06. This text of the Agreement on Transfer of Ownership Interest will be final and complete and Participants are obligated to submit it as their respective draft Agreement on Transfer of Ownership Interest within the framework of their respective offers pursuant to Section 7. of the Rules, only with information about the transferee and the aggregate amount of consideration for the Transfer of the Ownership Interest filled in; the Participants may make further amendments permitted pursuant to the final text of the Agreement on Transfer of Ownership Interest delivered to the Participants.
- For purposes of filing an additional offer ČKA shall deliver to those Participants that have an opportunity to file the additional offer pursuant to Section 8. of the Rules a new final text of the Agreement on Transfer of Ownership Interest identical with the text which was delivered to the Participants already for purposes of the original offer no later than 3 (three) days before the Additional Offer Submission Date; the delivery shall take place at the seat of ČKA at Prague 7, Janovského 438/2, Postal Code: 170 06. This text of the Agreement on Transfer of Ownership Interest will be final and complete and Participants are obligated to submit it as their respective draft Agreement on Transfer of Ownership Interest within the framework of their respective additional offers pursuant to Section 8. of the Rules, only with information about the transferee and the aggregate amount of consideration for the Transfer of the Ownership Interest filled in; the Participants may make further amendments permitted pursuant to the final text of the Agreement on Transfer of Ownership Interest delivered to the Participants.
- 10.3 ČKA shall sign the draft Agreement on Transfer of Ownership Interest submitted by the winner of the Tender within the framework of the winner's offer and either shall hand it

over to the winner of the Tender in person, or shall post it via mail to the address of the winner of the Tender stated in the Application. Upon delivery of the signed draft Agreement on Transfer of Ownership Interest to the winner of the Tender, the Agreement on Transfer of Ownership Interest shall be concluded. If the accepted draft Agreement on Transfer of Ownership Interest is not successfully delivered for reasons on the part of the winner of the Tender, ČKA shall proceed according to Section 10.4 of the Rules.

- 10.4 In case of termination of the Agreement on Transfer of Ownership Interest concluded with the winner of the Tender, or, as the case may be, with the Designated Entity appointed by the winner of the Tender, in a manner other than by fulfillment or a manner replacing the fulfillment, or if for reasons on the part of winner of the Tender, or, as the case may be, of the Designated Entity appointed by the winner of the Tender, the Agreement on Transfer of Ownership Interest is not at all concluded, ČKA shall have the right to accept the proposal for conclusion of the Agreement on Transfer of Ownership Interest submitted by other Participants to the Tender according to the order in which such Participant placed in the Tender.
- 10.5 The Participant is obligated to inform ČKA no later than 10 (ten) days prior the Offer Submission Date whether the Participant intends to request that the Agreement on Transfer of Ownership Interest be concluded with the Designated Entity appointed by the Participant, and further whether the Participant intends to provide security in the form of the Cash Security or in the form of the Bank Guarantee.

11. DESIGNATED ENTITY

- 11.1 Upon a request of the winner of the Tender, the Agreement on Transfer of Ownership Interest may be concluded with a Czech or foreign business company (hereinafter the "Designated Entity") instead of the winner of the Tender,
- (a) whose sole shareholder is the winner of the Tender;
 - (b) whose shareholders are only the winner of the Tender and one or more of the business companies whose sole shareholder is the winner of the Tender; or
 - (c) whose shareholders are only the business companies whose sole shareholder is the winner of the Tender.

The winning Participant is obligated to prove to ČKA the facts relating to shareholders of the Designated Entity. The winning Participant is obligated to control the Designated Entity throughout the entire term from filing the offer until the Agreement on Transfer of Ownership Interest is concluded.

- 11.2 Conclusion of the Agreement on Transfer of Ownership Interest with the Designated Entity shall be conditional upon the following:
- (a) The Designated Entity must meet the qualification criteria set forth in Section 3. of the Rules, the fulfillment of such criteria shall be evidenced by submission of an original of a declaration concerning the fact that the Designated Entity meets the qualification criteria, signed by the Participant, such declaration to correspond to the sample set out in Exhibit 12 to the Rules; the signature must be officially verified;
 - (b) The Participant must prove to ČKA the legal capacity of the Designated Entity in the manner set forth in Section 7.1(a)(iii) of the Rules and the authorization of

persons acting on behalf of the Designated Entity in the manner set forth in Section 7.2 of the Rules.

ČKA has the right to invite the Participant to submit additional documentation relating to evidence of the Designated Entity's legal capacity, if such Designated Entity's legal capacity cannot be sufficiently verified according to the already submitted documents.

- 11.3 If according to the Participant the Agreement on Transfer of Ownership Interest should be concluded with the Designated Entity, the Participant is obligated to state such fact in the Offer Declaration. ČKA shall have the right to refuse to conclude the Agreement on Transfer of Ownership Interest with the Designated Entity and to request that the Agreement on Transfer of Ownership Interest be concluded directly with the Participant. In such a case, the Participant is obligated to conclude the Agreement on Transfer of Ownership Interest with ČKA without undue delay after ČKA informs the Participant that ČKA rejects to conclude the Agreement on Transfer of Ownership Interest with the Designated Entity, and after ČKA invites the Participant to conclude the Agreement on Transfer of Ownership Interest.
- 11.4 If the Agreement on Transfer of Ownership Interest is concluded with the Designated Entity, the winning Participant shall guarantee the fulfillment of all obligations assumed by the Designated Entity pursuant to the Agreement on Transfer of Ownership Interest and the winning Participant is obligated to fulfill such obligations in case that the Designated Entity fails to do so.
- 11.5 If in the period until the Agreement on Transfer of Ownership Interest is concluded the Participant that has become the winner of the Tender ceases to control the Designated Entity ČKA shall have the right to reject the conclusion of the Agreement on Transfer of Ownership Interest and to eliminate the Participant that has become the winner of the Tender from the Tender. The winning Participant is further obligated to pay to ČKA for a breach of its obligation to control the Designated Entity a contractual penalty of CZK 100,000,000 (in words: one hundred million Czech crowns).

12. ELIMINATION AND RESIGNATION FROM THE TENDER

- 12.1 ČKA shall have the right to eliminate from the Tender any Participant that has made an untrue statement or representation of the Participant, even if such statement or representation relates to the Designated Entity, in any document delivered to ČKA during the Tender, or any Participant that ceases to meet the qualification criteria, or any Participant that breaches the Rules in another manner. ČKA shall deliver to the Participant a notice on elimination including the reason for such elimination.
- 12.2 ČKA shall have the right to eliminate any Participant if a change in entities by which the Participant is directly or indirectly controlled, occurs after submission of the Application.
- 12.3 Until the moment the offer is submitted pursuant to Section 7. of the Rules, the Participant may withdraw from the Tender upon a written notice delivered to ČKA.
- 12.4 The administrative fee paid by the entity that submitted the Application but has not become a Participant shall be returned to such Applicant by a bank account transfer to the account determined in the Application. In other cases the paid administrative fee shall be retained.

13. CANCELLATION OF THE TENDER AND CHANGES IN RULES

- 13.1 ČKA reserves the right to change or amend these Rules of the Tender in any manner and at any time or to cancel the Tender at any time. ČKA further reserves the right to reject all submitted offers and not to conclude the Agreement on Transfer of Ownership Interest with any of the Participants.
- 13.2 ČKA shall inform about amendments to the Rules of the Tender or cancellation of the Tender in the same manner in which ČKA announced the opening of the Tender; ČKA, however, shall inform about elimination of the Assets only in the manner described in Section 1.3 of the Rules.
- 13.3 Any and all costs incurred by the Participants connected with their participation in the Tender shall be borne by the Participants even in case the Tender is cancelled by ČKA.

14. NOTICES

- 14.1 The Rules of the Tender are announced by ČKA by their publishing on the website of ČKA, www.czka.cz.
- 14.2 The Participants are obligated to include in the Application their contact information, in particular their e-mail address, fax number and postal address in the Czech Republic where notices that need to be delivered to the individual Participants can be delivered. The delivery date, i.e. the date when a notice is delivered to the respective Participant, shall be considered the date when ČKA sent such notice to the Participant to its e-mail address. If a notice or another document is sent to Participants only to their postal address, such document is delivered to Participants on the moment of actual delivery thereof or of the Participant's refusal to accept the delivery. The Participants are further obligated to include in the Application the relevant bank account for returning the Cash Security pursuant to Section 9. of the Rules; any change in such bank account for returning the Cash Security may be effectuated only via a written notice bearing an officially verified signature.
- 14.3 ČKA has the right to publish on its website any information relating to the Tender and the individual Participants.
- 14.4 ČKA has appointed Ing. Michal Krčmář as its contact person in matters relating to the Tender. The contact information is as follows:

Address: Česká konsolidační agentura, Prague 7, Janovského 438/2, Postal Code 170 06

E-mail: Michal.Krcmar@czka.cz

15. LANGUAGE OF THE TENDER

These Rules have been prepared in the Czech language and the Tender is also organized only in the Czech language. The Application, the offer and other documents delivered by the Participant according to the Rules must be prepared in the Czech language, unless stated otherwise. If the Participant is allowed access to certain documents also in translation to another language, such translation is provided for information purposes only.

16. PAYMENT IDENTIFICATION

The Participant that in compliance with the Rules makes a wire money transfer to the account of ČKA, is obligated to state its identification number or another similar number set forth in the Application as the variable symbol, otherwise the payment may not be considered as duly made. If the Participant has no such number, the Participant shall address the contact person in ČKA who will inform the Participant about the variable symbol to be used for such payment. The Participant is obligated to provide ČKA with necessary cooperation and assistance in the course of identification of a payment lacking due identification numbers.

17. GOVERNING LAW

The Rules of the Tender and all legal relationships established in connection therewith shall be governed by the laws of the Czech Republic.

18. LIST OF EXHIBITS

- Exhibit 1: Sample of Application for Participation in the Tender
- Exhibit 2: Sample of Confidentiality Agreement
- Exhibit 3: Sample of Declaration on Fulfillment of Qualification Criteria
- Exhibit 4: Sample of Statement on the Group Structure
- Exhibit 5: Sample of Agreement on the Cash Security and Contractual Penalty
- Exhibit 6: List of Persons
- Exhibit 7: Rules Applicable to Use of Data Carriers in the Due Diligence Process
- Exhibit 8: Sample of the Protocol on Hand-over of the Datatape and CD-ROM/DVD
- Exhibit 9: Data Room Rules
- Exhibit 10: Part 1 – Sample of Offer Declaration (without a Designated Entity)
Part 2 – Sample of Offer Declaration (with a Designated Entity)
- Exhibit 11: Sample of Declaration of the Participant and the Designated Entity on Getting Acquainted with Information about the Company and the Assets
- Exhibit 12: Declaration of the Participant and the Designated Entity on Fulfillment of Qualification Criteria by the Designated Entity
- Exhibit 13: Sample of Bank Letter
- Exhibit 14: Part 1 – Sample of Additional Offer Declaration (without a Designated Entity)
Part 2 – Sample of Additional Offer Declaration (with a Designated Entity)
- Exhibit 15: Sample of Agreement on Bank Guarantee and Contractual Penalty
- Exhibit 16: Part 1 – Sample of Bank Guarantee (an English original and a Czech translation) (a bank having its registered office outside the Czech Republic)
Part 2 – Sample of Bank Guarantee (Czech Version) (a bank having its registered office in the Czech Republic)

This Tender is announced in Prague on June 13, 2007.

Česká konsolidační agentura

Zdeněk Čáp, Ph.D.
Chairman of the Board of Directors

Ing. Petr Goldmann
Member of the Board of Directors

Unofficial translation
For information only