

**Official information
of the Ministry of Finance
dated 15 December 2022
defining joint issuance terms and conditions of
State Treasury Bills**

The following is a translation of the joint issuance terms and conditions. The joint issuance terms and conditions are in the Czech language, and in the case of any inconsistency between the English translation and the Czech language version, the Czech language version shall prevail.

The Ministry of Finance (hereinafter referred to as “the Ministry” or “the Issuer”) determines these joint issuance terms and conditions for State Treasury Bills (hereinafter referred to as “the Bond” or “the Bonds”). The Bonds are issued by the Czech Republic acting through the Ministry in accordance with Section 25 and 26 of the Act No. 190/2004 Coll., on Bonds, as amended (hereinafter referred to as “the Bonds Act”), Section 35 of the Act No. 218/2000 Coll., on Budgetary Rules and on Amendment to Some Related Acts (Budgetary Rules), and with part one (General Provisions) of the Rules for the Primary Sale of Government Securities Organized by the Czech National Bank, as amended, published on the website of the Czech National Bank and the Ministry (hereinafter referred to as the “Rules for the Primary Sale”). The Bonds are governed in particular by these joint issuance terms and conditions, the Bonds Act, Budgetary Rules, Rules for the Primary Sale, procedures and rules contained in the contractual documentation between the Issuer and the selected auction participants (hereinafter referred to as “the Contractual Documentation”), and the Rules of the Short-term Bond System (hereinafter referred to as “the Rules of the SKD”).

1. Basic description of the Bonds:

Issuer: The Czech Republic – the Ministry of Finance

Name: State Treasury Bills

Face value: CZK 1,000,000 (in words: one million Czech koruna)

Category of Bond: government bond

Currency in which the Bonds are denominated: Czech koruna (CZK)

Interest: defined as the difference between the face value and the issue price

Day count convention: ACT/360

2. The Bonds are issued based on Budgetary Rules in accordance with Section 25 (2) (b) of the Bonds Act.
3. The Bonds are issued in book-entry securities form, and on the issue date, are registered in the central record of book-entry securities maintained by the Czech National Bank in accordance with the Czech law and with Section 92 (3) of the Capital Market Act, Act No. 256/2004 Coll., as amended.

4. The maturity of the Bonds is within one year.
5. The Bonds may be subscribed and acquired by legal or natural persons having their seat or residence in the territory of the Czech Republic as well as abroad (hereinafter referred to as the “Investor” or “Investors”).
6. Transferability of the Bonds and granting a lien on the Bonds are governed by the Rules of the SKD.
7. The interest is defined as the difference between the face value and the issue price. For the purpose of any calculation related to the Bonds issued on the basis of these joint issuance terms and conditions, day count convention is based on one year of 360 (in words: three hundred and sixty) days and actual days in a respective period (standard ACT/360).
8. The issue of Bonds may be issued in tranches within the subscription period.
9. The issue price of the respective tranche of Bond is determined by the price achieved at auction. In case of the issue by means of booking on the issuer’s asset account in accordance with Section 35 (7) of the Budgetary Rules, the issue price is determined as 100% of the principal.
10. The Bonds shall be offered for subscription in the Czech Republic. The Bonds shall be sold on primary market through the Czech National Bank pursuant to Section 26 (4) of the Bonds Act. Primary sale of the Bonds, method and place of the Bond subscription, method and time of delivery to individual Investors and manner and place of payment of the issue price of the subscribed Bonds is governed by the Rules for the Primary Sale, and procedures and rules contained in the Contractual Documentation, and in the event of a conflict, the procedures and rules contained in the Contractual Documentation shall prevail. Primary sale of the Bonds is carried out via auctions. The auction place is the Czech National Bank. Only the person specified by the issuer or the issuer may participate in the auction. Other Investors may participate in the auction indirectly through the person specified by the issuer or the issuer. The issuer is authorized to book securities on the issue date firstly on its asset account in accordance with Section 15 (4) of the Bonds Act, and to acquire the Bonds before the maturity date, including buy-backs of the Bonds at any time and any price, and under other conditions defined by the Ministry. The Bonds acquired by the issuer before the maturity date, including the Bonds bought back by the issuer, do not expire. It is at the issuer’s discretion to keep the Bonds on its asset account, sell them or decide otherwise.
11. Primary sale of the Bonds shall be carried out through the auction organized by the Czech National Bank in accordance with the Rules for the Primary Sale, and procedures and rules contained in the Contractual Documentation, and in the event of a conflict,

the procedures and rules contained in the Contractual Documentation shall prevail. The issuance and primary sale of respective tranche of the Bond shall be decided by the issuer, as well as the auction date and method of the respective auction in accordance with the Rules for the Primary Sale. The announcement of the respective auction and the auction method are published on the website of the Ministry on the auction date at the latest. The settlement place for the primary sale is the Czech National Bank.

12. The principal of the Bond will be repaid to the person, who will be entitled to exercise the relevant rights related to the Bond on the day prior the maturity date of the respective issue. Transferability of the Bonds and granting a lien on the Bonds are excluded after this date.
13. The Bonds principal shall be redeemed on the maturity date of the respective issue. If the repayment date of principal falls on a day, which is not a business day, the repayment will be made on the next business day without the entitlement to the proceeds for the deferred payment.
14. The issuer undertakes to ensure the repayment of the principal of the Bonds to persons who are the owner of the Bonds on the respective maturity date, exclusively in CZK or other currency that will be the official currency of the Czech Republic on the respective payment date. The principal repayment is ensured by the Czech National Bank and the Ministry directly or through other authorized persons. The principal of the Bonds will be repaid by cashless transfer. The payment place is the Czech National Bank or another person authorized by the issuer, which shall publish the method of repayment of the principal.
15. The Bonds are direct, unconditional and unsubordinated debts of the Czech Republic, which are at the same level as all other existing and future direct, unconditional and unsubordinated debts of the Czech Republic.
16. The right related to the Bond shall become statute-barred on the date on which it could be exercised for the first time pursuant to applicable law regulation.
17. The Ministry announces these joint issuance terms and conditions in the Collection of Laws, they shall take effect on the date of announcement and shall apply to the issue of Bonds issued after that date. All announcements regarding the Bonds are published in the Czech language on the website of the Ministry, in the section where the information on issued government Bonds is published.
18. The Czech National Bank does not supervise the issue of these bonds and their issuer.
19. These joint issuance terms and conditions may be translated into foreign languages. In case of any discrepancy between various language versions of joint issuance terms and conditions, the Czech version shall prevail.

20. The Bonds are issued in accordance with the Czech law and the interest taxation in the Czech Republic is governed by the laws of the Czech Republic. The rights and the obligations following from these joint issuance terms and conditions and the rights and the obligations related to the Bond issued on the basis of these joint issuance terms and conditions are governed and interpreted by the laws of the Czech Republic, without regard to conflicts of laws provisions thereof.

Minister of Finance

Zbyněk Stanjura