

MEMORANDUM OF UNDERSTANDING

BETWEEN

OFFICE OF THE GOVERNMENT OF THE CZECH REPUBLIC

AND

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD.

ON THE ESTABLISHMENT OF ICBC PRAGUE BRANCH

AND ON BUSINESS COOPERATION

June 16, 2016

This Memorandum of Understanding (the “MOU”) is made between the Office of the Government of the Czech Republic and Industrial and Commercial Bank of China, Ltd. (hereinafter referred to as “ICBC”), jointly referred to herein after as the “Participants”.

OBJECTIVES OF COOPERATION

- 1.1 The purpose of this MOU is to promote further cooperation and identify the likely areas of and modalities for the cooperation under “the Belt and Road” initiative.
- 1.2 Participants wish to establish a mutually beneficial framework of cooperation to further explore possible fields of collaboration and creation of opportunities in the process of strengthening bilateral economic relations.

SCOPE OF COOPERATION

- 2.1 Participants are ready to closely cooperate as a matter of priority, in the process of establishing a branch office for ICBC in the Czech Republic.
- 2.2 ICBC will setup a branch in Prague, aiming to serve as the bridge and bond for economic and trade exchange between the Czech Republic and the People’s Republic of China.
- 2.3 The full name of the branch will be “Industrial and Commercial Bank of China Limited, Prague Branch” (Simply referred as “ICBC Prague Branch”).
- 2.4 ICBC Prague Branch will provide services to local and “Going globe” Chinese enterprises, as well as enterprises within the CEE region, under the framework of local regulations:
 - Trade Finance;
 - Project Finance;
 - Syndicated Loans;
 - Corporate Deposit and Loans;
 - International Settlement;
 - Guarantees and Commitments;
 - Cash management;
 - Dealing own and customer accounts ;
 - Cross-border RMB Trade Settlement;
 - E-banking;
 - Remittance Service;

- Interbank services;
- Debt instrument origination;
- Foreign exchange swaps;
- Foreign exchange options;
- Deliverable forwards and futures;
- Non-deliverable forwards and futures.

- 2.5 Participants will cooperate on preparing and facilitating conditions for trade and investment flows and activities in relations between the Czech Republic and the People's Republic of China.
- 2.6 Participants will work closely with local trade/business organizations to promote the expansion of trade and investment flows between both countries, and will inform local enterprises about possibilities to seek financial services from ICBC Prague Branch.
- 2.7 Participants will support the cooperation between Czech authorities and ICBC Prague Branch in order to promote bilateral trade and investment.
- 2.8 Participants will encourage developing and promoting E-commerce cross-border business between the Czech Republic and the People's Republic of China.
- 2.9 ICBC will assist the Czech enterprises in building up the "Czech Mall" on the ICBC E-Mall platform.
- 2.10 Eligible local enterprises will be welcome to sell products and services through E-commerce marketplaces referred by ICBC.

COOPERATION MECHANISM

3. In order to strengthen communication, maintain contact on a regular basis, and continue to expand cooperative areas within the framework set down in this MOU, each Participant will appoint its contact person to be responsible for regular communications and liaison between both Participants.

CONFIDENTIALITY

4. The Participants will adopt all necessary measures to ensure the confidentiality of all sensitive information acquired during cooperation under this MOU.

FINAL UNDERSTANDINGS

- 5.1 This MOU reflects the views and intentions of the Participants to co-operate on a non-exclusive basis, expressed in good faith, but without the creation of any legal obligations or the incurrence of any liability on the part of any of them.
- 5.2 This MOU is not legally binding and is only a statement of intention of the Participants to strengthen cooperation and communication and constitutes the basis for specific cooperation between the Participants. The Participants have not made any commitment or entered into any agreement on any individual project.
- 5.3 In the event that opportunities are identified, specific arrangements and follow up for any such activity or project would need to be agreed upon.
- 5.4 Any individual project will be subject to further negotiation on the terms and conditions applied for such project. An individual project agreement will be concluded in accordance with the laws and regulations and relevant procedure of the respective country.
- 5.5 This MOU is executed in the English language and there are two original copies. Each Participant shall keep an executed original.

**For the Office of the Government
of the Czech Republic**



Tomáš Prouza, State Secretary

**For the Industrial and Commercial Bank
of China, Ltd.**



Gu Shu, Senior Executive Vice President of
ICBC