

Rating Agreement

Made between:

The Statutory City of Brno
Dominikánské nám. 1
602 00 Brno
Czech Republic
(hereinafter the 'City')

And

S&P Global Ratings Europe Limited
Fourth Floor, Waterways House
Grand Canal Quay
Dublin 2
IRELAND
(hereinafter 'S&P Global')

25 March 2021

I.

Subject of Agreement

1. The subject of the public tender is the surveillance from S&P Global on the local and foreign currency credit rating of the City and its dormant Medium Term Notes Program from 01 May 2021 to 30 April 2022.
2. This agreement follows the agreement concluded between Standard & Poor's and the City on **April 9, 2019**. The time of execution of this agreement is from 01 May 2021 to 30 April 2022.
3. The ratings obtained from S&P Global can be used for general marketing purposes or in respect of either existing or planned securities issues and bank loans. It is S&P Global's policy to rate and charge for all subsequent public and private issues of long-term debt in the international and domestic capital markets, including loans and loan amendments, together with all subsequent medium term debt programs.

II. Rights and Obligations of the Parties

1. All non-public information received from you as part of the rating process is held in strict confidence and used solely for the purpose of determining ratings. S&P Global periodically publishes analysis and press releases covering rated issuers. These communications contain only public information.
2. As part of the surveillance process, S&P Global expects to meet on a regular basis with representatives of the City government and to receive all information relevant to the rating and surveillance of that rating including information on material changes to information previously supplied to us. City's ratings may be affected by our opinion of the accuracy, completeness, timeliness and reliability of information received from you and we undertake no duty of due diligence or independent verification of any such information. The rating will reflect our current opinion of the City's financial capacity to meet its future payment obligations on the rated securities in accordance with their terms and is not a verifiable fact, nor does it constitute an audit of the City by S&P Global.
3. The City agrees to indemnify and hold us harmless from any and all losses, damages, liabilities, costs, charges, and expenses (including reasonable attorney's fees) arising out of any claim related to the accuracy, completeness or timeliness of information provided to us by the City (or your agents or advisors).
4. S&P Global reserve the right to withdraw the rating if you fail to provide us with complete, timely or reliable information.
5. To maintain the accuracy of published ratings, S&P Global reserves the right to change, suspend or withdraw ratings as it deems necessary. However, the City government will be informed in advance that a rating change is under consideration and will have the opportunity to discuss the matter with S&P Global's analysts before a final decision is made.
6. Ratings may be placed on S&P Global's CreditWatch which lists positive, negative or developing implications if events have occurred which might affect the accuracy of the rating. The City government will be informed in advance of the City's rating being placed on CreditWatch but would not normally have the right to appeal the decision. Ratings may be changed without first being placed on CreditWatch.
7. The City understands and agrees that S&P Global is not acting as an investment, financial or other advisor to the City and that the City should not and cannot rely upon the rating or any other information provided by S&P Global as investment or financial advice. Nothing in this agreement is intended to create, or should be construed as creating, a fiduciary relationship between the City and S&P Global.
8. Similarly, S&P Global has not consented to and will not consent to being named an "expert" under applicable securities laws. S&P Global's rating is not a "market" rating, nor is it a recommendation to buy, hold or sell any financial obligation.
9. S&P Global reserves the right to withdraw the rating if the fee relationship is not maintained.

**III.
Price and Payment Conditions**

1. The surveillance fees for the year 2021-2022 will be equal to USD 58,000, approximately CZK 1,271,000 (one million two hundred seventy-one thousand). This fee is stated without VAT which will be added at the rate prevailing as applicable. These fees will be billed annually on the anniversary of the initial rating in May and will be available for credit against any transaction fees in that twelve months period.
2. Generally, transaction-specific fees related to these issues are charged in accordance with our fee schedule.

**IV.
Acceptance**

Both parties accept the statements contained in this Agreement and agree to comply in all respects with the terms and conditions stated in this Agreement.

**V.
Clause**

Pursuant to § 3 par. 2 let. d) of the Act No. 340/2015 Coll., on the Register of Contracts, this Contract is not subject to the publication in the Register of Contracts, as amended, of which S&P Global was informed by the City.

This Agreement was approved by the Executive Board of the City at its meeting no. R8/141; 7. 4. 2021.

Yours sincerely,
S&P Global Ratings Europe Limited

Name:
Title:

Name:
Title:

We are in agreement with the above:
City of Brno

Name:
Title: Head of Budget and Finance Department