

ANNEX NO. 1

TO THE RULES OF PRAGUE STOCK EXCHANGE ARBITRATION COURT

PRINCIPLES GOVERNING ARBITRATION COSTS

Article 1

Introduction

These principles governing arbitration costs (hereinafter the “**Principles**”) include provisions concerning the fee for arbitration (hereinafter the “**Fee**”), the registration fee, and the expenses incurred by the parties, which together constitute the costs of arbitration proceedings of PSEAC, and provisions concerning fees for secondary activities of PSEAC.

PART I.

COSTS OF ARBITRATION

Article 2

Fees and Expenses of Parties

- (1) The Fee and the registration fee are used to cover the overall costs associated with the activities of PSEAC, which include, but are not limited to, costs of the remuneration of arbitrators, costs of the remuneration of members of PSEAC, costs of the remuneration of members of the Nomination Committee and the Secretary, expenditures related to the provision of services and the operation of the Office of PSEAC, overhead costs incurred by PSEAC in connection with the hearing of a particular dispute (e.g. travel and accommodation expenses of the arbitrators, members of the Presidium of PSEAC, members of the Nomination Committee and the Secretary, telecommunication costs, administrative expenses, rent and utilities), and costs incurred in the hearing of a particular dispute (e.g. the production of evidence, payment of expert fees, interpreter fees, or holding an oral hearing outside of the seat of PSEAC).
- (2) The expenses incurred by the parties to the arbitration proceedings are expenses that they incur in connection with the protection of their interests (e.g. travel expenses, attorney fees, etc.).

Article 3

Fee and the Registration Fee

- (1) The parties to the arbitration proceedings shall pay the Fee and a registration fee for the hearing of their dispute in arbitration proceedings held according to the PSEAC Rules.
- (2) The Fee shall be paid by:
 - a) the claimant when filing the statement of claim;
 - b) the respondent when filing the counterclaim; and
 - c) the respondent when asserting a counterclaim by means of a set-off objection.

- (3) Until the Fee has been paid in full, the statement of claim and, if any, the counterclaim or set-off objection will not be heard. If the Fee is not paid in full even within an additional time limit, the arbitration proceedings will be discontinued.
- (4) The registration fee in the amount of CZK 25,000 shall be paid by the claimant when filing the statement of claim. The registration fee is non-refundable and shall be included in the total amount of the Fee.
- (5) The amount of the Fee for arbitration shall be determined as follows:
 - a) In disputes with amount in dispute up to CZK 250,000,000, the amount of the Fee for arbitration shall be 3% of the amount claimed;
 - b) In disputes with amount in dispute from CZK 250,000,001 to CZK 450,000,000, the amount of the Fee for arbitration shall be CZK 7,500,000 + 2% of the amount exceeding CZK 250,000,000;
 - c) In disputes with amount in dispute from CZK 450,000,001 to CZK 1,000,000,000, the amount of the Fee for arbitration shall be CZK 11,500,000 + 1% of the amount exceeding CZK 450,000,000; and
 - d) In disputes with amount in dispute of CZK 1,000,000,001 and above, the amount of the Fee for the arbitration shall be CZK 17,000,000 + 0.5% of the amount exceeding CZK 1,000,000,000.
- (6) The minimum amount of the Fee is CZK 300,000, and the maximum amount of the Fee is CZK 20,000,000, whereas the minimum and the maximum amount of the Fee are subject to reduction or increase according to Articles 4 and 5 hereof.
- (7) The Fee and the registration fee shall be paid in Czech currency (CZK).
- (8) The Fee and the registration fee shall be deemed to have been paid when credited to the bank account of PSEAC.

Article 4

Fee Reduction

- (1) The Fee shall be reduced by 30% if the dispute is decided by a single arbitrator. The Fee shall be reduced irrespective of the minimum amount of the Fee set in Article 3(6) hereof.
- (2) The Fee shall be reduced by 75% if the claimant withdraws the statement of claim or the set-off objection, or if the respondent withdraws the counterclaim or the set-off objection up until the arbitration tribunal has been constituted in the preparatory stage of the proceedings. The Fee, however, shall not be reduced below the minimum amount set in Article 3(6) hereof.
- (3) The Fee shall be reduced by 50% if the claimant withdraws the statement of claim or the set-off objection or if the respondent withdraws the counterclaim or the set-off objection in the preparatory stage of the proceedings in the period from the constitution of the tribunal to the first hearing. The Fee, however, shall not be reduced below the minimum amount set in Article 3(6) hereof.
- (4) The chairperson of PSEAC may decide to reduce the Fee at any time, irrespective of the minimum amount of the Fee set in Article 3(6) hereof. The fee may be reduced, for example, in the event of a joinder of arbitration proceedings.

Article 5

Fee Increase

- (1) The Fee shall be increased if more than two parties are involved in the arbitration proceedings, namely by 30% for every additional party.

- (2) The Claimant shall pay the Fee in the increased amount for every additional party to the arbitration proceedings regardless of whether this other party is on the claimant's side or on the respondent's side. The procedure according to Article 3 hereof shall apply *mutatis mutandis*.
- (3) The chairperson of PSEAC may decide, in an emergency, to increase the Fee, having regard to the unusual difficulty of the dispute, by up to 1.5% of the amount in dispute. This increase shall be added to the Fee set according to Article 3 hereof.

Article 6

Parties' Expenses Including Legal Costs

- (1) The arbitration award or a decision on the discontinuation of the proceedings shall include a provision ordering the obliged party to pay the costs incurred by the successful counterparty in the arbitration in question, including reasonable legal costs. The amount of the legal costs shall be determined with a view to the difficulty of the legal representation in the dispute.
- (2) Upon the respondent's request, the arbitration tribunal may decide that the claimant shall deposit an advance for the reimbursement of the respondent's legal costs during the preparatory stage of the proceedings according to Part I D of the PSEAC Rules.
- (3) If the statement of claim or a counterclaim has been upheld, the arbitration tribunal may order the obliged party to compensate the successful counterparty for the full amount of the Fee paid.
- (4) If the statement of claim has only partially been upheld, the arbitration tribunal shall typically order the respondent to compensate the claimant for a portion of the Fee paid according to the degree of success in the case, i.e. in proportion to the part of the claim awarded and the part dismissed.
- (5) The parties may agree on a different amount of the Fee paid by the obliged party than the amount set out in this Article.

PART II. FEES FOR SECONDARY ACTIVITIES OF PSEAC

Article 7

Introduction

Fees for the secondary activities of PSEAC are:

- a) fee for the custodian services;
- b) fee for serving as the Appointing Authority; and
- c) fee for administrative support to ad hoc arbitration proceedings different from the arbitration proceedings under the PSEAC Rules.

A. FEE FOR CUSTODIAN SERVICES

Article 8

Custody

- (1) In connection with arbitration, PSEAC, through the Secretary, accepts custody of:
 - a) securities;
 - b) documents; and

- c) money.
- (2) The fees for custodian services are as follows:
Custody in % in CZK
1. If a document: CZK 10,000
 2. If securities or money,
for the first CZK 1,000,000 in value: 1%;
for the amount in excess thereof and up to CZK 5,000,000 in value: 0.5%;
for the amount in excess thereof and up to CZK 10,000,000 in value: 0.3%; and
for any further amount in excess thereof: 0.1%.
Minimum: CZK 10,000
Maximum: CZK 200,000

Article 9 Custody of Securities and Documents

- (1) The Secretary shall draw up a protocol of the acceptance of securities or documents into custody. The protocol shall include the following information:
 - a) time and place of acceptance thereof;
 - b) the applicant's first name, last name, personal identification number (*rodné číslo*) and place of residence;
 - c) specification of the securities or documents; and
 - d) information that the securities or documents were received by the Secretary and accepted into custody.
- (2) The Secretary shall place the securities or documents taken into custody in a safe deposit box in their office or in the Stock Exchange's safe.
- (3) The Secretary may release the securities or documents solely to the applicant or, as the case may be, to the person who presents a special power of attorney authorizing them to withdraw the securities or documents from custody.
- (4) The Secretary shall draw up a protocol of the release of the securities or documents. The protocol shall include the following information:
 - a) time and place of the release thereof;
 - b) the first name, last name, personal identification number (*rodné číslo*) and place of residence of the person to whom the securities or documents are released, and information on the verification of their identity;
 - c) specification of the securities or documents; and
 - d) information that the securities or documents were received by the recipient.
- (5) The Secretary shall issue a copy of the protocol to the recipient.

Article 10

Custody of Money

- (1) The Secretary shall draw up a protocol of the acceptance of money into custody. The protocol shall include the following information:
 - a) time and place of acceptance of the money into custody;
 - b) the applicant's first name, last name, personal identification number (*rodné číslo*) and place of residence; and
 - c) exact information on the amount of money and the currency.
- (2) The Secretary shall place the money taken into custody in a safe deposit box in their office or in the Stock Exchange's safe.
- (3) The Secretary may release the money solely to the applicant or, as the case may be to the person who presents a special power of attorney authorizing them to withdraw the money from custody.
- (4) The Secretary shall draw up a protocol of the release of the money. The protocol shall include the following information:
 - a) time and place of the release thereof;
 - b) the first name, last name, personal identification number (*rodné číslo*) and place of residence of the person to whom the money is released, and information on the verification of their identity;
 - c) exact information on the amount of money and the currency; and
 - d) information that the money was received by the recipient.
- (5) The Secretary shall issue a copy of the protocol to the recipient.

B. FEE FOR SERVING AS APPOINTING AUTHORITY

Article 11

Appointments

- (1) The fee is CZK 50,000 per appointment.

C. FEE FOR ADMINISTRATIVE SUPPORT TO AD HOC ARBITRATION PROCEEDINGS

Article 12

Administrative Support and Appointment of Arbitrators

- (1) The fee shall be determined on a case-by-case basis by the chairperson of PSEAC upon request, such that it corresponds to the amount of the estimated support.

PART III. FINAL PROVISIONS

Article 13 Effective Date

- (1) This current version of the Principles governing arbitration costs and the fees for secondary activities of PSEAC was adopted at a meeting of the Presidium of PSEAC on on September 14th 2020, and shall enter into effect on November 1st 2020.
- (2) These Principles governing arbitration costs shall be published by the Presidium without undue delay in the Commercial Bulletin. They were published in the Commercial Bulletin on October 26th 2020.