

**FRAMEWORK AGREEMENT FOR COOPERATION  
IN  
IMPLEMENTING INFRASTRUCTURE  
DEVELOPMENT PROJECTS**

**between**

**THE SOUTH MORAVIAN REGION**

**and**

**CHINA DEVELOPMENT BANK CORPORATION**

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Party B: CHINA DEVELOPMENT BANK CORPORATION  
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## **BACKGROUND**

To facilitate harmonious and sustainable economic development of the South Moravian Region, and to enhance economic and trade relations between regions of the Czech Republic and P.R. China, the South Moravian Region and the China Development Bank Corporation (hereinafter referred to as the “Parties”) agree to establish collaborative relations by signing a Framework Agreement for Cooperation in Implementing Infrastructure Development Projects (hereinafter referred to as the “Agreement”).

Both Parties agree to cooperate in exploring opportunities for investment and financial collaboration in the field of infrastructure and to encourage the development of relevant industries in the South Moravian Region.

The cooperation is in line with the South Moravian Region’s programming and strategic documents: Development Programme of the South Moravian Region 2014–2017, Development Strategy of the South Moravian Region 2020 and Regional Innovation Strategy of the South Moravian Region.

Both Parties therefore desire to record the framework for these collaborative relations and arrangements and agree to the terms of this Agreement as set out below.

## **PRINCIPLES OF COOPERATION**

Both Parties shall conduct future cooperation on the basis of the following principles:

**1.1** According to the business line and internal decision of each Party, the Parties shall make effort to identify investment opportunities accepted by both Parties and implement these projects in infrastructure development in order to promote economic development and develop bilateral diplomatic and trade relations between regions of the Czech Republic and P.R. China.

**1.2** The cooperation will take place on the basis of equality, mutual benefit and mutual consultation.

## **FIELD AND SCOPE OF COOPERATION**

Cooperation between both Parties may include, but is not limited to, the following and the scope is agreed as follows:

**2.1** The specific rights and obligations arising for the Parties, incl. specific financing commitments, will be the subject of separate implementation agreements (hereinafter referred to as the “Implementation Agreement”) that shall be entered into in writing. China Development Bank Corporation declares its interest to participate in implementing infrastructure projects up to an amount of EUR 200,000,000 (SAY TWO HUNDRED MILLION EUROS) or its equivalent amount in USD, which may be used in separated phases depending on the nature of the utilisation of these funds with both Parties’ consent.

**2.2** The South Moravian Region expresses its support for the implementation of appropriate future infrastructure projects to China Development Bank Corporation in the South Moravian Region. China Development Bank Corporation agrees to introduce appropriate Chinese

enterprises to invest or to participate in the engineering, procurement, construction, operation and maintenance of appropriate infrastructure projects.

**2.3** On the basis of equality, mutual benefit and mutual consultation, both Parties agree to explore avenues of collaboration in the field of infrastructure including, but not limited to, road and railway networks, airports, power and energy, local government and related financial services.

**2.4** Both Parties agree to regularly exchange information on major development opportunities where mutual interest exists.

## **COOPERATION MECHANISM**

**3.1** The South Moravian Region and Hunan Branch of China Development Bank Corporation will be responsible for smooth communication and liaison between both Parties.

**3.2** Both Parties shall maintain ongoing dialogues on the direction of any opportunities for mutually beneficial collaboration.

**3.3** Both Parties shall facilitate the development of possible new collaborative projects for implementation by regularly exchanging information regarding potential opportunities.

## **FINAL PROVISIONS**

**4.1** In accordance with applicable law, both Parties undertake that each Party shall strictly maintain confidentiality of all information designated as confidential by either Party, and shall not disclose such confidential information to any other person or organization without the prior written consent of the Party that provided the information. This obligation does not include cases where providing such information is required by legal regulations of the Czech Republic or the People's Republic of China.

**4.2** This Agreement states only the intentions and understanding of both Parties for cooperation in good faith. It does not constitute any enforceable commitment of either Party and does not impose any binding legal obligations.

**4.3** Any dispute arising from the cooperation between both Parties hereto shall be addressed through amicable consultation by both Parties.

**4.4** This Agreement shall commence and enter into force on the date on which all internal procedures necessary for entry into force have been completed by the Parties, on the part of the South Moravian Region this means approval by the Assembly of the South Moravian Region. The Parties acknowledge that, unless the Agreement is approved by the Assembly of the South Moravian Region, it will neither commence nor enter into force. The Agreement is entered into for a period of three years, unless earlier terminated by either Party by giving a one-month written notice to the other Party commencing on the date of delivery, or by agreement between the Parties to terminate the Agreement. This Agreement may be amended or supplemented – by mutual agreement between the Parties – exclusively through an amendment to this Agreement, which must be entered into in the same form as this Agreement and approved by the Assembly of the South Moravian Region.

**4.5** This Agreement is drawn up in the English language in four counterparts, of which each party shall receive two counterparts.

Place: Prague Date: 29 March 2016

Place: Prague Date: 29 March 2016

For  
South Moravian Region  
Michal Hašek, Governor

For  
China Development Bank Corporation  
Hu Huaibang

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