

## GENERAL BUSINESS CONDITIONS OF PPF banka a.s

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## 1. INTRODUCTORY PROVISIONS

- 1.1 These General Business Conditions of PPF banka a.s. set out the basic rules applying to business relations between PPF banka a.s. and its Clients.
- 1.2 Capitalised terms or phrases used in these GBC have the meaning specified in the article "Definition of Terms" herein, or, where applicable, the meaning specified in the individual provisions hereof. Defined terms and phrases apply both to the single and the plural similarly.
- 1.3 These GBC have been issued under, and in accordance with, Section 1751 of the Civil Code, the Payments Act, the Banking Act and any associated legal regulations. The GBC, SBC and Price List form part of the content of an Agreement.
- 1.4 In addition to these GBC, the Bank also issues Specific Business Conditions ("SBC") setting out further conditions relating to the provision of particular selected Banking Services. The charges for Banking Services provided and associated acts are specified in the Price List.
- 1.5 Banking Services are provided by the Bank at the Client's Place of Business and via ELB, on Business Days and during Business Hours, unless otherwise agreed or specified by the Bank (including, without limitation, in the respective SBC).
- 1.6 The Bank is not obliged to enter into a contractual relationship with a Client for the purpose of providing a requested Banking Service, and may make the provision of Banking Services subject to the submission of requisite documents and information. The Bank reserves the right to refuse a request for the provision of a Banking Service. It may do so in particular in cases where the provision of a Banking Service could lead to the violation of applicable legislation, including measures of the Czech National Bank ("CNB"), or where there is reason to believe that a conflict of interests would result between the Bank and the Client or among Clients of the Bank.
- 1.7 By signing an Agreement or any addendum thereto Clients confirm their knowledge of the GBC, the SBC for the respective Banking Service and the Price List, and agree to be governed by the provisions thereof.
- 1.8 Should a new Agreement be concluded with a Client following the Bank's Provision or Disclosure of a proposed amendment to the GBC, SBC and Price List, the GBC, SBC and Price List valid as of the date of the conclusion of such new Agreement shall be deemed an integral part of the Agreement until the last calendar day prior to the date of effectiveness of the relevant amendments, and shall be superseded by the newly proposed GBC, SBC or Price List from the proposed date of effectiveness forward.
- 1.9 In the event of any conflict between the provisions of the Agreement, the GBC, an SBC and the Price List, the provisions of each of the respective Documents shall prevail over the others with the following order of precedence: Agreement, SBC, GBC,, Price List. In the event that specific provisions of these GBC are in conflict with the introductory or general provisions of these GBC, such specific provisions shall prevail.

1.10 Should an Agreement concluded before November 1, 2009 contain provisions that are less favourable for the Client than the provisions of these GBC or, as the case may be, the relevant SBC, the provisions of these GBC or, respectively, the SBC shall prevail.

1.11 The Client shall ensure that any and all Representatives, Authorised Parties, Agents or other parties which use Banking Services in the name of the Client, or which participate in their use, are in all cases duly informed of the respective Agreement, the SBC, GBC and Price List and any other documents relating to the given Banking Service. The Client agrees that such persons shall perform the obligations arising for the Client from these documents and from generally applicable legislation to the full extent. The Client shall at all times bear full responsibility for cases when such persons breach the conditions laid down in these documents and shall be obliged to compensate any damage caused to the Bank by any breach of such conditions.

1.12 The Bank is registered in the CNB's list of banks under its identification number. Should the Bank breach any legal obligations arising under an Agreement or legislation, the Client is entitled to file a complaint in regard to the Bank's procedure to the supervisory authority, i.e. the CNB.

## 2. DEFINITION OF TERMS

2.1 **Apostille Certificate** – a certificate of authentication by apostille within the meaning of the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents of 5 October 1961, published in Communication of the Ministry of Foreign Affairs No. 45/1999.

2.2 **Bank** – PPF banka a.s., having its registered office at Praha 6, Evropská 2690/17, 160 41, Company No. 47116129, incorporated in the Companies Register of the Municipal Court in Prague, Section B, File 1834.

2.3 **Banking Service** – any transaction, service or product of the Bank provided by the Bank on the basis of a banking licence.

2.4 **Cashless Foreign Currency Transaction** – a purchase or sale transaction where Czech or foreign currency Funds are exchanged for Funds in another currency which is performed by the cashless transfer of Funds from or to a Payment Account.

2.5 **Security Elements** – elements used by the Bank to secure the access of Clients or Authorised Parties to selected Banking Services, in particular, but without limitation, to Payment Instruments.

2.6 **BIC (Bank Identifier Code)** – the SWIFT address of a Provider enabling the unambiguous identification of the Provider in a given country. Use of the BIC of a Beneficiary's Provider is obligatory during the performance of transfers within the EU/EEA and SEPA.

2.7 **Price List** – the Price List of Services of PPF banka a.s., containing an overview of all fees and charges for Banking Services and acts associated with Banking Services

- 2.8 **Amount for Payment** – the amount which the Client and the Bank have agreed shall be transferred by the Bank to the Client's Account for Transaction Settlement as of the Transaction Completion Date in the due course of a Deposit Transaction.
- 2.9 **Account Number** – the number of the account used for domestic payments, consisting of a prefix (max. 6 figures), the basic account number (max. 10 figures) and the bank code or Provider's code (4 figures); not every account number must have a prefix.
- 2.10 **CNB** – The Czech National Bank, having its registered office at Na Příkopě 28, 115 03 Praha 1, which is the supervisory authority for the Bank's activities.
- 2.11 **Maturity Date** – the date specified by the Client as the date on which Funds are to be debited from the Account.
- 2.12 **Value Date** – the date as of which a Payment Transaction amount is credited or debited to a Payment Account.
- 2.13 **Transaction Completion Date** – the date agreed by the Client and the Bank as the date for the final settlement of the respective Deposit Transaction.
- 2.14 **Transaction Conclusion Date** – the date of the conclusion of the respective Transaction, i.e. the date on which the Bank and the Client reached an agreement in regard to the relevant details of the respective Transaction.
- 2.15 **Transaction Settlement Date** – the date agreed by the Client and the Bank as the date for the settlement of the respective Spot Transaction.
- 2.16 **Transaction Start Date** – the date agreed by the Client and the Bank as the date on which one (or, as the case may be, both) of the parties to the transaction shall commence the performance of its (their) obligations arising from the respective Transaction.
- 2.17 **Deposit Transaction** – a transaction between the Bank and the Client in which the Client transfers Funds for an agreed period of time to an account designated by the Bank, and for the duration of the Transaction these Funds accrue interest at an individually agreed rate.
- 2.18 **Available Balance on the Account** – the current balance of Funds on the Account plus any authorised overdraft provided (permitted debit balance) and/or less any amount blocked on the Account.
- 2.19 **Small Business** – a legal entity engaged in business which, at the Bank's request, has disclosed or proven that it has less than 10 employees and an annual turnover or an annual balance-sheet total of at most EUR 2,000,000. Fulfilment of these conditions is assessed as of the date of the conclusion of an Agreement on Payment Services with the Bank, and also as of the date of the conclusion of an agreement on the amendment of an Agreement on Payment Services if the purpose of such agreement is solely to reflect a change in the fulfilment of the conditions based on which a legal entity is deemed a small business, or if the Agreement on Payment Services was concluded before 1 November 2009. If, following a request from the Bank, a Client fails to disclose or to prove to the Bank within a reasonable period that it is a small business, it shall apply that the Client is not a small business.
- 2.20 **Documents** - reports, Information, proof of identity, written materials, correspondence or other documents associated with Banking Services which are transferred between the Client and the Bank.
- 2.21 **EU/EEA** – the Member States of the European Union and the European Economic Area (i.e. the EU + Liechtenstein, Iceland and Norway).
- 2.22 **ELB** – electronic banking, an electronic Payment Instrument and also a service of the Bank allowing the use of selected Banking Services (e.g. to create Payment Orders from the Account and send them to the Bank for processing).
- 2.23 **IBAN** (International Bank Account Number) - a bank account number in international format, enabling the unambiguous identification of a user's account number with a respective Provider in a given country (i.e. the complete identification of the account number, including the bank code of the Provider and the country). The use of a Beneficiary's account number in IBAN format is obligatory during the performance of transfers within the EU/EEA and SEPA.
- 2.24 **Information** – information whose Provision or Disclosure to the Client is required under the Payments Act. Information includes, for example, draft versions of Agreements or draft amendments to Agreements and accounting reports.
- 2.25 **Website** – www.ppfbanka.cz or any other web addresses used by the Bank from time to time in connection with the provision of Banking Services.
- 2.26 **Unique Identifier** – the bank details of the Payer and of the Beneficiary; for domestic payments this is the account number, in the national format, which is comprised of the identifier of the account of the Client and the payments code of the Provider where the account is held; for foreign Payment Transactions (i) in the case of transfers to EU/EEA Member States in EU/EEA currencies and SEPA transfers this is the Beneficiary's account number in IBAN format, the Beneficiary's name and the BIC of the Beneficiary's bank, and (ii) in the case of other foreign Payment Transactions this is the standard account number of the Beneficiary, the Beneficiary's name and the Beneficiary's bank in BIC format or the bank's code plus the name and address of the Beneficiary's bank.
- 2.27 **Principal** – the Funds which the Client is to transfer to the Bank during a Deposit Transaction based on an agreement with the Bank.
- 2.28 **Client** – a natural person or legal entity using Banking Services, or a party requesting the provision of a Banking Service. "Client" also means any Agent within the scope of such Agent's authorisation based on a power of attorney.
- 2.29 **Client** – Consumer – for the purposes of these GBC, a natural person, a natural person - sole trader and a Small Business.

- 2.30 **Confirmation** – subsequent written confirmation sent by the Bank to the Client confirming the conditions of a concluded Transaction.
- 2.31 **Specific Business Conditions (SBC)** – business conditions issued by the Bank for particular types of Banking Services.
- 2.32 **Exchange Rate** – the currency exchange rate announced by the Bank.
- 2.33 **Currency** – the currency agreed between the Bank and the Client as the currency in which a respective payment is to be made during a Transaction.
- 2.34 **Nostro Account** – an account of the Bank held with other Providers.
- 2.35 **Civil Code** – Act No. 89/2012, as amended.
- 2.36 **Transaction** – depending on the context, a Deposit Transaction and/or a Spot Transaction.
- 2.37 **Place of Business** – an office of the Bank providing Banking Services.
- 2.38 **Client's Place of Business** – the Place of Business of the Bank managing the Client's contractual documentation for the Banking Services provided.
- 2.39 **Time of Receipt of a Payment Order** – pursuant to the Payments Act, the time at which a Payment Order is received by the Bank or when a stipulated period has elapsed from the transfer of a Payment Order to the Bank, provided that all of the conditions specified for performing the Payment Order have been fulfilled.
- 2.40 **Authorised Party** – a party authorised by the Client to handle Funds on an Account and to perform other acts associated with Banking Services specified in the documents relating to the respective Banking Service; if the Client is simultaneously a person handling the Funds, the Client shall also be listed as the Authorised Party in the relevant documents.
- 2.41 **Party Subject to Identification** – without limitation, the Client and any Representative, Beneficial Owner or Authorised Party.
- 2.42 **Party with a Special Relationship to the Bank** – a party as referred to in Section 19 of the Banking Act, with which the Bank may not perform transactions which, with consideration to their nature, purpose or risk, it would not perform with other Clients.
- 2.43 **Personal Data** – first name, surname, academic degree, address, date and place of birth, sex, personal identification number, contact details, information regarding a Client's creditworthiness and credibility and any other relevant information. Personal Data does not include sensitive personal data within the meaning of the APPD.
- 2.44 **Funds** – banknotes, coins and cashless funds.
- 2.45 **Payer** – the party from whose Payment Account Funds are to be deducted to perform a Payment Transaction, or the party that makes Funds available for the performance of a Payment Transaction; a Payer may also be referred to as an "Originator".
- 2.46 **Payment Instrument** - facilities or a set of procedures agreed between the Bank and a Client and established in relation to the Client, by means of which the Client makes Payment Orders (e.g. a payment card, ELB; however, a Payment Order in paper form is not considered a Payment Instrument).
- 2.47 **Payment Order** – an instruction to the Bank (Provider) by means of which a Payer or Beneficiary requests the performance of a Payment Transaction.
- 2.48 **Payment Service** – a Banking Service constituting a payment service within the meaning of the Payments Act, e.g. transfers of Funds, deposits and withdrawals of cash from Payment Accounts, the issuance, provision and administration of Payment Instruments. Transfers of Funds also include any Cashless Foreign Currency Transactions, with the exception of activities deemed to be investment services within the meaning of the Capital Market Business Act.
- 2.49 **Payment Transaction** – the deposit of Funds to an Account, the withdrawal of Funds from an Account or the cashless transfer of Funds from or to an Account.
- 2.50 **Payment Account** – an account deemed to be a Payment Account within the meaning of the Payments Act, i.e. an account that is used, without limitation, to perform Payment Transactions.
- 2.51 **Specimen Signature** – a printed form specified by the Bank, containing a specimen signature of an Authorised Party allowing the identification of such party for the purpose of handling Funds on the Account and for the purpose of acts associated with Banking Services.
- 2.52 **Provision** – the delivery of Information to the Client in a Durable Medium.
- 2.53 **Provider** – the provider of a Payment Service, including, without limitation to, the Bank, the CNB, other domestic and foreign banks and other institutions defined by the Payments Act.
- 2.54 **Authorisation** – a printed form specified by the Bank, meeting the requirements of a power of attorney, whereby the Client authorises Authorised Parties to carry out acts specified in the Authorisation. In the Agreement on specific Banking Services, the Authorisation for an Authorised Party can also be agreed in a different manner specified in the Agreement.
- 2.55 **Business Day** – a day on which a Payer's Provider or a Beneficiary's Provider performing a Payment Transaction customarily carries out the activities necessary to perform a Payment Transaction, i.e. a day which is not a Saturday, a Sunday, a public holiday or other holiday for either the Payer's Provider or the Beneficiary's Provider.
- 2.56 **Seller** – in relation to a specific Currency, the party to a Spot Transaction which transfers (sells) a specific amount of the given Currency against receipt of an amount of another Currency.
- 2.57 **Business Hours** – the part of a Business Day during which a Payer's Provider or a Beneficiary's Provider performing a Payment Transaction customarily carries out the activities necessary to perform such Payment Transaction.



- 2.58 **Interest Rate List** – a document of the Bank containing an overview of the interest rates on deposits and loans and associated rates. The Bank Discloses the current version at its Places of Business and on its Website.
- 2.59 **Beneficiary** – the party to whose Payment Account Funds are to be credited according to a Payment Order, or to whom Funds are to be made available according to a Payment Order.
- 2.60 **SEPA Payment Transaction** – the cashless transfer of Funds in EUR within the SEPA between Providers connected to the SEPA system, without restrictions on the amount transferred.
- 2.61 **SEPA** – Single Euro Payments Area; the countries of the European Union plus Norway, Switzerland, Monaco, Liechtenstein and Iceland, as well as French Guiana, Guadeloupe, Martinique, Reunion and Gibraltar.
- 2.62 **Beneficial Owner** – within the meaning of the Money Laundering Act a natural person exercising control over the management or operations of a business, or holding more than 25 % of the voting rights of a business, or acting in concert with other natural persons holding more than 25 % of the voting rights of a business, or which, on the basis of other circumstances, is the beneficiary of proceeds from the activities of a business, or any other party meeting the criteria defining a beneficial owner under the Money Laundering Act.
- 2.63 **Agreement** – an agreement on the provision of a Banking Service concluded between a Client and the Bank and all integral parts thereof, including, without limitation to, the GBC, the respective SBC and the Price List.
- 2.64 **Agreement on Payment Services** – any Agreement, regardless of its designation, whose subject matter is the provision of Payment Services (e.g. a Framework Agreement on Payment and Banking Services, an Agreement on a Current Account, an Agreement on the Issuance and Use of a Payment Card).
- 2.65 **Spot Transaction** – a foreign currency transaction between a Client and the Bank with a settlement period of up to 2 Business Days, consisting of the purchase or sale of foreign currency for a specific quantity of Funds in CZK or in a foreign currency at the current exchange rate agreed with the Bank.
- 2.66 **Super Legalisation** – a higher authentication of signatures and official stamps and seals on a public document, with the affixing to the public document of a legalisation clause of a diplomatic mission of the Czech Republic, such clause confirming that the given document was issued or authenticated by an authorised person. Super Legalisation is not required when so stipulated by an international treaty binding on the Czech Republic.
- 2.67 **SWIFT** – the Society for Worldwide Interbank Financial Telecommunication registered in Belgium, which is used by the Bank inter alia for the performance of payments.
- 2.68 **Transactions Outside the EU/EEA** – Payment Transactions (i) from or to a country that is not a Member State of the EU/EEA, or (ii) in Currencies that are not a Currency of an EU/EEA Member State.
- 2.69 **Durable Medium** – any object allowing Clients to store Information individually designated for them so that it may be used for a period sufficient for the purpose of such Information, and allowing the unaltered reproduction of such Information. For the purposes of these GBC, use of a Durable Medium also includes the delivery of Documents and Information via email to an email address specified by the Client.
- 2.70 **Account** – any account of the Client held with the Bank.
- 2.71 **Bank's Account** – the account notified by the Bank to the Client as the account for performing payments in a specified Currency.
- 2.72 **Bank's Account for Transaction Settlement** – the account designated by the Bank to which Funds are to be transferred for the Bank during the Client's performance of its obligations arising under a Deposit Transaction.
- 2.73 **Client's Account** – the account notified by the Client to the Bank as the account for performing payments in a specified Currency.
- 2.74 **Client's Account for Transaction Settlement** – the account designated by the Client to which Funds are to be transferred for the Client during the Bank's performance of its obligations arising under a Deposit Transaction.
- 2.75 **GBC** – these General Business Conditions of PPF banka a.s.
- 2.76 **Act on the Financial Arbitrator** – Act No. 229/2002, as amended.
- 2.77 **APPD** – Act No. 101/2000, on the protection of personal data and amending certain Acts, as amended.
- 2.78 **Payments Act** – Act No. 284/2009, as amended.
- 2.79 **Money Laundering Act** – Act No. 253/2008, on selected measures against the legitimisation of proceeds of crime and the financing of terrorism, as amended.
- 2.80 **Banking Act** – Act No. 21/1992, as amended.
- 2.81 **Representative** – the governing body of a legal entity or members of the governing body of a legal entity who are authorised to represent the legal entity.
- 2.82 **Agent** – a natural person or legal entity authorised by a Client under a written power of attorney to represent the Client in relations with the Bank to the extent specified in such power of attorney and subject to the conditions defined in these GBC, or a party authorised to represent the Client based on legislation or a court ruling.
- 2.83 **Disclosure** – provision of information to a Client allowing the Client to ascertain Information (e.g. on the Website).

### 3. GENERAL PROVISIONS

#### 3.1 Identification and Submission of Documents

3.1.1 During the provision of any Banking Service, and whenever required by the Bank during the provision of a Banking Service, a Party Subject to Identification (i) that is a natural person shall prove his/her identity, (ii) that is a legal entity shall submit documents to the Bank evidencing its establishment and legal existence, in all cases in the manner defined in these GBC or in the manner specified by the Bank for the purpose of identifying and carrying out checks on individual parties and the provision of Banking Services.

3.1.2 Parties Subject to Identification shall submit the original or an officially certified copy of the following documents to the Bank:

- Natural persons – a document enabling the identification of the party, i.e. valid proof of identity;
- Natural persons - sole traders – documents enabling the identification of the party, i.e. valid proof of identity, and a document authorising such party to conduct business (e.g. a trades licence certificate, a business licence, authorisation to conduct the relevant activity – e.g. lawyers, notaries public); where a natural person - sole trader submits an officially certified document, such certification may not be more than 3 months old;
- Legal entity – documents enabling the identification of the legal entity, i.e. valid proof of identity for each of the parties authorised to represent the legal entity, and proof of legal personality (e.g. a certificate of incorporation issued by the Companies Register or a certificate from another public register, a deed of foundation); submitted certificates may not be more than 3 months old for entities registered in the Czech Republic; for entities registered outside the Czech Republic, the certificate may not be more than 6 months old; where a submitted certificate from a public register does not contain all of the details required by the Bank for the identification of the legal entity, the legal entity shall also submit other documents or make representations providing such details;
- in the case of a person registered in a public or a trade licence register (information system of public administration of the Czech Republic), guaranteeing the principle of material publicity, the Bank may procure an electronic original of the certificate from the respective register, in which case the Bank may no longer require the submission of an original or an officially certified copy of the certificate from the register

3.1.3 For the purpose of the provision of Banking Services, the following are customarily regarded as valid proof of identity:

- for Czech citizens – a valid citizen's ID card; the Bank may accept written confirmation of a citizen's ID card issued by the competent

authority as valid proof of identity only if it is submitted together with a valid passport;

- for foreign nationals – a valid passport, a Czech residency permit, or an ID or similar card held by a citizen of an EU Member State.

3.1.4 The Bank assumes no liability for the authenticity, completeness, validity or factual accuracy of the Documents presented by Parties Subject to Identification. The Bank is not obliged to accept a Document in the event that it has doubts about the authenticity or accuracy of such Document. The Bank may request the certification of signatures on Documents provided to the Bank. In the case of Documents submitted in a language other than Czech, the Bank may request the submission of an officially certified translation of the Documents into Czech. The Bank is not liable for any delay in the performance of a Banking Service as a result of the delayed translation of a received Document.

3.1.5 The Bank may require documents issued abroad to bear an Apostille Certificate or to have been Super-legalised, unless the Czech Republic has concluded a treaty with the respective country on mutual legal assistance providing for the mutual recognition of public documents or official stamps of the respective government authority or official (for example, notary, translator, expert).

3.1.6 The parties have agreed that the Bank may

- make and store for its own needs a copy of submitted Documents;
- make and store any chosen form of authentic (written, audio or electronic) record of its communications with the Client, including records and recordings of telephone calls; the Client agrees that any such a record may be used as evidence if needed.

3.1.7 Prior to the provision of a Banking Service the Bank is obliged to verify the identity of Parties Subject to Identification in the manner and scope set out in applicable legislation, including, without limitation to, the Money Laundering Act.

3.1.8 The Bank may also request additional information and proof of facts, including, without limitation, in regard to the source of the Client's Funds, as well as proof of the purpose and nature of a Payment Transaction contemplated or performed.

3.1.9 If requested by the Bank when opening an Account, the Client shall provide information about the purpose of the opened Account and information required by the Bank for tax and accounting purposes, as well as any other information reasonably required by the Bank under legal regulations.

3.1.10 The Bank will record any identification information obtained in the manner specified by the applicable legislation.

#### 3.2 Bank Secrecy, Protection of Personal Data and Client's Consents

3.2.1 All banking transactions and Banking Services, including balances on Accounts, are subject to

bank secrecy in accordance with the Banking Act. The Bank files reports on matters that are subject to bank secrecy without the consent of the Client or an Authorised Party only in the cases and to the extent specified by legislation.

- 3.2.2 For the purposes of providing Banking Services and performing legal obligations the Bank is obliged to collect and to process information about the Client and any Authorised Party, including Personal Data required in order to perform a Banking Service without undue legal or material risks for the Bank. If the Client or an Authorised Party refuses to disclose such information to the Bank, the Bank may refuse to provide the requested Banking Service.
- 3.2.3 The Bank processes the Personal Data of persons who intend to enter into contractual relations with the Bank and the Personal Data of Parties Subject to Identification and of parties securing the Bank's receivables.
- 3.2.4 The Bank processes Personal Data in the scope in which Clients or Authorised Parties have provided such data in connection with requests for the provision of a Banking Service and/or contractual provisions, or, as the case may be, in the scope in which the Bank otherwise obtained such data in accordance with the APPD. Personal Data acquired in this manner will be processed by the Bank for the purposes specified below on the basis of: (i) the performance of agreements and the provision of services, (ii) performance of legal obligations, including transmission to public registers, (iii) the consent of the Client or Authorised Party, primarily for the purposes specified in such consent, e.g. for the protection of important interests and rights of the Client, for the protection of the rights of the Bank, for processing in the interbank information system, for processing in order to ensure the availability of such data to parties and entities which provide services to the Bank and which process data in the name of the Bank, for the purpose of evaluating the Client's creditworthiness and credibility, for archiving in accordance with the law, for the purpose of performing obligations under international treaties on mandatory information provision, for the purpose of offering transactions and services, for the recovery of receivables, for the liquidation of security or other means of collection of accounts receivable from the Client in proceedings before courts, an arbitrator or an administrative authority or in other proceedings, for the purpose of the assignment of an account receivable from the Client to a third party, for the purpose of providing information to providers of security etc.
- 3.2.5 Clients agree that the Bank may send the Client and the Authorised Party marketing materials in written, electronic or other forms for the purpose of offering transactions and services.
- 3.2.6 For the purpose of offering transactions and services, the Bank may transfer the Client's and the Authorised Party's Personal Data among the entities of the PPF financial conglomerate, a current list of which is available on the Website.

- 3.2.7 The Bank may contact the Client and the Authorised Party (i) for the purpose of customer satisfaction surveys, (ii) with offers of transactions and services of third parties.
- 3.2.8 In the cases listed in clauses 3.2.5. to 3.2.7. of these GBC, Clients and Authorised Parties may withhold their consent or may subsequently revoke their consent in writing.
- 3.2.9 By signing an Agreement, Clients expressly consent that (in the case of natural persons) their Personal Data and (in the case of a legal entities) Client data corresponding, in terms of its content, to such Personal Data, as well as the data of all Authorised Parties, which Clients provide to the Bank in connection with the conclusion, during the existence, and upon the termination of such Agreement, may be collected by the Bank or its processing entity and processed thereby in the Bank's information system, including manually, in accordance with the APPD. Personal Data may be disclosed to the Bank's employees, to processing entities with whom the Bank has concluded an agreement on the processing of personal data pursuant to Section 6 of the APPD, or, as the case may be, to other parties as referred to in the APPD, to the parties specified in the Client's consent and to parties authorised under legal regulations.
- 3.2.10 Clients and Authorised Parties consent to the provision of their Personal Data to third parties providing services which form an integral part of the respective Banking Service, and consent to the provision of their Personal Data relating to the creditworthiness and credibility of Clients and/or Authorised Parties to Providers and other entities specified in these GBC.
- 3.2.11 Clients and Authorised Parties consent to the processing and storage of their Personal Data for the purposes referred to in clause 3.2.4. of these GBC for the duration of the contractual relationship based on which the Banking Service is provided, and furthermore for a period of 10 years commencing from the end of the calendar year in which the contractual relationship was terminated, or, as the case may be, commencing from the date as of which all the financial obligations of the Client arising under Agreements concluded with the Bank have been discharged.
- 3.2.12 Clients and Authorised Parties consent to the unencrypted transmission of Personal Data within the meaning of the APPD and information subject to bank secrecy within the meaning of the Banking Act to their specified email addresses or telephone numbers via SMS. By granting this consent, Clients and Authorised Parties also consent that the Bank may send unencrypted Documents to the email addresses or mobile telephone numbers provided to the Bank, in particular in regard to offered transactions and Banking Services, in regard to the performance of Payment Transactions and in regard to balances on Accounts. Clients and Authorised Parties acknowledge that when sending an unencrypted email or SMS neither the Bank nor any of the companies of the PPF group guarantee the protection of the contents of such a message



against potential unauthorised access by third parties during its transmission or delivery.

- 3.2.13 Unless specified otherwise by a legal regulation, consent to the processing of Personal Data is voluntary, and both Clients and Authorised Parties may revoke their voluntary consent at any time. Revocation of consent must be made in writing and delivered to the Bank. The Bank may, without the consent of Clients or Authorised Parties, collect and process Personal Data on the basis of the Banking Act, the Money Laundering Act, the Payments Act, or on the basis of other legal regulations.
- 3.2.14 If Clients or Authorised Parties refuse to grant their consent for the Bank to process Personal Data, revoke such consent, or refuse to provide certain items of Personal Data, and the provision of a specific service is not possible in the absence of such consent or a specific relevant item of Personal Data, the Bank will not provide the respective service.
- 3.2.15 The Bank bears no liability for any damage incurred by third parties due to the disclosure of messages sent to a telephone number or email address provided by a Client or Authorised Party.
- 3.2.16 Should Clients or Authorised Parties request information from the Bank in regard to the processing of their Personal Data, the Bank is obliged under the APPD to provide such information to them without undue delay.
- 3.2.17 In the event that Clients or Authorised Parties discover that the Bank, or another entity to whom their Personal Data have been disclosed, has breached any of its obligations under the APPD, they may seek remedies from the Bank or may file an application to the Office for Personal Data Protection ([www.uouu.cz](http://www.uouu.cz)) for the ordering of remedial measures.
- 3.2.18 Clients and Authorised Parties confirm that they have been informed of the right to access their Personal Data according to Sections 11 and 12 of the APPD, have been informed of who will process their Personal Data and how, and have been informed by the Bank of their rights in relation to the Bank according to Section 21 of the APPD.
- 3.2.19 The provisions of this Part B of these General Provisions concerning Clients and Authorised Parties also apply to any other Parties Subject to Identification *mutatis mutandis*.

### **3.3 Changes of Data, Loss of Documents, Information Obligation**

- 3.3.1 Clients are obliged to inform the Bank without undue delay of any changes in their identification data or, as the case may be, any other data provided to the Bank in connection with any Banking Service. In particular, Clients are obliged to notify the Bank of any change in their first name or surname, their company name or business name, the address of their permanent residence or registered office, changes in their governing body, its composition and/or any changes in Representatives or Authorised Parties of Beneficial Owner, as well as any changes in Personal Data

relating to whether the Client, Representatives or Authorised Parties of Beneficial Owner are politically exposed persons or Parties with a Special Relationship to the Bank, changes in telephone and fax numbers, email addresses or postal addresses used for contact purposes.

- 3.3.2 Clients must evidence any registered change by means of the relevant documents. The Bank is not obliged to give consideration to any notifications which, in the opinion of the Bank, are not adequately evidenced by documentary proof of the reported change (e.g. proof of identity, certificates issued by the relevant register etc.). In the cases referred to above, the parties are obliged to submit the certificate from the relevant register confirming that the change has been made or proof of the rejection of such a change to the Bank without delay. Where a registration authority rejects a petition for the registration of a party authorised to bind the respective legal entity in the capacity of its governing body, such party's installation in the position shall be deemed to have never taken place and the Client is obliged to make the relevant amendments to contractual documents. The Bank is not liable for any damage incurred by the Client due to the breach of this obligation.
- 3.3.3 In the case of a person registered in a public register (information system of public administration) maintained by registry courts of the Czech Republic, guaranteeing the principle of material publicity, the Bank may procure an electronic original of the certificate from the public register, in which case the Bank may no longer require proof of the respective change by the submission of an original or an officially certified copy of the certificate from the register.
- 3.3.4 Clients are also obliged to immediately notify the Bank and provide proof of any facts or circumstances that could influence the performance of the rights and obligations of the Client or the Bank under Agreements, in particular in the case of the termination of the Client's business activities, the Client's entry into liquidation, the instigation of insolvency, distraint or enforcement proceedings in respect of the Client's assets, the transformation of the Client or any change in the Client's legal form.
- 3.3.5 Clients and Authorised Parties are obliged to notify the Bank without undue delay of the loss or theft of Documents relating to any Agreement and Banking Services provided, of any Documents, Payment Instruments, or means of identification and/or authorisation used by the Client or Authorised Parties (e.g. personal documents, stamps, electronic means of identification, payment cards and chequebooks).
- 3.3.6 The Client is obliged to promptly inform the Bank in the event that he suspects that required or realized Payment transactions could include sanctioned goods, trade with sanctioned countries or persons within the meaning of the Money Laundering Act.
- 3.3.7 The Client's information obligation shall be performed via the Client's Place of Business, via ELB, or by telephone, in all cases in accordance



with the conditions of the respective Banking Service.

#### **3.4 Acts of the Client and the Bank**

- 3.4.1 Clients act and perform legal acts in relation to the Bank in person, through their Representatives in the case of legal entities, or through their Agents.
- 3.4.2 The Bank may verify the authorisation of any party representing a Client. The Bank may refuse or defer the performance of any order or request until the Bank considers it indisputable that the relevant party is indeed authorised to act for or represent the Client in the given matter. The Bank is not liable for any damage incurred by the Client due to the refusal or deferral of the performance of any such order or request.
- 3.4.3 The Bank acts and performs legal acts through its governing body, its delegated employees or duly authorised third parties.
- 3.4.4 The signatures of Clients or Representatives on Documents relating to the contractual relationship with the Bank must be executed before a Bank employee, or must be officially certified if in a specific case the Bank will accept no other method of authentication. The Bank may specify documents which must be signed by an Authorised Party as per the Specimen Signature.
- 3.4.5 The signatures of Clients on powers of attorney must be executed before a Bank employee or must be officially certified. Where legislation does not stipulate a specific form for the validity of a power of attorney (e.g. a notarial deed), the power of attorney granted by the Client to the Agent must be definite and duly signed by the Client.

#### **3.5 Delivery of Documents**

- 3.5.1 Unless the Bank notifies a different address, or agrees with the Client on a different method of delivery to the Bank in an Agreement, Clients shall deliver Documents for the Bank to the Client's Place of Business.
- 3.5.2 The Bank delivers Documents either to the address that the Client specified for the purposes of delivery in the relevant Agreement or via ELB. Clients may also agree with the Bank that Documents shall be delivered by courier service, fax, email, via an Authorised Party or in some other manner.
- 3.5.3 The Bank may specify Documents which must be delivered via registered mail or to the Client only by restricted delivery mail. The Bank sends such Documents to the Client to the address specified in the Agreement.
- 3.5.4 Documents sent by the Bank are deemed delivered upon receipt. Otherwise, Documents sent by the Bank through a postal service provider shall be deemed delivered on the third Business Day following the day of sending, unless the opposite is proved or unless agreed otherwise. Where receipt is refused or Documents are returned as undeliverable, the date of shall be deemed to be the date that the postal item is returned to the Bank, including in cases where the Client was

unaware that Documents were awaiting collection. Other Documents shall be deemed delivered to the Client on the 8th Business Day after sending.

- 3.5.5 In the event that the refutable presumption of delivery has been applied repeatedly (i.e. at least twice) under clause 3.5.4 of these GBC, Clients agree that the Bank may change the method of delivery of all further Documents to personal collection at the Client's Place of Business.
- 3.5.6 Clients may agree with the Bank that Documents for the Client are to be forwarded to the Client's Place of Business for personal collection. In such a case, Documents are deemed delivered upon being deposited, pending collection, at the Client's Place of Business, unless agreed otherwise. Where such Documents are not collected for a period of more than 6 months, the Bank may send them by mail to the Client's address at the Client's expense.
- 3.5.7 Documents sent to Clients by email are deemed delivered at the time of sending, unless agreed otherwise for, or in connection with, the respective Banking Service.
- 3.5.8 Documents delivered via ELB are deemed delivered when loaded and displayed to users in ELB.
- 3.5.9 Documents sent by fax are deemed delivered upon the generation of a confirmation of successful transmission by the sender's device.

#### **3.6 Communication between the Bank and Clients**

- 3.6.1 Clients and the Bank shall communicate via each Client's Place of Business, unless agreed otherwise with a Client.
- 3.6.2 Communication between the Bank and Clients in the context of their contractual relations shall be carried out in Czech, unless agreed otherwise.
- 3.6.3 Where Documents are also prepared in other language versions, the Czech version shall at all times prevail, unless agreed otherwise.
- 3.6.4 Where the Bank considers it appropriate, the signatures of parties authorised to represent the Bank may be substituted by printed or mechanical means; this shall apply particularly in the case of mass mailed correspondence with Clients, or in the case of documents automatically generated by the Bank (e.g. reminders, notifications, notices).
- 3.6.5 Clients and the Bank may agree to communicate via ELB or other electronic means.
- 3.6.6 During telephone communication between the Bank and Clients, the Client and the Bank are obliged to identify themselves in the agreed manner or in a manner giving rise to no doubts as to the identity of the party conducting the respective communication.

#### **3.7 Complaints**

- 3.7.1 Complaints are handled in accordance with the Bank's Complaints Code. The Complaints Code is available at Place of Business and on the Website.
- 3.7.2 If a Client's complaint regarding a Payment Transaction carried out or a Client's demand for

other remedies from the Bank in connection with the performance of Payment Transactions is rejected, the Client has the right to forward the matter to the financial arbitrator, who decides disputes between Providers and their clients under the Act on the Financial Arbitrator.

3.7.3 The Bank shall keep, within the meaning of the Banking Act, internal records making it possible to track Payment Transactions and to correct any mistakes. Clients and Authorised Parties shall continuously check executed Payment Transactions inter alia for the possibility of raising complaints on time.

### 3.8 Insurance of Deposits

3.8.1 Receivables arising from deposits on an Account held in Czech crowns or in a foreign currency, including interest, are insured in accordance with the Banking Act. The system for the insurance of deposits does not cover deposits of financial institutions, health insurers and government funds, promissory notes or other securities.

3.8.2 Detailed information regarding the insurance of deposits is available at the Bank's Places of Business and on the Website.

3.8.3 Where a party other than the Client is the owner of the Funds on an Account, compensation for an insured deposit receivable will be provided to the beneficial owner of such Funds; however, the Client is obliged to notify the Bank of this fact when opening the Account, or, as the case may be, at the earliest subsequent handling of an already existing Account. Clients are obliged to provide the Bank with the identification data of any beneficial owner of Funds on an Account in the scope specified by the Banking Act.

3.8.4 Until the Bank is informed otherwise by a Client in writing, the Client is considered to be the owner of the Funds deposited on an Account. This provision does not apply in the case of special Escrow Accounts.

### 3.9 Taxes

3.9.1 The Bank deducts income tax in the amount specified by applicable Czech legislation.

3.9.2 Where Clients' permanent residence is outside the Czech Republic and the applicable international agreement exists on the avoidance of double taxation by which the Czech Republic is bound and Clients ask the Bank to apply this agreement, they must submit the original (officially verified copy) of a document proving their tax residence, issued by the competent tax authority (the so-called tax domicile). The Bank shall withhold income tax in the amount complying with the relevant international convention following the submission of this document by Clients and its acceptance by the Bank. Clients agree to submit to the Bank such a document every year throughout the term of the contractual relationship, at all times by 31 January.

3.9.3 Clients acknowledge that should they fail to submit such tax residence document to the Bank, taxation

will be applied to them without the relief provided for in the respective double taxation conventions.

### 3.10 Fees for Banking Services Provided, Receivables from Clients

3.10.1 Charges and fees (hereinafter "Fees") for Banking Services provided are levied by the Bank according to the Price List valid at the time of providing the respective Banking Service on a monthly basis as of the last Business Day of the month in which the reason for levying such Fees occurred, or potentially on a monthly basis for the preceding month. Fees are debited from an Account agreed upon with the Client.

3.10.2 The Bank is entitled to collect Fees from an Account by direct debit and to carry out the payment of any and all of its receivables from the Client, regardless of whether the relevant amount is covered by the available Funds on the Account, and may do so with priority over other payments of the Client.

3.10.3 Fees for services not listed in the Price List may be specified in an Agreement or otherwise agreed with the Client. The amounts of Fees for Banking Services, as well as the date of their debiting from the Account, may also be agreed on an individual basis.

3.10.4 Clients expressly represent and agree that the Bank may set off any of its receivables arising under contractual relations entered into with the Bank, whether due, not yet due or statute-barred, which have not been paid by a Client in a due and timely manner, against the Client's receivables from the Bank, both due and not yet due, resulting from any Account of the Client held with the Bank.

3.10.5 Clients are not entitled to set off any receivables against the Bank's receivables arising under an Agreement concluded with the Bank, or to assert any right of retention.

3.10.6 Clients may not assign their rights in relation to the Bank or assign or pledge their receivables from the Bank without the prior express written consent of the Bank.

3.10.7 The Bank shall have the right to assign the rights and obligations arising from an Agreement or a part thereof to a third party. Clients hereby grant the Bank their express consent to such assignment. The assignment of the Agreement shall become effective in respect of the Client at the moment of the delivery of the notice of Agreement assignment by the Bank to the Client or at the moment when the third party proves to the Client the assignment of the Agreement. The Bank and Clients agree that Section 1899 of the Civil Code, providing that in the case of the assignee's failure to perform the accepted obligations the Client may demand that the Bank performs such obligations in lieu of the assignee, shall not be used.

3.10.8 The parties have agreed that, where not contrary to law, any and all rights of the Bank in relation to Clients and receivables of the Bank from Clients shall become statute barred ten years from the date

on which the Bank could for the first time have exercised them or claimed their payment.

3.10.9 The Bank may deduct Funds from an Account without receiving an order from the Client in cases including, without limitation to, the following

- when levying Fees for Banking Services and associated services;
- when making due payments of interest to which the Bank is entitled;
- when carrying out corrective settlement as a result of its own incorrect settlement of transactions or incorrect settlement on the part of another entity in accordance with applicable legislation;
- when processing payments made by the Client using cheques and bank payment cards;
- when deducting tax in accordance with legislation;
- when performing the Bank's statutory obligations during the settlement of mutual receivables and liabilities prior to the closing of an Account;
- when returning the amount of an authorised direct debit Payment Transaction to the account of the Payer's Provider based on a request made thereby in accordance with the Payments Act;
- when carrying out the payment of any other receivable from the Client;
- when returning any pension payments or other statutory benefit payments in cases where the Beneficiary's entitlement to such payments has lapsed and the Payer has requested the return of the payment;
- when covering payments from abroad in cases where the Payer's Provider does not transfer Funds to the Bank;
- in other cases specified in legislation or applicable Agreements.

### 3.11 Clients' Orders and Requests

3.11.1 The Bank will only carry out orders and perform requests which are complete, comprehensible, clear, formally correct and made in accordance with the agreed conditions.

3.11.2 Irrespective of the fact that the conditions of clause 3.11.1. of these GBC have been met, the Bank may

- reject an order that is not completed legibly, or contains details which have been crossed out or corrected, or has been completed using an ordinary pencil;
- reject an order if only a photocopy thereof is submitted;
- refuse to perform an order or a requested task if there are serious operational and technical reasons for doing so; in such a case, the Bank

will endeavour to find an acceptable solution for both the Client and the Bank;

- refuse to perform an order or a requested task if the performance of such an order or task would be contrary to applicable legislation;
- suspend or refuse the performance of an order or the processing of a request if the Bank has reasonable concerns that Clients will not be able to meet their obligations towards the Bank, or if the Bank has outstanding receivables from the Client which are past due;
- suspend or refuse the performance of an order in the event of the Bank has suspicions of fraud, money laundering or the financing of terrorist activities;
- suspend or refuse the performance of an order in compliance with its duties during the enforcement of international sanctions.

3.11.3 Clients are to submit orders and requests using the Bank's forms or using other printed materials which are acceptable to the Bank, i.e. in particular which contain all the mandatory formal requirements. Clients can also deliver orders and requests to the Bank via ELB in the scope and under the conditions set out in the respective SBC.

3.11.4 Clients' orders and requests delivered in paper form:

- must not be signed using an ordinary pencil or in black ink;
- must be signed in the agreed manner, i.e. by the Client or by an Authorised party, depending on the type of order;
- must, in the event that an Authorised Party is signing, unless agreed otherwise, be signed as per the Specimen Signature, i.e. the signature, the manner of handling funds on the Account and any stamp or other agreed protective elements must match;
- must not have signatures overlapping with any stamp, if used.

3.11.5 The Bank may reject any orders signed contrary to the provisions of clause 3.11.4. of these GBC.

3.11.6 The Bank is not liable for any damage in the event of the forgery or abuse of signatures, stamps, Security Elements or other protective elements if the Bank was unaware of this fact.

3.11.7 The Bank may check the identity or request proof of the identity of any party submitting an order or request.

3.11.8 Unless specified otherwise in these GBC or the respective SBC, Clients may amend or cancel their orders or requests only upon agreement with the Bank and provided that this is not precluded by law.

### 3.12 Sale and Purchase of Funds in Foreign Currencies, Conversion

3.12.1 For the sale and purchase of foreign currencies the Bank uses the Exchange Rate stated in the Bank's

exchange rate list valid as of the date/time of accounting the respective transaction. This also applies to the fees for services provided.

3.12.2 The Bank performs the following operations for Funds in foreign currencies in cashless form:

- sells them for Czech crowns using the “non-cash currency sell” rate;
- buys them for Czech crowns using the “non-cash currency buy” rate.

3.12.3 The Bank performs the following operations for Funds in foreign currencies in cash form:

- sells them for Czech crowns using the “cash currency sell” rate;
- buys them for Czech crowns using the “cash currency buy” rate.

3.12.4 Fees for services provided are converted using the “median” Exchange Rate.

3.12.5 The Bank converts between foreign currencies via Czech crowns using the procedure defined in clauses 3.12.2. and 3.12.3. of these GBC.

3.12.6 In cases where an unauthorised Payment Transaction has been performed using a lost, stolen or abused Payment Instrument of a Client – Consumer or using lost, stolen or abused Security Elements, for the purpose of the conversion the Bank uses the CNB exchange rate valid as of the date of the reporting of the loss, theft or abuse of the Payment Instrument and/or Security Elements to the Bank.

3.12.7 The exchange rate list is effective from the time of its publication by the Bank at Places of Business and/or on the Website. Changes to currency exchange rates are not notified to the Client beforehand. The Bank may make changes to the exchange rate list during the course of the day at its sole discretion.

3.12.8 The History of the Bank’s exchange rate list is available on the Website ([www.ppfbanka.cz](http://www.ppfbanka.cz)) and at the Bank’s Places of Business.

## 4. CONTRACTUAL RELATIONS

### 4.1 Formation of Agreements

4.1.1 The Bank and Clients enter into contractual relations based on their mutual agreement. Where required by law or requested by either a Client or the Bank, Agreements must be made in written form. The Bank may refuse to provide a Banking Service, and may do so without cause. Unless specified otherwise, Agreements are concluded for an indefinite period.

4.1.2 Signing of an Agreement, or an addendum thereto, is also deemed to include any forms of assent to the text of the Agreement which are agreed upon between a Client and the Bank or are specified in applicable legislation (such as electronic signatures or assent expressed during communication by telephone, and signatures in an electronic PDF version of the given document, or assent granted through the secure ELB channel).

### 4.2 Amendment of Agreements

4.2.1 The Bank may propose amendments to these GBC, any SBC and the Price List. The Bank will Provide and/or Disclose to Clients Information on any proposed amendment to these GBC, any SBC and the Price List which relates to currently provided Banking Services no less than 2 months prior to the proposed date of effectiveness, including Information in regard to such proposed date of effectiveness. In the event of any newly provided Banking Services, the Bank may add such new Banking Services to these GBC, the respective SBC and the Price List, and Provide or Disclose Information regarding the addition and its effectiveness to Clients.

4.2.2 The Bank Provides Clients – Consumers with Information on any amendment, along with the proposed text of these GBC, the respective SBC and the Price List, in the agreed manner (e.g. by email or via ELB) in a Durable Medium.

4.2.3 The Bank informs other Clients of proposed amendments to these GBC, any SBC and the Price List in accounting reports or by other suitable means, at the same time providing information about the proposed effective date. The Bank Discloses the proposed texts to Clients. Clients are obliged to familiarise themselves with the proposed texts either at the Bank’s Places of Business or via the Website, on which the Bank is obliged to publish and make the proposed texts available.

4.2.4 If a Client does not reject a proposed amendment in writing at the latest as of the Business Day preceding its date of effectiveness, the Client is considered to have accepted the proposed amendment to these GBC, the SBC and the Price List along with the date of effectiveness proposed by the Bank. The Bank shall expressly advise Clients of this implication in notices of amendments to the GBC, SBC and the Price List.

4.2.5 The procedure according to clauses 4.2.1. to 4.2.3. of these GBC and the right of termination according to clauses 4.2.6. and 4.2.7. of these GBC also apply in the case of other amendments to an Agreement proposed by the Bank, unless the Agreement states otherwise.

4.2.6 With the exception of Clients – Consumers, the Bank has the right to terminate an Agreement with immediate effect if a Client rejects a proposed amendment to these GBC, the respective SBC and the Price List in writing, unless the Agreement states otherwise. Notice of termination becomes effective upon delivery to the Client.

4.2.7 In the event that a Client rejects a proposed amendment to these GBC, any SBC and the Price List in writing, the Client may terminate the Agreement on Payment Services without charge and with immediate effect. Notice of termination must be made in writing and delivered to the Client’s Place of Business prior to the date of effectiveness of the proposed amendment.

4.2.8 In the event that a Client – Consumer rejects a proposed amendment to these GBC, any SBC and



the Price List in writing but does not terminate the Agreement on Payment Services, the written rejection of the proposed amendment shall be deemed by the Bank to be a notice of termination of the Agreement on Payment Services from the Client. Such notice of termination shall be effective as of the date of effectiveness of the proposed amendment.

#### 4.3 Termination of Agreements

4.3.1 Clients may terminate an Agreement on Payment Services at any time in writing, even if where concluded for a definite period. Notice of termination is effective on the next Business Day following the date of its delivery to the Bank, unless a later date is specified by the Client in the notice of termination or a different notice period is agreed. The Bank will deem notice of termination served on an Agreement on an Account *inter alia* upon the delivery of a relevant Order to Close an Account. Where other Banking Services have been provided in connection with the Account, notice of termination shall be effective as of the completion of the last Banking Service provided by the Bank; however, at the latest 30 calendar days after the delivery of notice of termination to the Bank.

4.3.2 The Bank may terminate an Agreement on Payment Services concluded for an indefinite period at any time in writing, including without cause. Notice of termination is effective on the last day of the second calendar month following the month in which notice of termination was delivered to the Client, unless a shorter notice period is agreed.

4.3.3 Upon the expiration of the last specific Agreement concluded between the parties in accordance with a Framework Agreement on Payment and Banking Services the Framework Agreement on Payment and Banking Services itself shall also automatically expire, unless agreed otherwise.

4.3.4 Upon the expiration of a Framework Agreement on Payment and Banking Services the specific Agreements concluded between the parties in accordance with such Framework Agreement on Payment and Banking Services shall automatically expire.

4.3.5 The Bank may withdraw from an Agreement in the event that Clients materially breach their contractual or statutory obligations in connection with Banking Services, or if the Bank discovers any other significant facts or circumstances as a consequence of which Clients' ability to duly meet their obligations is seriously jeopardised. An Agreement shall terminate upon withdrawal as of the delivery of the notice of withdrawal to the Client in accordance with article 3.5. of these GBC, or within a different period specified by the Bank.

4.3.6 The Bank considers a material breach of obligations under an Agreement to have occurred in cases including, without limitation to, the following

- failure to comply with the terms and conditions of the Agreement;

- statement of false information;
- unauthorised overdrawing of an Account;
- refusal by a Client or Authorised Party to provide information regarding the source of Funds or other information which the Bank is obliged to ascertain;
- where the Bank reliably finds that a Client's authorisation to conduct business has expired, if the respective Agreement was concluded on the basis thereof.

4.3.7 Clients and the Bank may also terminate an Agreement by written agreement.

4.3.8 Where an Agreement has been concluded for a definite period, the Agreement shall cease to be effective upon the expiry of the agreed period.

4.3.9 The Bank may, during a notice period, block a part of the Funds on an Account in the amount of any expected debit interest, costs associated with the settlement of the Account and Fees.

4.3.10 Unless agreed otherwise, the Bank and Clients are obliged to settle their mutual receivables and liabilities prior to the termination of their contractual relations. In such a case, the Bank will refund a proportionate part of the Fees for Banking Services only where expressly required by law or provided for under the respective Agreement.

#### 4.4 Death of Clients - Natural Persons

4.4.1 An Agreement on Payment Services does not expire upon the death of a Client.

4.4.2 The Bank will continue with the performance of Payment Transactions based on Payment Orders made by the Client to the Bank.

4.4.3 If it is proved to the Bank that a Client has died, on the following day it will stop those Payment Transactions which the Client specified were to be stopped by the Bank upon the Client's death.

4.4.4 Authorisations granted by a Client to handle Funds do not expire upon the Client's death unless their content indicates that their duration is limited to the Client's lifetime.

4.4.5 If it is reliably proven to the Bank that a personal representative in probate has been appointed who is authorised to manage the Funds of the deceased Client, such personal representative shall have the rights and obligations of the Client and the Bank shall be governed by the orders thereof.

4.4.6 All other agreements relating to Banking Services shall remain in force, unless their content indicates that their duration is limited to the Client's lifetime. Upon the conclusion of probate proceedings the Bank will administer Funds in accordance with the court ruling on the confirmation of inheritance.

4.4.7 In the event of a Client's death, the Bank is entitled to debit Fees from the Client's Account for account management and for the other forms of payment contemplated by these GBC, the CBC and the Price List.

- 4.4.8 If the Bank reliably learns that a Client has died, and as of that date there is a debit balance on the Account, the respective Agreement on an Account shall expire on the next subsequent Business Day. The Agreement on an Account shall also expire if the Account goes into debit at any later date; in which case it shall expire on the next Business Day following the date that the Account went into debit.
- 4.4.9 The provision of clause 4.4.8. of these GBC does not apply if the Account went into debit due to an authorised overdraft or line of credit for the Client.

## 5. SPECIAL PROVISIONS

### 5.1 OPENING, MAINTENANCE AND CLOSING OF ACCOUNTS

#### 5.1.1 Opening an Account

- a) The Bank opens Accounts for Czech nationals, foreign nationals, legal entities and natural persons of legal age on a standard basis. The Bank does not open anonymous Accounts or joint Accounts for more than one Client.
- b) The Bank opens and maintains Accounts in Czech crowns and in the foreign currencies stated in the Price List, or potentially in other currencies based on an agreement between the Bank and the Client. All operations are carried out in the currency of the Account.
- c) When opening an Account, Clients are obliged to provide the Bank with information about the purpose of the opened Account and information required by the Bank for tax and accounting purposes, as well as any other information reasonably required by the Bank under legal regulations. Accounts opened and maintained
- for natural persons not engaged in business are designated solely for personal, non-business purposes;
  - for natural persons - sole traders are designated solely for business purposes;
  - for legal entities are designated solely for business purposes only or for the purposes for which such legal entities were established.
- d) When opening an Account, the Bank may specify a minimum initial deposit and/or the minimum Account balance as per the Price List.
- e) Part of the identification data for an Account is its name, which generally includes the first name and surname or the company or business name of the Client.
- f) The Bank allocates a Unique Identifier to each Account, which both the Bank and Clients are to reference during their communications regarding the Account. If required by law or due to serious operational reasons allowing the Bank no other option, the Bank may change the Unique Identifier at its sole discretion. The Bank will inform Clients of this fact in writing within a reasonable period, at the latest 2 months prior to the effectiveness of the change. The Bank is not liable for any costs

incurred by Clients due to the change of their Unique Identifier.

#### 5.1.2 Handling of Accounts and Funds on Accounts

- a) The handling of an account means the opening of the Account, the authorisation of Authorised Parties, restricting the handling of Funds on the Account and the amendment and termination of the respective Agreement on an Account. Only Clients are authorised to handle an Account.
- b) Only Clients – natural persons and Authorised Parties are authorised to handle Funds on an Account.
- c) Funds on an Account may be handled only up to the amount of the Available Balance on the Account. In the event of any unauthorised debit balance on an Account, the Client is obliged to credit the overdrawn amount to the Account without delay.
- d) The Available Balance outside of Business Days already reflects any transactions and limits where the respective payment date falls on the next subsequent Business Day (e.g. Funds may already be blocked for a loan repayment, for the performance of a Payment Transaction based on a standing order, a term deposit may mature, the validity period of an authorised overdraft on the Account may end etc.).
- e) The Bank may restrict the handling of Funds on an Account at its sole discretion if this procedure is required by laws and regulations of general application, or where this is in accordance with these GBC or other Agreements or conditions agreed between the Bank and the Client.
- f) In the event that restrictions are placed on the handling of Funds on an Account due to the enforcement of a decision by the garnishment of funds from a Client's Account, the Bank may block an amount on an account held in a foreign currency equal to the amount of the garnished funds plus 5% to cover any exchange rate differences.

#### 5.1.3 Interest on Accounts

- a) Under these GBC the Bank and Clients have agreed that the Bank will calculate interest for Accounts at an annual interest rate (p.a.) specified by the Bank based on the reference interest rates announced by the CNB, the Bank's business policy and interest rate trends on financial markets. Interest rates are announced in the Interest Rate List.
- b) Interest will accrue on the balance of an Account from the date that Funds are credited to the Account until the day preceding the debiting of the Funds from the Account.
- c) Interest is calculated based on the daily credit or debit balance on the Account for the relevant time period, based on the actual number of days and a 360 day year. Interest is calculated to 2 decimal places and is credited to or debited from Accounts on a monthly basis, at all times as of the last day of the month. Where daily interest is less than 0.01 in

the currency of the Account, it is rounded down and does not accrue on the Account. Where the interest rate is set on the basis of a difference from the reference rate of interest and the resulting rate of interest would be negative, the Bank will not credit interest to the account.

- d) In the event that the Available Account Balance shows an unauthorised overdraft, the Bank charges penalty interest on the debit balance at the rate stated in the Interest Rate List.
- e) The Bank may make an individual arrangement with a Client regarding the interest rate for an Account or the date of the accounting of interest either in the respective Agreement or by agreement with the Client.
- f) The parties agree that the Bank may amend the Interest Rate List at its sole discretion and may Disclose the new text to the Client at the latest as of the date of its effectiveness.

#### 5.1.4 Accounting Reports

- a) The Bank informs Clients about the balance of Funds on Accounts and about the performance of Payment Transactions by means of accounting reports. Accounting reports take the form of printed Account statements or Account statements in electronic form produced by the Bank, or account statements in electronic format generated by Clients using ELB – Homebanking (“HB”) from information transmitted to HB by the Bank.
- b) The frequency and manner of delivering Account statements are agreed with Clients in the respective Agreement. For Clients – Consumers, the Bank’s standard procedure is to Disclose statements from Payment Accounts on a monthly basis by sending them in electronic format free of charge.
- c) The Bank shall also produce Payment Account statements at the agreed frequency even in the case that no payment is credited or debited to the Account for the agreed period, while in respect of Payment Account statements generated by Clients through HB from information transmitted to HB by the Bank and in respect of other accounts the statements shall only be produced in the case that a transaction is credited or debited in the agreed period..
- d) The Bank may also potentially inform Clients and/or Authorised Parties about the balance of Funds on an Account by telephone after provision of the agreed password and Unique Identifier. Account statements may be provided in person to the Client, an Authorised Party, or the parties which the Client has authorised to take receipt of statements in Specimen Signatures.
- e) Upon the receipt of Account statements, Clients are obliged to check the accuracy of the accounting and to notify the Bank immediately of any irregularities
  - in the case of Payment Transactions on a Payment Account, Clients are obliged to notify the Bank of any unauthorised or incorrectly

performed Payment Transactions without undue delay upon discovering them; at the latest, however, within 13 months of the date that the Funds were debited from the Payment Account;

- in all other cases, Clients are obliged to report any irregularities at the latest within 3 months of the occurrence of the error.
- f) Upon the lapse of the periods according to the preceding clause, the Client’s rights and the Bank’s corresponding obligations will lapse, with the exception of cases where the Bank failed to Provide or Disclose Information about the relevant Payment Transaction.
  - g) In the Account statement as of 31 December of the current year, the Bank will submit a request to Clients to approve the balance of Funds registered on the Account, or will submit a Notification of the balance of the Account or the deposit as of 31 December. If the Client does not make any statement with regard to the balance within the specified period, the Bank may consider the notified balance approved by the Client for the purposes of the reconciliation of Accounts.

#### 5.1.5 Administration of Deposited Contributions prior to Company Incorporation

- a) In cases where the Bank opens a special escrow account for the depositing of monetary contributions into the capital of a legal entity being established prior to its incorporation, the Bank will request the parties authorised to represent such legal entity (hereinafter referred to as the “contribution administrator”) to submit as proof the valid original, or an officially certified copy, of the memorandum of association or deed of foundation, and a representation from the Client that the Funds have been deposited as contributions prior to the incorporation of the legal entity, as well as any other documents evidencing the establishment of the legal entity and its representatives (e.g. a testamentary disposition or foundation charter in the case of foundations). The value and currency of such deposits must be stated in the memorandum of association or deed of foundation. The Bank will issue a certificate to the contribution administrator confirming the depositing of each monetary contribution when the respective amount has been credited to the special escrow account. No Specimen Signatures are created for the account, and the paid contributions cannot be handled until the legal entity is incorporated in the relevant register, or, as the case may be, until the date of the submission of a final decision of the respective registration authority rejecting the application for the incorporation of the legal entity being established, unless it is proven that the Funds are to be handled to cover the payment of establishment costs or to return contributions to subscribers.

### 5.1.6 Closing Accounts

- a) Prior to the closing of an Account, Clients are obliged to return to the Bank, within the periods specified by the Bank, any items entrusted to them, unused cheques, chequebooks or other printed materials, and any instruments that the Bank provided to them in connection with provision of a Banking Service.
- b) In cases where distraint has been ordered in respect of an Account, notification of the closure of the Account made by the Client will become effective only upon the completion of the distraint proceedings relating to the Account, unless the Bank and the Client expressly agree otherwise in a specific case.
- c) Upon the closure of an Account the Bank will automatically stop all currently valid standing Payment Orders and any other Banking Services set up for the Account.
- d) If a procedure for settling the Account balance is not agreed in the respective Agreement and the Client does not inform the Bank in its notification of closure as to how the Account balance should be disbursed, or if the Client does not collect the balance at the Bank in cash, the Bank will close the Account and the balance will be kept on the Bank's books without accruing further interest. In cases where the Bank itself serves notice of termination on an Agreement and closes an Account, the Client is sent a Notification of the Closing of an Account stating the date on which the Account was closed.
- e) Any Payment Transactions crediting funds to the Account after its closing are returned by the Bank to the Payer.

## 5.2 BANKING SERVICES

### 5.2.1 Accounts

Accounts under the Framework Agreement on Payment and Banking Services

- a) **Payment Account** - an account in Czech crowns and/or a foreign currency held for a natural person, a natural person - sole trader or a legal entity, for which associated Banking Services may be agreed.
- b) **Escrow Account** for notaries public, lawyers or distrainers – a special account for the depositing of Funds accepted into escrow from Clients of the Bank.
- c) **Account for insolvency administration** – an account for the depositing of Funds obtained from the assets of insolvents.
- d) **Deposit Account** – accounts for Term Deposits.

Other selected accounts

- e) **Special Account** – accounts for increasing companies' capital, for the payment of contributions upon the establishment of commercial companies, for the payment of endowment of foundations, for the deposit of the

bond required for the licensing and operation of lotteries.

### 5.2.2 Transfer of Pension Payments to an Account

- a) The Bank enables the payment of pensions to Payment Accounts of natural persons held in CZK.
- b) Applications to set up the transfer of pension payments from the Czech Social Security Administration or other social security authority to a Payment Account may be made by Clients on their own behalf, or made through Clients, with their consent, by their spouses. At the request of Clients, the Bank will confirm the application using the prescribed form.
- c) Upon the competent authority's request, the Bank will, without seeking the Client's consent, return any pension payments already not due but made, up to the amount of the available balance on the Account.

### 5.2.3 Postal Money Orders

- a) The Bank accepts Czech Post's printed "Money Order A" forms made out by the Client for the deposit of cash in an amount of up to the equivalent of EUR 1,000 (payment of administrative fines, fees etc.).
- b) To perform cashless payments the payment order pre-printed on the reverse of the postal money order may be used.
- c) The Bank does not provide postal money orders for cash deposits at Czech Post offices. If Clients wish to use postal money orders for deposits at Czech Post offices to an account held with the Bank, they must procure printed copies of these orders. At the Client's request, the Bank will certify the accuracy of the details on the order form for printed copies of postal orders.

### 5.2.4 Bank's Cheques for Payment of Cash

- a) The Bank issues chequebooks containing forms of private cheques designed for the payment of cash from Client's Accounts at cash counters of the Bank.
- b) Chequebooks are issued upon a request from Clients or Authorised Parties.
- c) The conditions for this Banking Service are specified in the respective SBC.

### 5.2.5 Fax/Email Transmission of Payment Orders

- a) The Fax/Email Transmission of Payment Orders service is provided upon a request from Clients or Authorised Parties.
- b) The Bank confirms its acceptance of such a request by providing the Client with a test key table of numerical codes designed to be used for the Client's fax or email communication with the Bank.
- c) Payment Orders delivered to the Bank by fax or email must bear a signature as per the Specimen Signatures and be designated with a numerical



code matching the sequence in the provided test key table of numerical codes.

- d) If Clients state an incorrect numerical code on a Payment Order, or if a Payment Order does not bear a signature according to the Specimen Signatures, the Bank will not perform it and will inform the Client of this fact.

#### 5.2.6 Payment Cards

- a) The Bank issues debit cards as a Banking Service and an electronic Payment Instrument for Payment Accounts; the conditions of this Banking Service are specified in the respective SBC.

#### 5.2.7 Electronic Banking

- a) The Bank sets up ELB as a Banking Service and an electronic Payment Instrument, intended primarily for the submission of Payment Orders, for providing information about executed Payment Transactions and about the balance of Funds in the Account and for communication between the Bank and Clients. The conditions for this Banking Service are specified in the respective SBC.

#### 5.2.8 Term Deposits

##### 5.2.8.1 Establishment and Holding of Term Deposits

- a) The Bank establishes term deposits under an Agreement as a deposit transaction with a fixed amount and term
  - for deposit accounts;
  - for Payment Accounts held with the Bank.
- b) A term deposit can have the following forms:
  - a non-recurring deposit transaction – with a fixed term and amount, and with a single maturity (hereinafter “TD”);
  - a revolving deposit transaction – for a period with automatic renewal of the original term (hereinafter “RTD”).
- c) Deposit accounts are used only for holding the initial deposit, crediting a deposit after maturity, and for payments upon maturity at the end of each period of the deposit transaction. The initial deposit to the deposit account may be made in cash or by cashless transfer.

##### 5.2.8.2 Interest on Term Deposits

- a) The interest rates for term deposits are announced in the Interest Rate List or may be agreed on an individual basis.
- b) The interest rate is determined as a fixed rate at the time of establishment and does not change over the entire duration of a TD or over the entire duration of one period of an RTD. The interest rate may change on the date of the renewal of an RTD's period according to the arrangements made in the respective Agreement. Interest accrues on a TD from the date of establishment, or from the date of the commencement of each individual period of an RTD. Interest stops

accruing on the day preceding the maturity of the TD or the end of the period of an RTD.

- c) The minimum amounts of term deposits and the respective terms are stated in the Price List and the Interest Rate List.

##### 5.2.8.3 Handling Term Deposits

- a) The Bank credits interest and term deposits on the maturity date in the manner and to the Account specified in the respective Agreement. If the maturity date is not a Business Day, the term deposit is credited to the Account on the next subsequent Business Day.
- b) On the maturity date of the deposit, the Client may handle the Funds on the Account to which the term deposit was credited.
- c) Unless the Bank receives a Request for the termination of the automatic renewal of the RTD from the Client at least 1 Business Day before the end of the period of the RTD, the Bank will automatically renew the RTD for the agreed period.
- d) If an RTD is to be increased by means of a cashless transfer to the deposit account from an account held at another financial institution, the Funds must be credited to the deposit account at the latest on the maturity date of the preceding RTD period. If Funds are credited to the deposit account after this date, they will not be included in the current period of the deposit transaction and interest will not accrue on them until the ensuing period ends.

##### 5.2.8.4 Accounting Reports

- a) In account statements for the Account on which a deposit transaction was set up the Bank informs Clients of all the transactions performed on the Account in connection with the concluded deposit transaction, giving the reference number of the deposit transaction.

##### 5.2.8.5 Termination of Term Deposits

- a) Clients are not permitted to handle term deposits prior to their maturity date.
- b) Clients have no legal right to terminate term deposits prematurely, i.e. prior to the agreed maturity date. Where notice of termination of a term deposit is filed and the notice period is shorter than period remaining to the agreed maturity date of the term deposit, the term deposit will be deemed prematurely terminated.
- c) Upon request, the Bank may permit the premature termination of a term deposit. Clients are to submit such a request in writing no less than 3 Business Days before the requested date of premature termination.
- d) In the event that the Bank receives an order for distraint levied against a term deposit, the Bank may prematurely terminate the term deposit. In such cases, the delivery of a notice of the finality of the distraint order to the Bank shall be deemed to be the day of the premature termination of the

term deposit. The standard procedure for informing Clients of the premature termination of a term deposit is in the statement for the respective Account to which the term deposit is to be paid.

- e) In the event of the premature termination of a term deposit, the Bank is entitled to charge a penalty fee as per the Price List.
- f) Both parties have the right to cancel or suspend any further automatic renewal of an RTD.
- g) If the balance on an Account for which the RTD was set up falls below the minimum amount for setting up a term deposit, the RTD is terminated on the date of such decrease.

#### 5.2.9 Deposit Transactions

- a) Upon a request from a Client, the Bank and the Client may conclude one or more Deposit Transactions.
- b) Immediately after the Deposit Transaction Conclusion Date, however at the latest by 11.00 a.m. Prague local time on the Transaction Start Date, the Client shall transfer an amount corresponding to the Principal (denominated in the Currency) to the Bank's Account for Transaction Settlement. Provided that such amount corresponding to the Principal (denominated in the Currency) was credited to the Bank's Account for Transaction Settlement in a due and timely manner, the Bank will subsequently transfer the Amount for Payment to the Client's Account for Transaction Settlement as of the Transaction Completion Date. The Bank's obligation to perform any payment to an account held with a financial institution other than the Bank will be considered duly discharged as and when the respective amount of Funds has been transferred to the account of the financial institution holding such account.
- c) If the entire amount of the Principal is not transferred to the Bank's Account for Transaction Settlement at the latest by 11.00 a.m. Prague local time on the Transaction Start Date, the Bank will no longer be obliged to perform the Transaction and may withdraw from the relevant Deposit Transaction with effect from the notification of such withdrawal to the Client. In the event that the Bank decides to accept Principal credited after the expiration of the deadline specified above, the Bank shall, instead of the Amount for Payment, transfer to the Client's Account for Transaction Settlement as of the Transaction Completion Date the amount of Principal actually received plus (a) the interest income accruing on the amount of received Principal from the actual time of receipt of such Principal until the Transaction Completion Date based on application of the Interest Rate, less (b) any taxes and payments which the Bank is required by law to withhold.
- d) There is no legal claim for early termination of Deposit Transactions before the agreed date of maturity.

#### 5.2.10 Spot Transactions

- a) Upon a request from a Client, the Bank and the Client may conclude one or more Spot Transactions.
- b) Immediately after the Transaction Conclusion Date, however at the latest by 11.00 a.m. Prague local time on the Transaction Settlement Date, the Client shall transfer the entire amount of the Currency in respect of which the Client is designated as the Seller to the respective Bank's Account designated as the account for payments in the relevant Currency. Provided that the entire amount of the relevant Currency in respect of which the Client was designated as the Seller was credited in a due and timely manner to the Bank's Account designated by the Bank as the account for payments in the relevant Currency, the Bank shall, as of the Transaction Settlement Date, transfer to the Client's Account designated by the Client as the account for payments in the relevant Currency the entire amount of the Currency in respect of which the Bank is designated as the Seller, less any withholding tax which the Bank is obliged to deduct by law. The Bank's obligation to perform any payment to a Client's Account held with a financial institution other than the Bank will be considered duly discharged as and when the respective amount of funds denominated in the relevant Currency has been transferred to the account of the financial institution holding the account specified below for payments in the relevant Currency.
- c) In the event that the entire amount of the relevant Currency in respect of which the Client is designated as the Seller is not credited to the Bank's Account designated as the account for payments in the relevant Currency at the latest by 11.00 a.m. Prague local time on the Transaction Settlement Date the Bank will not be obliged to transfer the amount of the Currency in respect of which the Bank is designated as the Seller to the Client's Account designated for these purposes until such breach has been remedied. In such a case, the Bank is furthermore entitled to withdraw from the relevant Spot Transaction with effect from the notification of such withdrawal to the Client.

#### 5.2.11 Common Provisions for Spot and Deposit Transactions

- a) The Bank assumes no liability for any delay in transferring or failure to transfer funds in connection with a relevant Transaction due to events of force majeure.
- b) The Bank may refrain from performing any and all acts which, in the Bank's opinion, might personally bind the Bank, might constitute a breach of any law or regulation, or might result in the filing of an action against the Bank by any party. Similarly, the Bank may perform any and all acts whose performance the Bank, in its sole discretion, deems necessary or desirable for the purpose of achieving compliance with any law or regulation in the relevant jurisdiction.

- c) The Client and the Bank agree that, where necessary, they will consult together on their accounting procedures to ensure requisite consistency in the accounting of particular transactions. The parties have agreed to provide any and all necessary assistance in the event that an external auditor or the statutory supervisory body of either of the parties requires additional information or evidence under the powers vested in it by law.
- d) Transactions may be concluded in writing, by means of remote communication, or orally subject to the recording of telephone calls.
- e) Following the conclusion of any Transaction in a form other than in writing the Bank will immediately send to the Client a Confirmation providing a record of the terms and conditions of the agreed Transaction. The Client may then immediately, however at the latest on the next subsequent Business Day after receiving the Confirmation, notify the Bank of any objections it may have in regard to the content of such Confirmation. If the Client does not notify the Bank of its objections in regard to the content of a Confirmation within the period specified above, or if the Client expressly confirms the terms and conditions of the Transaction as stated in the Confirmation, the Confirmation shall be considered accurate and correct (unless proven otherwise), with the exception of manifest errors. For the avoidance of all doubt it is specified that a Confirmation does not form the legal basis for a Transaction, nor does it substitute any such basis; a Confirmation constitutes subsequent (additional) evidence of the conclusion of a Transaction and also constitutes the information which the Bank provides to the Client in respect of each concluded Transaction.
- f) Without prejudice to any other provisions in this GBC, if (i) the Client breaches or fails to perform any of its obligations binding on it with regard to any Transaction and/or (ii) the Client requests from the Bank any change or cancellation of the terms and conditions of any outstanding Transaction, the Client shall indemnify and hold harmless the Bank for any potential losses or damages which may arise from any such breach or failure by the Client or as result of any such change or cancellation by the Client, as the case may be
- g) Upon such cancellation or withdrawal from relevant Transaction(s) by the Bank pursuant to point f) of this clause 5.2.11 of the GBC, or any change or cancellation of the terms and conditions of any outstanding Transaction(s), the Bank shall, in good faith and in a commercially reasonable manner, determine the amount in Czech Korunas, or any other freely convertible currency, if relevant, equal to the costs (expressed as a positive number) or gains (expressed as a negative number) of the Bank that are incurred by the Bank in connection with the cancellation or change of such Transaction(s) (the "Loss") for the purpose of maintaining the economic equivalent of all the payments and

deliveries that the Bank would be entitled to receive, or obliged to provide, under the terms of that Transaction(s) but for the occurrence of their early termination or change. If the Loss is a positive number, the Client will pay it to the Bank; if it is a negative number, the Bank will pay the absolute value of the Loss to the Client. The Loss is payable on the relevant date of termination pursuant to paragraph 6 Part k of this GBC and such payment obligation will be discharged by debiting the amount of Loss from any Payment account(s) of the Client, or crediting such Payment account(s) respectively, unless agreed otherwise with the Client.

- h) Where terms and conditions for Transactions are not provided for in specific provisions of these GBC they shall be governed by the other provisions of these GBC and customary business practices applied during such types of transactions on the interbank market.
- i) The Bank and Clients who are not consumers have agreed that any and all disputes arising from or in connection with Transactions shall be finally decided in arbitration proceedings before the Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic in Prague by three arbitrators appointed by the chairman of the tribunal. The venue of the arbitration shall be Prague and the language of the proceedings shall be Czech.

#### 5.2.12 Other Banking Services

- trading in investment instruments,
- documentary letters of credit,
- deposit notes,
- credit transactions,
- cheque encashment,
- other optional Banking Services.

The conditions for the provision of other Banking Services are agreed in the respective Agreement or are specified in the manner stated in the respective Agreement.

#### 5.3 PAYMENT SERVICES

- a) The Bank offers its Clients Payment Services in the scope specified in these GBC, the respective SBC and the Price List, or, as the case may be, in other documents which the Bank Provides or Discloses to Clients.
- b) Specific rights are conferred on Clients – Consumers under the Payments Act, of which they are informed by the Bank in these GBC.
- c) The Bank provides Payment Services to Clients based on Agreements on Payment Services. In connection with the provision of Payment Services, the Bank provides Clients – Consumers with the following Information free of charge in the course of their contractual relations: (i) Information about the Bank, (ii) Information about Payment Services provided, (iii) Information

about the manner of communication between the Client and the Bank, (iv) Information about Agreements on Payment Services concluded with the Bank, (v) Information about the obligations and duties of the Bank and the Client, in all cases in the scope specified in the Payments Act.

- d) During Payment Transactions outside of the EU/EEA, the Bank is not obliged to provide the Client – Consumer with binding Information about the maximum period for the performance of Payment Transactions or information about the fees for Payment Services performed prior to their provision or before concluding an Agreement on Payment Services.
- e) The Bank may deduct from the amount involved in a Payment Transaction its fees and other expenses and the fees and other expenses of other Providers via which the Bank performs the Payment Transaction. Exceptions are in the case of Payment Transactions within the EU/EEA in EU/EEA currencies and within SEPA, where intermediary Providers are obliged to transfer the full amount of the Payment Transaction without any deductions.
- f) The provisions relating to Payment Transactions do not apply to documentary payments (letters of credit, collections, guarantees), promissory notes and cheques.

### 5.3.1 General Conditions for Payments

- a) The Bank is obliged to accept payments of Funds to Accounts which have been opened, to pay Funds from them, and to perform other Payment Transactions to and from such Accounts according to Orders from Clients or Authorised Parties, provided that this is not contrary to applicable legislation.
- b) Payment Transactions can be performed
  - in cashless form, based on a written or electronic Payment Instrument;
  - in cash form, based on a Bank payment slip or by means of a payment card.
- c) Clients' Payment Accounts in particular are designated for the performance of Payment Instruments.
- d) Clients may submit written Payment Orders to the Bank at its Places of Business, send them by fax or email if they have arranged this Banking Service with the Bank, or send them by mail. In cases where a Payment Order is delivered by mail or delivered to the Bank by a party that is not a Client, an Authorised Party or a party authorised under a power of attorney to submit Payment Orders, the Bank may verify the Payment Order with the Client or an Authorised Party or reject the Payment Order. The Bank may also check the identity or request proof of the identity of any party submitting a Payment Order or any party making a cash deposit or withdrawal, regardless of the amount of the Payment Order.

- e) If the Bank suspects any irregularities in a Payment Order or a Payment Order shows signs of being a suspicious transaction, Clients agree that the Bank will perform such a Payment Order only after verification of the accuracy, authenticity and veracity of the data stated in the submitted Payment Order.
- f) When requested by the Bank, Clients are obliged to submit documents to the Bank proving the purpose of the payment and/or the source of the Funds, or documents evidencing that the conditions for refunding the amount of an authorised Payment Transaction have been met.
- g) A Payment Transaction is deemed authorised if approved by the Client, unless specified otherwise by law. Clients give their approval, and the Bank verifies such approval, as follows
  - in the case of written Payment Orders, according to the Specimen Signatures for the Account;
  - in the case of written Payment Orders sent by fax or email, according to the Specimen Signatures for the Account and the assigned numerical code in the sequence according to the test key table of numerical codes provided;
  - in the case of electronic Payment Instruments, in accordance with the respective Agreement and SBC.
- h) Selected types of Payment Orders can be submitted as a bulk Payment Order jointly for multiple payments. A bulk Payment Order is performed as a set of individual transfers; if the Available Balance on the Account is not sufficient transfers under the bulk order are only made up to the amount of the Available Balance on the Account, in the order of priority determined by the Bank.
- i) In the case of relatively large numbers of Payment Orders or Payment Transactions stated in a multiple Payment Order which are to be performed on the same Maturity Date, the Bank may decide on the order in which the individual Payment Transactions will be performed.
- j) The Bank performs Payment Orders within the periods specified in these GBC and any applicable SBC. Such periods commence from the Time of Receipt of a Payment Order. The key data used for setting the Time of Receipt of a Payment Order for the purpose of determining the periods for performing Payment Transactions are the date and hour of the delivery of the respective Payment Order to the Bank and its form.
- k) Clients may cancel Payment Orders accepted by the Bank, or individual payments based on Domestic Standing Orders, at the latest on the Business Day preceding the Maturity Date.
- l) As a general rule, Clients are to deliver any request to cancel a Payment Order to the Bank and authorise it in the same manner as the



- Payment Order to be cancelled was delivered and authorised, unless the Bank and the Client agree otherwise.
- m) The Payment Orders, or the individual payments based on Domestic Standing Orders, must be clearly identified in such request for cancellation, and the request must contain at least the following details from the Payment Order:
- the Payer's bank details,
  - the amount to be transferred and the currency
  - the Maturity Date
- n) Where a Client requests the Bank to cancel a Payment Order on the Maturity Date the Bank can only grant such request if, in view of the stage of Payment Order processing at the time of receiving the Client's request, such cancellation is feasible.
- o) The Bank may refuse a Payment Order if
- it does not contain or comply with the mandatory details and/or requirements and conditions specified by these GBC, the respective SBC or Agreement; and/or
  - it is not authorised in the agreed manner; and/or
  - the Client has failed to provide proof of the purpose of the payment or the source of the Funds, if requested to do so by the Bank
- p) The performance of multiple Payment Orders may also be refused in part, if the reason for refusal relates only to a part thereof.
- q) The Bank informs Clients of the refusal of Payment Orders in the manner agreed for delivering Documents. If possible, the Bank also notifies Clients of the reasons for such refusal, and the procedure for correcting any errors which were the reason for refusal. The Bank bears no liability for any damage incurred by the Client due to delays in payment due to the refusal of a Payment Order.
- r) At the Time of Receipt of a Payment Order the Bank will deduct Funds from an Account (i.e. the Value Date has occurred), if
- all the conditions for the performance of the Payment Transaction have been met;
  - The Maturity Date has arrived.
- s) Conditions for the performance of Payment Transactions:
- The Payment Order has been accepted by the Bank;
  - The Payment Order meets and contains the requirements and details specified in article 3.11 of these GBC;
  - The Payment Order has been signed in accordance with the Signature Specimens, or, as applicable, bears the stamp or another protective element, or has been authorised in another contractually agreed or Bank specified manner;
- The Payment Order has been submitted to the Bank within the period specified in these GBC;
  - The accuracy and validity of the Payment Order have been verified by the Bank;
  - The Available Balance on the Account is sufficient.
- t) The Maturity Date of a Payment Order
- must be a Business Day;
  - in cases where the Maturity Date, or the Maturity Date of a Payment Transaction based on a standing Payment Order, is specified outside Business Days, the Payment Order will be performed on the next subsequent Business Day;
  - in cases where a Maturity Date is not specified in the Payment Order, or a Maturity Date is specified which is earlier than the date of the delivery of the Payment Order to the Bank, the Maturity Date shall be the date of the delivery of the Payment Order to the Bank.
- u) The Bank credits Funds to Accounts according to the Beneficiary's Unique Identifier, which must be provided for the proper performance of the Payment Order. The Bank is not obliged to check that the Unique Identifier matches the Account name or other Beneficiary data. The Bank may credit Funds to an Account even if it discovers such a discrepancy, provided that the performance of the Payment Transaction is not contrary to legislation.
- v) The Bank credits Funds to a Beneficiary's Account provided that a correct Unique Identifier is given, and does so in the currency of the Beneficiary's Account regardless of the currency of the Payment Transaction. In cases where the currency of the Account does not match the currency of the Payment Transaction, the Bank will perform a currency conversion.
- w) If Funds cannot be credited (e.g. due to an incorrect Unique Identifier), in the case of a domestic Payment Transaction the Bank will not accept the payment and will return the Funds to the sending Provider. In the case of a foreign Payment Transaction, the Bank will contact the Payer's Provider or the intermediary Provider with a request for additional information, or will return the Funds to the Payer's Provider.
- x) The Bank processes all the requisite formal details contained in Payment Orders and states them in Account statements or any other documents identifying payments.

### 5.3.2 Domestic Cashless Payments

Domestic Cashless Payments consist of transfers/direct debits of Funds in Czech crowns (CZK) within the Czech Republic.

a) The Bank carries out domestic Payment Transactions using the following forms of Payment Orders:

- Domestic Order – a one-time order to make a transfer of a single payment; a transfer either to another Provider or within the Bank itself; both the Payer's account and the Payee's account must be held in CZK.
- Domestic Direct Debit Order – a one-time order to carry out the direct debit of a single payment; direct debit from a Payer's account either from another Provider or within the Bank itself; this order may be used only if the Client has agreed on this payment method with the Payer; both the Payer's account and the Beneficiary's account must be held in CZK.
- Domestic Standing Order – an order to make the transfer of a single payment; a transfer either to another Provider or within the Bank itself; used for regularly recurring transfers to the same Beneficiary that are payable on a specific date and have a fixed amount; both the Payer's account and the Beneficiary's account must be held in CZK.
- Domestic Direct Debit Mandate – permanent consent to the collection of individual payments by direct debit; debited payments are credited to the account of a Beneficiary held either at another Provider or at the Bank itself; recurring transfers to the same Beneficiary which do not have to be limited by a time period, but which are limited in terms of the maximum amount of the payment transferred; both the Payer's account and the Beneficiary's account must be held in CZK.
- Cashless SIPO (Centralised Household Payment Collection) Payment – permanent consent to the direct debit of particular payments; recurring transfers credited to the account of Czech Post for SIPO payments, which are limited in terms of the maximum amount of the payment transferred; payment may be made only from Payment Accounts of natural persons held in CZK.

b) Where Clients request the express performance of Domestic Orders to credit an account with another Provider, they are obliged to specify this on the Payment Order form.

#### 5.3.2.1 Payment Order Details

a) **Domestic Order, Domestic Standing Order, Domestic Direct Debit Order**

- Mandatory details
  - the Payer's bank details, i.e. Unique Identifier;
  - the Beneficiary's bank details, i.e. Unique Identifier;

- the amount (in figures) to be transferred in CZK, and in the case of multiple Payment Orders the total amount to be transferred;
- authorisation of the Payment Orders in the contractually agreed or Bank specified manner;
- the constant symbol (4 figures) that identifies the nature of the Payment Transaction in cases where
  - ✓ required by specific legislation,
  - ✓ Payment Transactions involve state budget revenues or expenditures.

- Additional details in the case of Domestic Standing Orders:

- indication whether the Domestic Standing Order is being established / changed / cancelled,
- the frequency of performing the recurring transfers,
- the date of the first payment.

- Optional details

- Maturity Date,
- a variable symbol (maximum 10 figures),
- a specific symbol (maximum 10 figures),
- a constant symbol, if not already mandatory (4 figures)
- the date of issue,
- a message for the Beneficiary (any text, at most 140 characters).

The variable, constant and specific symbols are used to identify the Payment Transaction. They always consist of figures without dashes, slashes or any other non-numerical symbols.

- Additional details in the case of Domestic Standing Orders:

- the date of the last payment.

b) **Domestic Direct Debit Mandate**

- Mandatory details

- indication whether Domestic Direct Debit Mandate is being established / changed / cancelled,
- the Payer's bank details, i.e. Unique Identifier,
- the Beneficiary's bank details, i.e. Unique Identifier,
- the Beneficiary's name,
- the permitted frequency of collection by direct debit,
- the limit, i.e. the maximum permitted amount that the Client anticipates for an individual direct debit payment

- authorisation of the Payment Order in the contractually agreed or Bank specified manner.

- Optional details

- validity – from,
- validity – to,
- the date of issue.

c) **Cashless SIPO Payment**

- Mandatory details

- the Payer's bank details, i.e. Unique Identifier,
- authorisation of the Payment Order in the contractually agreed or Bank specified manner,
- the name – the first name and surname of the Client,
- the "change code" - indication whether the Payment Order is being established / changed / cancelled,
- the Payer's telecommunication number,
- the limit, i.e. the maximum amount that the Client anticipates for an individual direct debit payment,
- starting date of SIPO payments - the month and year from which SIPO payments will be performed.

- Optional details

- SIPO payments to be made until – the month and year until which SIPO payments will be made,
- the date of issue.

cc) **Conditions for Cashless SIPO Payments**

- Payment Orders for establishing, changing or cancelling SIPO payments that are submitted to the Bank at the latest by the 22nd calendar day of the month will be performed starting from the following calendar month; Payment Orders submitted after this date will be performed starting from the second following month;
- As a rule, the Bank will perform SIPO payments based on a Payment Order between the 12th and the 14th of the month; a condition for performance is that there is a sufficient Available Balance on the Payment Account;
- Clients must set a maximum limit for SIPO payments; if the Bank receives an instruction to pay an amount exceeding the set limit, the Bank will not perform this instruction for a SIPO Payment Transaction;
- If SIPO instructions were not performed in the original payment period due to an insufficient Available Balance on the Payment Account of

the Payer, the Bank is obliged to make a second attempt to perform them in a following period; based on this obligation, the Bank will process SIPO payments for a second time at the latest on the 22nd day of the month;

- if there are still insufficient available Funds on the Payment Account of the Payer, the Bank will exclude the specific payment from processing after this period;
- The Bank is not liable for damage incurred by the Client due to the non-performance of a SIPO payment as a result of the insufficient Available Balance on the Payment Account of the Payer or an instruction to pay an amount exceeding the set payment limit;
- If a SIPO payment is not performed by the Bank for one of the reasons stated above, Czech Post will forward the SIPO payment instruction to the Client for a one-time cash payment for the prescribed period;
- Once a month, Czech Post sends Clients who make Cashless SIPO payments a "Breakdown of SIPO cashless payments" as information about the types and amounts of the individual payments included in SIPO;
- If SIPO has been set up for a Payment Account, the respective Account may be closed only after cancelling the Cashless SIPO Payment Order, and this change takes effect within the periods specified in this paragraph.

5.3.2.2 **Further conditions for Domestic Cashless Payments**

- Transfers between Accounts held at the Bank cannot be included in a Domestic Bulk Order together with transfers to Beneficiary's account held at another Provider;
- In cases where the Available Balance on an Account is insufficient, Payment Orders remain registered by the Bank for a further twenty Business Days after their Maturity Date; if the shortage of Funds continues, the Bank then excludes the Payment Orders from processing upon the lapse of this period; this period does not apply to express Payment Orders. The Bank is not liable for damage incurred by a Client due to the non-performance of a Payment Order or a part thereof as a result of an insufficient Available Balance on an Account;
- If a Client submits a Domestic Direct Debit Order crediting funds to an Account, the Bank will not examine its authorisation during acceptance; the Payer's Provider verifies the authorisation to use direct debit for payments;
- The Bank debits a received request for direct debit from an Account only on the Payer's Account there is a Domestic Direct Debit Mandate for the particular Beneficiary on the initiative of which the Bank has received the request for direct debit, if the amount of the request for direct debit is within the permitted

limit, and if there is a sufficient Available Balance on the Account; if the Available Balance on the Account is insufficient as of the Maturity Date, the Bank may debit the request for direct debit from an Account even after this date, however at the latest five Business Days after the Maturity Date, if stated, or after the date of receiving the request for direct debit; if the Available Balance on the Account remain insufficient even on the fifth Business Day after the Maturity Date, the Bank will not perform the request for direct debit and will inform the Beneficiary's bank of this fact.

#### 5.3.2.3 Corrective settlement

- If the Bank did not process a Payment Transaction in Czech currency or if the bank details in a Client's Payment Order were not used as specified and the Bank thereby caused a Payment Transaction to be performed incorrectly, every bank and savings and loan association in the Czech Republic holding an account of the unauthorised Beneficiary is obliged by law, at the Bank's instigation and within 3 months of the occurrence of such an error, to deduct the incorrectly paid amount from the Beneficiary's account and to return it to the Bank for the corrective settlement of the incorrectly performed Payment Transaction
- The Bank has an equivalent obligation in cases where the unauthorised Beneficiary is a Client of the Bank, i.e. in such a case, the Bank is similarly authorised to restore the balance on the Client's Account that would have existed had the incorrect Payment Transaction not been performed.

#### 5.3.3 Foreign cashless payments

- a) Foreign cashless payments consist of transfers of Funds
  - in foreign currencies or in CZK to countries outside the Czech Republic;
  - in foreign currencies or in CZK from countries outside the Czech Republic;
  - in foreign currencies within the Czech Republic.
- b) The Bank performs foreign Payment Transactions in the currencies in which it has Nostro Accounts, or potentially in other currencies, based on an agreement between the Bank and a Client, using the service FX4CASH. An up-to-date list of the Bank's Nostro Accounts for performing foreign payments is published at its Places of Business and on the Website.
- c) The FX4CASH service allows Funds to be transferred in currencies in which the Bank does not hold Nostro Accounts both to and from accounts held by the Bank in any currency; for transfers to another Provider the standard form "Foreign Order" is used.
- d) Charge codes for transfers

- OUR – the Payer pays all charges, i.e. the Payer pays the charges of the Payer's Provider and the charges of the Beneficiary's Provider, as well as any charges of intermediary banks, if applicable;
- SHA – the Payer pays the charges of the Payer's Provider, and the Beneficiary pays the charges of the Beneficiary's Provider as well as any charges of intermediary banks, if applicable;
- BEN – the Beneficiary pays all the charges, i.e. the charges of the Beneficiary's Provider and the Payer's Provider, as well as any charges of intermediary Providers, if applicable. The Bank does not enable a transfer to another Provider abroad or in the Czech Republic with this type of charge.

e) The Bank performs foreign Payment Transactions using the following Payment Orders:

- Intrabank Order in Foreign Currency - an order to perform a transfer between two Accounts held at the Bank in CZK or in a foreign currency, where at least one of the Accounts is held in a foreign currency.
- Foreign Order – an order to transfer an amount in a foreign currency or in CZK in cases where the Beneficiary holds an account with a Provider abroad, or in a foreign currency in cases where the Beneficiary holds an account with a different Provider in the Czech Republic.

#### 5.3.2.4 Details of Payment Orders

##### a) Intrabank Order in Foreign Currency

- Mandatory details
  - the Payer's bank details, i.e. Unique Identifier,
  - the Beneficiary's bank details, i.e. Unique Identifier,
  - the amount expressed in figures,
  - indication of the currency, involved on the part of the Payer and the Beneficiary.
- Optional details
  - The Maturity date,
  - the date of issue,
  - a message for the Beneficiary,
  - additional instructions for the Bank.

##### b) Foreign Order

- Mandatory details
  - indication of the currency of the Payment Transaction,
  - the amount expressed in figures,
  - the amount expressed in words,



- the Payer's bank details, i.e. Unique Identifier,
  - the Payer's name (added automatically in the case of Payment Orders transmitted via ELB),
  - the Beneficiary's bank details, i.e. Unique Identifier - for transfers within the EU/EEA and SEPA the Beneficiary's account number must be stated in IBAN format,
  - the Beneficiary's name, address and country,
  - the BIC code of the Beneficiary's Provider
  - country code of the Beneficiary's Provider (in the case of Payment Orders transmitted via ELB),
  - specification of the method of payment of charges (OUR/SHA)
    - ✓ for transfers within the EU/EEA in EUR and within SEPA the SHA charge code must be stated,
    - ✓ for other transfers, the OUR or SHA charge code can be specified
  - authorisation of the Payment Order in the contractually agreed or Bank specified manner,
  - Clients are obliged to submit proof to the Bank of the purpose of the payment/transfer upon request by the Bank.
  - Optional details
    - The Maturity date,
    - the date of issue,
    - additional bank details, e.g. additional identification of the Beneficiary's Provider (the national routing code - BLZ, ABA, Sort code – or its name and address),
    - the correspondent bank for the respective currency etc.
    - a message for the Beneficiary (max. 140 alphanumeric characters),
    - additional instructions for the Bank,
    - for transfers within SEPA:
      - ✓ the Payer's reference (max. 35 alphanumeric characters),
      - ✓ the Payer's identification (max. 35 alphanumeric characters),
      - ✓ the Beneficiary's identification (max. 35 alphanumeric characters).
- c) The Bank may specify the method for performing a Payment Transaction and use correspondence relations of its own choosing and at its own discretion.
- d) **Transfers within the EU/EEA in EU/EEA currencies and within SEPA:**
- for transfers within the EU/EEA and SEPA the Beneficiary's account number must be stated in IBAN format along with the BIC code of the Beneficiary's Provider;
  - SEPA Payment Transactions are subject to the following conditions:
    - they shall contain the Beneficiary's account number in IBAN format along with the BIC code of the Beneficiary's Provider and the SHA charge code,
    - the maximum period for the performance of the transfer is laid down in the applicable legislation;
  - Providers from EU/EEA and SEPA Member States that act as intermediaries for Payment Transactions may refuse or return a Payment Transaction to the Payer's Provider if
    - the account number is not stated, or is not stated correctly in the mandatory IBAN format
    - the Provider's BIC code is not stated or is not stated correctly
    - if a Client states a charge code "OUR" in a Payment Order the Bank is authorised to automatically change the code to the mandatory SHA code; if a Client does not state the Beneficiary's bank details in the mandatory format, the Bank may refuse the Payment Order and exclude it from processing.
- e) **Further conditions for foreign cashless payments:**
- If a Client requests the performance of a Payment Transaction in a currency that is not the national currency in the country of the Beneficiary's Provider, the Bank reserves the right to perform this Payment Transaction solely on the conditions that the Client continues to demand the performance of this Payment Transaction and confirms to the Bank in writing that the Client is aware of the potential risk of foreign exchange losses if the Payment Transaction is not performed by the Beneficiary's Provider and is subsequently returned to the Payer.
  - Payment Orders will be refused by the Bank and excluded from processing if the Available Balance is insufficient. The Bank will inform Clients of this fact.
  - In the case of incoming foreign payments with the charging option OUR, any charges not paid by the other bank shall be covered by the Beneficiary in full.
  - The Bank performs foreign payments via SWIFT. Clients acknowledge and agree that the information provided during these transfers may become part of the data disclosed by SWIFT to

the United States Department of the Treasury for counter-terrorism purposes.

subsequent Business Day unless the Client has requested deferred payment of the given Payment Order, in which case Payment Orders are processed on the Maturity Date.

#### 5.3.4 Deadlines for cashless payments

- a) Payment Orders which the Bank receives after the specified deadline are processed on the next

### DOMESTIC PAYMENTS

<b>(A) PAYMENT ORDERS SUBMITTED TO THE BANK AT A PLACE OF BUSINESS IN A PAPER MEDIUM</b>				
Type of Payment Order	Payment Order submission	Processing of Payment Order / Debiting of payment from Payer's account	Crediting of Funds to Beneficiary's Account held at the Bank	Crediting of Funds to account of different Beneficiary's Provider
<b>(1) Payment Orders between accounts held by the Bank</b>				
Standard Domestic Order	at the latest 1 hour before the end of Place of Business Business Hours	same Business Day	same Business Day	
Domestic Direct Debit Order	at the latest 1 hour before the end of Place of Business Business Hours	same Business Day	same Business Day	
Domestic Standing Order	during Business Hours	next Business Day		
Domestic Direct Debit Mandate	during Business Hours	next Business Day		
<b>(2) Payment orders to the account of a different Provider</b>				
Standard Domestic Order	during Business Hours	same or next Business Day		next Business Day after debiting the payment from Payer's account
Express Domestic Order	by 11.30 a.m.	same Business Day		same Business Day
Domestic Direct Debit Order	during Business Hours	same or next Business Day	same Business Day that the Bank receives the funds from different Provider	
Domestic Standing Order	during Business Hours	next Business Day		next Business Day after debiting the payment from Payer's account
Domestic Direct Debit Mandate	during Business Hours	next Business Day		

<b>(B) PAYMENT ORDERS SUBMITTED TO THE BANK ELECTRONICALLY</b>				
<b>(1) Payment Orders between accounts held by the Bank</b>				
Standard Domestic Order	by 6.00 p.m.	same Business Day	same Business Day	
Domestic Direct Debit Order	by 6.00 p.m.	same Business Day	same Business Day	
<b>(2) Payment orders to the account of a different Provider</b>				
Standard Domestic Order	by 6.00 p.m.	same Business Day		next Business Day

Express Domestic Order	by 11.30 a.m.	same Business Day		same Business Day
Domestic Direct Debit Order	by 6.00 p.m.	same Business Day	same Business Day that the Bank receives the funds from different Provider	

**Note:**

Payment Orders – SIPO Cashless Payments are performed within the periods specified in the “Payment Services” chapter of these GBC.

<b>(C) INCOMING PAYMENT TRANSACTIONS</b>	
<b>Payment Transaction</b>	<b>Crediting of Funds to Client’s Account held at the Bank</b>
Standard/Express	same Business Day that the Bank receives the Funds on the Bank’s account

**FOREIGN PAYMENTS**

<b>(A) PAYMENT ORDERS SUBMITTED TO THE BANK AT A PLACE OF BUSINESS IN A PAPER MEDIUM</b>				
<b>Type of Payment Order</b>	<b>Payment Order submission</b>	<b>Processing of Payment Order / Debiting of payment from Payer’s account</b>	<b>Crediting of Funds to Beneficiary’s Account held at the Bank</b>	<b>Crediting of Funds to account of different Beneficiary’s Provider</b>
<b>(1) Payment Orders between accounts held by the Bank</b>				
Intrabank Order in Foreign Currency	by 11.00 a.m.	same Business Day	same Business Day	
<b>(2) Payment orders to the account of a different Provider - both domestic and foreign</b>				
Foreign Order for payment within EU/EEA	by 11.00 a.m.	same Business Day		at the latest on the 3rd Business Day after debiting the payment from Payer’s account
Foreign Order for payment outside EU/EEA and SEPA	by 11.00 a.m.	same Business Day		the Payment Transaction is forwarded to the intermediary Provider for further processing at the latest on the next Business Day
Express Foreign Order	by 11:00 a.m. following prior agreement with the Bank	same Business Day		the Payment Transaction is forwarded to the intermediary Provider or the Payee’s Provider for further processing on the same Business Day
<b>(B) PAYMENT ORDERS SUBMITTED TO THE BANK ELECTRONICALLY</b>				
<b>(1) Payment Orders between accounts held at the Bank</b>				
Intrabank Order in Foreign Currency	by 3.00 p.m.	same Business Day	same Business Day	
<b>(2) Payment orders to the account of a different Provider - both domestic and foreign</b>				
Foreign Order for payment within EU/EEA	by 1.00 p.m.	same Business Day		at the latest on the 3rd Business Day after debiting the payment from Payer’s account

Foreign Order for payment outside EU/EEA and SEPA	by 1.00 p.m.	same Business Day	the Payment Transaction is forwarded to the intermediary Provider or the Payee's Provider for further processing at the latest on the next Business Day
Express Foreign Order	by 1.00 p.m.	same Business Day	the Payment Transaction is forwarded to the intermediary Provider or the Payee's Provider for further processing on the same Business Day

### (C) INCOMING PAYMENT TRANSACTIONS

Payment Transaction	Crediting of Funds to Client's Account held at the Bank
without currency conversion	same Business Day, provided that during Business Hours, and at the latest by 4.00 p.m., the Bank receives the Funds on its account and all the documentation from the Payer's Provider needed for crediting the sum to the Client's Account
with currency conversion	next Business Day, provided that during Business Hours the Bank receives the Funds on its account and all the documentation from the Payer's Provider needed for crediting the sum to the Client's Account
with an earlier Value Date, following prior agreement with the Bank	same Business Day, provided that during Business Hours, and at the latest by 4.00 p.m., the Bank receives the Funds on its account and all the documentation from the Payer's Provider needed for crediting the sum to the Client's Account

#### 5.3.5 Cash Payments

- a) Clients may perform Payment Transactions in cash by means of cash deposits or withdrawals and currency exchange services. Cash withdrawals also mean any withdrawals via ATMs.
- b) The Bank accepts and pays out cash Funds in CZK and in selected foreign currencies.
- c) When accepting deposits of domestic banknotes or coins the Bank has the right to require that such banknotes and coins be sorted by denomination and, where this is justified by their number, that they be packaged in the manner prescribed by law.
- d) The Bank performs currency exchange services based on the Bank's exchange rate list and in the foreign currencies published at Places of Business in accordance with applicable legislation and standard banking practice. The buying and selling of coins is restricted only to certain currencies and values.
- e) The Bank exchanges damaged banknotes and coins in CZK in accordance with legislation.
- f) In the case of domestic banknotes and coins, the Bank will exchange one denomination for another at a Client's request, however only if it has the desired denomination available.
- g) The Bank does not buy or exchange damaged banknotes and coins in foreign currencies.

- h) In the case of foreign currencies, the Bank does not exchange one denomination for another.
- i) Clients may perform the following cash Payment Transactions during Business Hours at Place of Business cash counters after submitting the relevant duly completed document:
  - deposits of cash for the purpose of transferring Funds to a Beneficiary's Account held at the Bank - using the Bank's deposit slip;
  - deposits of cash equivalent to up to EUR 1,000 for the purpose of transferring Funds to a Beneficiary's Account held at the Bank - using Postal Order "A" prescribed for Accounts kept at the Bank;
  - withdrawals of cash - using the Bank's withdrawal slip;
  - withdrawals of cash - using a Bank cheque written from the Client's Account and made out to cash.
- j) The Bank may request proof of the identity of Clients requesting the performance of cash Payment Transactions. The Bank makes a record of such Clients' identification information.
- k) Clients are provided with a record of the performance of a cash Payment Transaction in the form of a withdrawal/deposit receipt, an ATM receipt and on their Account statements.
- l) After receiving a receipt for the performance of a cash Payment Transaction, Clients are obliged to



check its correctness. It is not possible to cancel the Payment Transaction after leaving the cash counter.

m) Cash deposits

- In the case of cash deposits exceeding the equivalent of EUR 1,000 the Bank is obliged to check Clients' identities;
- If banknotes or coins are intercepted during cash deposits at Bank counters which the Bank suspects are counterfeit, or if domestic banknotes or coins show non-standard forms of damage, such banknotes and coins are confiscated by the Bank without compensation and the Client is issued with confirmation of their confiscation;
- The Payment Transaction is performed by the Bank, i.e. the amount is credited to the Client's Account, at the Time of Receipt of the Payment Order.

n) Cash withdrawals

- The Bank requires proof of the Client's identity for cash withdrawals of any amount;
- Cash withdrawals may be performed up to the amount of the Available Balance on the Account. For amounts exceeding CZK 100,000 or the equivalent in a foreign currency, Clients are obliged to notify the Bank of the withdrawal at least one Business Day in advance. For cash withdrawals exceeding CZK 500,000 or the equivalent in a foreign currency, Clients are to notify their request three Business Days in advance. However, the Bank may pay out cash in any amount even without advance notice from Clients if it has sufficient available cash Funds for payment and there are no other reasons preventing it from doing so;
- Cash withdrawals by third parties are processed by the Bank upon the submission of a duly completed withdrawal slip signed by the Bank's Client as per the Specimen Signature for the Account;
- If the Bank does not have the exact mixture of requested denominations available during a cash withdrawal, the Bank may pay out cash in different denominations than that requested by the Client;
- In cases where the Bank does not have or does not deal in all the denominations of a particular foreign currency requested during a withdrawal, the Bank may process the payment only up to an amount expressible in the denominations of the relevant tender which it has available, or may process the payment in a substitute foreign currency or in CZK, unless agreed otherwise with the Client;
- Clients are obliged to immediately check the amount of the cash paid out by the Bank while still at the cash counter. No consideration will be given to complaints made after the cash has

been accepted and the Client has left the counter.

- The Payment Transaction is performed by the Bank, i.e. the amount is debited from the Client's Account, at the Time of Receipt of the Payment Order.

o) Cash currency exchanges

- In the case of cash currency exchanges exceeding the equivalent of EUR 1,000 the Bank is obliged to check Clients' identities;
- If banknotes or coins are intercepted during cash currency exchanges at Bank counters which the Bank suspects are counterfeit, or if domestic banknotes or coins show non-standard forms of damage, such banknotes and coins are confiscated by the Bank without compensation and the Client is issued with confirmation of their confiscation.

#### 5.4 LIABILITY OF CLIENTS AND THE BANK

5.4.1 The Bank is liable to Clients for the due and timely performance of its obligations under Agreements. An obligation of the Bank shall be deemed discharged in a due and timely manner if discharged within the periods required by law, an Agreement, these GBC or the respective SBC, or within periods which are reasonable with respect to the nature of such obligation and bank procedures in line with standard business practices. The Bank is liable to Clients for any damage incurred by Clients due to the Bank's breach of its obligations under Agreements.

5.4.2 The Bank is not liable to Clients for damage in cases where a breach of a given obligation was caused by circumstances excluding liability, including, without limitation, events of force majeure, work stoppages, actions of institutions used by the Bank in payments, unexpected developments on financial markets, defect in the telecommunications means used by the Client or the Bank (for example, defect in the internet connection or software), or any other impediments occurring beyond the control of the Bank which the Bank could not have reasonably foreseen at the time of the establishment of the obligation.

5.4.3 The Bank is not liable to Clients for any unauthorised or incorrectly performed Payment Transactions or for any failure to comply with the specified periods for performing Payment Transactions if the Bank was prevented from discharging the respective obligation by circumstances which are unusual, unforeseeable and beyond the control of the Bank, and consequences which the Bank could not have averted.

5.4.4 The Bank is not liable for damage resulting from the breach of an Agreement by a Client or the illegal conduct of a Client or a third party, including abuse of proof of identity, forgery of the signatures or stamps of the Client or Authorised Parties, or if the Bank's breach of obligation resulted from acts or,

conversely, a lack of cooperation on the part of the Client.

5.4.5 The Bank is not liable for damage incurred due to its having proceeded in accordance with an Agreement, orders and requests of the Client, or for damage which the Client incurred as a consequence of the Client's own business decisions or other decisions.

5.4.6 If a Client notifies the Bank that an unauthorised Payment Transaction has been performed from the Client's Payment Account, the Bank shall immediately restore the balance on the respective Payment Account that would have existed had such deduction of the amount of the Payment Transaction not been performed. If it is not possible to restore the balance on the respective Payment Account, the Bank shall refund the amount of the Payment Transaction to the Client, including any paid charges and lost interest. This provision shall not apply if the loss due to an unauthorised Payment Transaction is borne by the Client.

5.4.7 The Bank is not liable for losses incurred by Clients due to the abuse of a Payment Instrument, PIN etc. if the unauthorised Payment Transaction was caused by the use of a lost or stolen Payment Instrument or by abuse of a Payment Instrument and occurred before the Client notified the Bank of the loss, theft, abuse or unauthorised use of such Payment Instrument in accordance with the respective Agreement. Abuse of a Payment Instrument, password, PIN etc. shall also be deemed to include any other forms of use not authorised by the Client.

5.4.8 Clients shall also bear the full loss resulting from any unauthorised Payment Transaction in cases where such loss was caused by their fraudulent conduct or by a breach of the obligation to use Payment Instruments in accordance with the relevant Agreement.

5.4.9 In the case of Clients – Consumers, the provisions of the following clauses of this article of these GBC shall prevail over the preceding clauses of this article of these GBC.

5.4.10 Clients – Consumers shall bear the aggregate loss resulting from all unauthorised Payment Transactions performed from the time of the loss/theft/abuse of a Payment Instrument until the time that this fact was reported to the Bank.

a) up to the equivalent of EUR 150

if this loss was caused

- by the use of a lost or stolen Payment Instrument; or
- by abuse of a Payment Instrument, if the Client and/or Authorised Party did not ensure protection for its Security Elements (e.g. PIN, password) in the manner specified in the Agreement.

b) in full

- if this loss was caused by the Client – Consumer's fraudulent conduct or the fraudulent conduct of an Authorised Party, or where the Client intentionally or due to gross neglect breached any of the Client's obligations to use the Payment Instrument and/or Security Elements in accordance with the respective Agreement (including, without limitation, in the event that the Client failed to take any and all reasonable measures necessary to protect the Security Elements of the Payment Instrument immediately after obtaining such Payment Instrument), or breached the Client's obligation to notify the Bank of the loss, theft, abuse or unauthorised use of a Payment Instrument and/or Security Elements without undue delay upon discovering such fact.

5.4.11 the Client – Consumer shall not bear the loss caused by the unauthorised Payment Transaction, with the exception of cases of the Client's fraudulent actions

- in the case that - loss occurred after the Client – Consumer notified the Bank of the loss, theft, abuse or unauthorised use of a Payment Instrument and/or Security Elements, or
- if the Bank failed to ensure adequate means enabling Clients – Consumers to notify the loss, theft, abuse or unauthorised use of Payment Instruments and/or Security Elements at any time.

5.4.12 The Bank shall be liable to Clients – Consumers in the role of the Payer for any incorrectly performed Payment Transactions, unless the Bank proves to the respective Client – Consumer that the amount of the incorrectly performed Payment Transaction was credited to the account of the Beneficiary's Provider.

5.4.13 In cases where the Bank is not liable to the Client – Consumer in the role of the Payer for an incorrectly performed Payment Transaction, the Payment Service provider of the Client – Consumer in the role of the Beneficiary shall be liable to such Client – Consumer for the incorrectly performed Payment Transaction.

5.4.14 In cases where the Bank is liable to Clients – Consumers in the role of the Payer for an incorrectly performed Payment Transaction, and such Clients – Consumers inform the Bank that they no longer demand the performance of the Payment Transaction, the Bank shall immediately restore the balance on such Clients' Payment Accounts, from which the amount of the Payment Transaction was debited, that would have existed had such deduction not been performed, or, if restoring the balance on such Payment Accounts is not practicable, shall return the amount of the Payment Transaction to the Client, including the consideration paid and lost interest. This provision shall not apply in cases where the Bank proves to the Payer, and, where practicable and reasonable, also to the Beneficiary's Payment Services Provider, that the respective amount was credited

to the account of the Beneficiary's Payment Services Provider before the Client – Consumer notified the Bank that the performance of the Payment Order was no longer required.

- 5.4.15 In cases where the Bank, as the Payer's provider of Payment Services, is liable to a Client – Consumer in the role of the Payer for an incorrectly performed Payment Transaction, and such Client – Consumer does not notify the Bank that the performance of the Payment Transaction is no longer required, the Bank is obliged to immediately ensure that the amount of the incorrectly performed Payment Transaction is credited to the account of the Beneficiary's Payment Services Provider and restore the balance on the Payment Account of the Client-Consumer that would have existed had the incorrect performance of the Payment Transaction not occurred, or shall return to the Client-Consumer the incorrectly made payment and lost interest if restoring the balance on such Payment Account is not practicable.
- 5.4.16 In cases where the Bank, as the Beneficiary's Payment Services Provider, is liable to a Client – Consumer in the role of the Beneficiary for an incorrectly performed Payment Transaction, the Bank is obliged to immediately restore the balance on such Client – Consumer's Payment Account that would have existed had the Payment Transaction not been incorrectly performed, or, if restoring the balance on such Payment Account is not practicable, shall return the amount of the incorrectly performed Payment Transaction to such Client – Consumer, including the incorrectly paid consideration and lost interest.
- 5.4.17 The provisions of clauses 5.4.12. to 5.4.16. of these GBC shall not apply in the case of Payment Transactions initiated by the Beneficiary where the Bank as the Beneficiary's Payment Services Provider, failed to perform its obligation to transfer the respective Payment Order to the Payer's Payment Services Provider. At the request of the Client – Consumer in the role of the Beneficiary the Bank shall prove whether or not it performed this obligation.
- 5.4.18 In the event that a Payment Transaction initiated by a Payer or a Beneficiary of a Client – Consumer was performed incorrectly, the Bank shall, at such Client – Consumer's request, use reasonable endeavours to ensure that this Payment Transaction be traced, and will inform the Client – Consumer of the outcome.
- 5.4.19 Clients – Consumers may, for a period of 8 weeks from the date on which the amount of the Payment Transaction was debited from their Payment Account, request the return of the amount of an authorised Payment Transaction initiated by the Beneficiary if (i) the precise amount of the Payment Transaction was not specified at the time of authorisation, and, in addition, (ii) the amount of the Payment Transaction exceeds the amount that the Client – Consumer might reasonably have expected, i.e. in particular any amount exceeding the limit set in the standing order for such Payment Transactions. Claims may not be made by Clients

on the grounds of an unexpected change in an Exchange Rate.

- 5.4.20 Clients – Consumers may not, however, request the return of the amount of an authorised Payment Transaction in cases where consent to the Payment Transaction was granted directly by the Client – Consumer to the Bank, and also, as applicable, where information about the precise amount of the Payment Transaction was Provided or Disclosed to the Client – Consumer by the Bank, or was provided or disclosed by the Beneficiary of the Payment Transaction, no less than 4 weeks prior to the Time of Receipt of the respective Payment Order.
- 5.4.21 Together with any request for the return of the amount of an authorised Payment Transaction, Clients – Consumers shall provide the Bank with information and documentary proof of the fact that the conditions for the return of the amount of the Payment Transaction according to clauses 5.4.19 to 5.4.20 of these GBC have been fulfilled, including information as to when the Client – Consumer learned the precise amount of the respective Payment Transaction. The statutory ten-day period for returning the amount of the authorised Payment transaction under clause 5.4.19 shall end at the earliest on the next Business Day following the provision of complete information by the Client – Consumer. If the Bank refuses to return the amount, it shall inform the Payer of the grounds for refusal together with information regarding the procedure for amicable resolution of any disputes between a Payer and the Payer's Provider and regarding the Payer's option to file a complaint to the supervisory authority.
- 5.4.22 The provisions of clauses 5.4.15. to 5.4.22. of these GBC do not apply in the case of Payment Transactions outside of the EU/EEA.
- 5.4.23 In cases where Clients – Consumers claim that they did not authorise a performed Payment Transaction, or that a Payment Transaction was not performed correctly, the Bank shall prove to Clients – Consumers that a procedure was adhered to enabling verification that a given Payment Order was submitted, that the Payment Transaction was authorised, correctly recorded and processed, and that it was not affected by any technical fault or other defect.
- 5.4.24 The right arising from unauthorised or incorrectly performed Payment Transactions does not preclude the right to damages or to the return of unjust enrichment. However, whatever can be achieved in respect of the Bank by exercising the right arising from unauthorised or incorrectly performed Payment Transactions cannot be sought on the basis of any other legal grounds.

## **6. FINAL PROVISIONS**

- 6.1 Unless stated otherwise in these GBC or in a specific agreement, the provision of Banking Services shall be governed by and construed in accordance with the laws of the Czech Republic.

- 6.2 The Bank undertakes to comply with Czech Banking Association Standard No. 22 on the mobility of bank clients. This standard facilitates the process of changing banks for Clients, and specifies the procedures to be applied by banks to make changing banks more straightforward for Clients.
- 6.3 Amendment of these GBC shall not affect any express revocation or refusal of consent to the processing of Personal Data which a Party Subject to Identification made prior to the effectiveness of such amendment.
- 6.4 The Bank and Clients agree that Sections 1799 and 1800 of the Civil Code shall not be used.
- 6.5 These GBC come into force on 1 May 2015 and effect on 1 July 2015, as of which date the existing GBC effective from 1 January 2014 shall expire.