

**BUSINESS CONDITIONS FOR PRIVATE CHEQUES OF PPF banka a.s.****INTRODUCTORY PROVISIONS**

1. The Business Conditions for Private Cheques of PPF banka a.s. (hereinafter referred to as “the Conditions”) are issued to regulate mutual rights and obligations of the contracting parties when issuing and subsequently using private cheques to current accounts (hereinafter referred to as “the Cheque”).
2. The Cheque is a commercial instrument, the use of which is governed by the Exchange and Cheque Act No. 191/1950 Coll. as amended, and by the Official Notification of ČNB on issuing General Business Conditions, whereby the principles of keeping clients’ accounts at banks, the system of payment and accounting on these accounts are defined.
3. These Conditions are the so-called Specific Business Conditions (hereinafter referred to as “SBC”) issued in accordance and in connection with GBC. The Account Owner obtained GBC when concluding the CA Contract to which a chequebook is issued. The Conditions are to be handed over to the Client when issuing the chequebook. The Client is obliged to familiarize him/herself with GBC and these Conditions, and undertakes to abide by them.
4. **Definition of Terminology**

The meaning of the terminology written with a capital initial letter is defined in GBC and/or this paragraph of the Introductory Provisions

  - a) **Bank** – PPF banka a.s. with registered office in Prague 6, Evropská 2690/17, 160 41, Registration No. 47116129, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry 1834.
  - b) **CA** – Current account in Czech crowns or foreign currency kept by the Bank for the Account Owner on the basis of the written Contract concluded.
  - c) **Client** – Account Owner or the person authorized to dispose of the means in the Specimen Signatures for the CA, to whom the chequebook is issued.
  - d) **Application** – Bank form of “Application for Issuing a Chequebook”.
5. The legal relationships related hereto shall be governed by the laws of the Czech Republic.
6. The Client is not entitled to be issued with a chequebook.

**I. ISSUING A CHEQUEBOOK**

1. Chequebooks are issued to the Client to pay cash from CA at the cash desks of the Bank’s Business Points.
2. The Bank shall issue a chequebook to CA on the basis of the Application. The chequebook contains an Application which can be used for issuing another chequebook.
3. The Client shall be issued with a chequebook in the manner specified in the Application:

- Handed over to the person specified in the Application
  - Sent as a consignment with a declared price at the address specified in the Application
- When taking over the chequebook by a person not disposing of CA, the Client shall be responsible that the person authorized thereby in the Application is aware of the necessity of proving his/her identity when taking over the chequebook. The Bank shall not be liable for possible damage incurred owing to the actions of this person.

**II. ISSUING AND USE OF A CHEQUE**

1. The Client shall be obliged to keep the chequebook taken over from the Bank carefully and protect it from the loss and misuse.
2. The Cheque serves above all the purposes of paying cash from CA thereto the chequebook was issued. The Cheque is to be handed in for payment at the cash desks of the Bank’s Business Points. The Bank shall not be obliged to pay the Cheque handed in for payment in another bank.
3. The Client shall be obliged to fill in the Cheque legibly and according to the printed form. Data on the face of the Cheque must be filled in accurately and legibly, they must not be re-written, nor must they be crossed out and otherwise changed. Data must not extend to the white strip at the bottom of the Cheque printed form either on the face or on the back of the Cheque. The Cheque must not be damaged or stained.
4. The Cheque can be filled with a pen, ballpoint pen, or typed. The sum stated in the Cheque must be written in numerals and words. To prevent unauthorized changes to data in Cheques, it is necessary that:
  - The sum in the Cheque should be written in numerals and words, so as to make it impossible to add anything to this data
    - When writing a sum in numerals, the empty field in front of and behind the numerals should be crossed out
    - A sum written in words should be written immediately by the left margin of the relevant field, and the unused part of the field should be crossed out
  - A sum written in words should always start with a capital letter
  - When writing sums starting with numeral 1, this numeral should be written in words, as well (e.g. One hundred...).
  - In the field “Date of Issue” the month should be written in words.
5. The issued Cheque must be signed by the Client in his/her own hand as the Cheque issuer in accordance with the Specimen Signatures to CA, from which the Cheque shall be paid.

6. The Client shall be entitled to issue the Cheque in currency other than that of the CA currency. The Cheque may be issued only in the currencies, in which the Bank executes cash transactions and which are stated on the Bank's currency exchange list available at the Bank's Business Points.
7. The Client may use a Cheque to draw cash for his/her own needs, or to draw cash by a "third party" – the Cheque Owner.
8. The Client may issue a Cheque:
  - To a certain person, i.e. write the natural entity's name and surname in the line "To Whom"
  - To the owner, i.e. write the word "To the Owner" in the line "To Whom".
9. The Cheque Issuer or the owner thereof may forbid paying the Cheque in cash. In this case he/she shall mark the face of the Cheque with a clause "For accounting purposes only". The Bank shall pay the Cheque thus marked exclusively by cashless transfer in favour of the account, the number and bank code, which shall be communicated to the Bank in writing by the Cheque Owner.
10. When submitting a Cheque for payment, the Cheque bearer must prove his/her identity and sign acceptance of cash on the back of the Cheque.
11. The term for the submission of a Cheque for payment shall be
  - Up to eight calendar days, should a Cheque be issued in the territory of the Czech Republic;
  - Up to twenty calendar days, should a Cheque be issued in the territory of Europe outside the Czech Republic;
  - Up to seventy calendar days, should a Cheque be issued in the territory of any continent other than Europe

This term shall not include the day, as of which the term shall become effective. Should the last day of the term for the submission of the Cheque fall on a non-business day, the term shall expire on the first subsequent Business Day. A Cheque that was not submitted for payment within the term for the submission of the Cheque for payment shall not be accepted for payment by the Bank.
12. The Client shall be entitled to cancel an issued Cheque; however the cancellation shall be effective upon the expiry of the term for the submission of the Cheque for payment.
13. If when checking a submitted Cheque the Bank finds defects preventing payment, or non-cash accounting thereof, the Cheque shall be returned to the submitter with a clause on non-payment of the Cheque. The Bank shall not return the submitted Cheque, if it is reported as stolen or lost, and if there is suspicion of fraud.
14. Predated Cheques, i.e. Cheques with a date of issue that has not occurred yet, shall be paid on the date of the submission of the Cheque regardless of the date of issue thereof.
15. The back sheet of the chequebook's cover enables the Client to record data on the used Cheques.
16. Cheques filled in incorrectly, filled in Cheques that were not used, and damaged cheques shall be nulled by the Client by crossing over the face of the Cheque.

17. The Client may issue a Cheque up to the amount of the Disposable Balance on the Account, at maximum. Issuing of an uncovered Cheque is punishable.
18. The Bank shall not be liable, with the exception of cases of its own fault, for damage incurred due to paying a lost, stolen, forged or changed Cheque, or by misusing the application for issuing a chequebook.
19. The loss or theft of a Cheque or chequebook must be reported to the Bank forthwith together with data concerning the Cheques numbers. To prevent misuse thereof, the loss or theft may be reported over the telephone; however the Client shall be obliged to confirm the fact additionally in writing, which is to be done within 3 Business Days upon reporting over the telephone. If the Bank does not obtain the written confirmation from the Client within the above period, the Cheques shall be deemed still valid.
20. Cheques that were reported lost, stolen or destroyed, as of this instant shall be deemed invalid, even if they were found later in instances of loss or theft.
21. When cancelling CA, to which a chequebook was issued, unused and cancelled Cheques in the chequebook must be returned to the Bank.
22. The Account Owner shall be fully liable, and commits him/herself to paying all transactions and possible damage incurred to the Bank due to the incorrect use of the Cheque and failure to abide by the Conditions.

#### FINAL PROVISIONS

1. These Conditions shall become valid as of 1 June 2009 and effective as of 1 July 2009, and by this date "The Business Conditions for Issuing, Use and Payment of Chequebooks to Current Account of PPF banka a.s." of 1 October 2000 shall be cancelled.