

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 for relationships between the Bank and its Clients, which are established in the provision of Banking Services. The Bank also issues Specific Business Conditions (SBC) setting out further conditions relating to the provision of particular Banking Services.
- 1.2 The GBC and the relevant SBC form an integral part of every Agreement. In the event of any conflict between the provisions of an Agreement, the GBC, the SBC and the Price List, the provisions of each of the respective documents shall prevail with the following order of precedence: the Agreement, the SBC, the GBC, and the 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. The GBC have been issued on the basis of and in compliance with Section 1751 of the Civil Code.
- 1.3 The Bank provides Banking Services at Places of Business and via ELB during Business Hours, unless agreed otherwise with the Client (including, without limitation, in the SBC). The terms and conditions of Banking Services are specified in the GBC or the SBC or the Agreement.
- 1.4 The Bank is not obliged to enter into a contractual relationship with a Client or to provide a Banking Service. The Bank may make the provision of Banking Services subject to the submission of requisite documents and information and has the right to refuse to provide a Banking Service, also without giving any reasons.
- 1.5 The Bank is registered in the CNB's list of banks and is subject to supervision by the CNB; should the Bank breach any legal obligations under an Agreement or the legislation, the Client is entitled to complain about the Bank's procedure with the CNB.
- 1.6 The Bank is a liable person within the meaning of the Money Laundering Act.

2. Interpretation rules and definition of terms

- 2.1 The capitalised terms and expressions have the following meaning in the GBC:

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

Banking Service – any transaction, service or product of the Bank provided by the Bank under a banking licence.

Security Elements – elements used by the Bank to secure the access to selected Banking Services.

BIC (Bank Identifier Code) – the SWIFT address of a Provider enabling the unambiguous identification of the Provider in a given country.

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

Account Number – the number of the account used for domestic payments, consisting of a prefix (max 6 characters), the basic account number (max 10 characters) and the bank code or the Provider's code (4 characters); not every account number must have a prefix.

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.

Maturity Date – the date specified by the Client as the date on which Funds are to be debited from the Account.

Value Date – the date as of which a Payment Transaction amount is credited or debited to a Payment Account.

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; on a non-business day, it already reflects the transactions and limits with maturity on the following Business Day.

EU/EEA – the European Union and the European Economic Area (i.e. the EU + Liechtenstein, Iceland and Norway).

ELB – electronic banking; it is the Bank's service that enables the use of the Bank's selected Banking Services; ELB can have the form of Homebanking (HB) or Internet Banking (IB), as defined in the respective Specific Business Conditions (SBC).

IBAN (International Bank Account Number) – a bank account number in international format, enabling the unambiguous identification of the number of a user's account with a respective Provider in a given country. The use of a Beneficiary's account number in IBAN format is obligatory in the execution of transfers within the EU/EEA and countries that have acceded to the standard of the Single Euro Payment Area (SEPA).

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.

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 payments (i) in the case of SEPA transfers, this is the Beneficiary's account number in IBAN format, and the beneficiary's name, and (ii) in the case of other foreign transfers, this is the account number in the relevant country's national format, the beneficiary's name and address, and BIC or some other identification of the beneficiary's bank.

Client – a natural person or legal entity using Banking Services, or a person requesting the provision of a Banking Service. Client also means any Authorised Person within the scope of such Authorised Person's Authorisation.

Client-Consumer – the Client who is a natural person and a consumer under Section 419 of the Civil Code and the Client who is a sole trader [also referred to as a self-employed person or an entrepreneur].

Specific Business Conditions (SBC) – business conditions issued by the Bank for particular types of Banking Services.

Contact Address – the address agreed in the Agreement or the address that the Client has provided to the Bank for Document delivery. If no such address has been agreed or provided, the address of permanent residence for Clients who are consumers and the address of the registered office for other Clients are deemed to be the Contact Address.

Exchange Rate – the currency exchange rate declared by the Bank.

Nostro Account – an account of the Bank held with other Providers.

Transaction – depending on the context, a deposit transaction and/or a spot transaction with an individually agreed interest rate and/or exchange rate.

Place of Business – an office of the Bank providing Banking Services.

Client's Place of Business – the Place of Business of the Bank managing the Client's contract documents for the Banking Services provided.

Civil Code – Act No 89/2012, as amended.

Point in Time of Receipt of a Payment Order – under the Payments Act, the time at which a Payment Order is received by the Bank or when a stipulated period has passed from the delivery of a Payment Order to the Bank, provided that all of the conditions specified for executing the Payment Order have been met.

Authorised Person – a person authorised by the Client to handle Funds in 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 Person in the relevant documents. A person authorised to represent the Client under a power of attorney granted by the Client or under a decision of a court or a public authority, and persons authorised to represent the Client by the law are also Authorised Persons.

Person Subject to Identification – without limitation, the Client and Beneficial Owner and Authorised Person.

Person with a Special Relationship to the Bank – a person as referred to in Section 19 of the Banking Act, with whom the Bank may not execute transactions that, considering their nature, purpose or risk, it would not execute with other Clients.

Funds – banknotes, coins and cashless funds.

Payment Instrument – a facility or a set of procedures agreed between the Bank and a Client and established in relation to an Authorised Person, by means of which the Authorised Person gives Payment Orders. A Payment Order delivered to the Bank in paper form is not a Payment Instrument.

Payment Order – an instruction to the Bank requesting the execution of a Payment Transaction.

Payment Service – a Banking Service constituting a payment service within the meaning of the Payments Act (in particular, but without limitation, transfers from Accounts and the issuance of Payment Instruments).

Payment Transaction – the deposit of cash in an Account, the withdrawal of cash from an Account and cashless transfer of Funds.

Payment Account – an account that is used, without limitation, to execute Payment Transactions.

Submission – complaints and other submissions by the Client.

Specimen Signature – a specimen of the Authorised Person's signature accepted by the Bank, enabling the identification of such person for the purpose of handling Funds on the Account and for the purpose of acts associated with Banking Services.

Politically exposed person – under the Money Laundering Act, a natural person who is or was in a prominent public function with national or regional competences or a natural person who holds or held a similar function in another country, in the bodies of the European Union or other international organisations, and also a natural person that has a different relationship to this natural person (a person of kith and kin, an associate, the beneficial owner of a legal entity or another similar legal arrangement, or who has some other close relation to the natural person holding a prominent public function).

Fees – are the prices and costs of and fees for the Banking Services provided and services related thereto.

Provider – the provider of a Payment Service, including, without limitation, the Bank, the CNB, other domestic and foreign banks and other institutions defined by the Payments Act.

Authorisation – a printed form specified by the Bank, meeting the requirements of a power of attorney, whereby the Client authorises Authorised Persons to carry out acts specified in the Authorisation. In the Agreement on specific Banking Services, the authorisation for an Authorised Person can also be agreed in a different manner specified in the Agreement.

Business Day – a day on which a Payer's Provider or a Beneficiary's Provider executing a Payment Transaction normally carries out the activities necessary to execute Payment Transactions, i.e. a day other than a Saturday, a Sunday, a public holiday or other holiday for either the Payer's Provider or the Beneficiary's Provider.

Business Hours – the part of a Business Day during which a Payer's Provider or a Beneficiary's Provider executing a Payment Transaction normally carries out the activities necessary to execute such Payment Transaction.

Interest Rate List – a document of the Bank containing an overview of the interest rates for deposits and loans and associated rates. The Bank discloses the current version at its Places of Business and on its Website.

SEPA Payment Transaction – the standardised cashless transfer of Funds in EUR within the SEPA between Providers connected to the SEPA system, without restrictions on the amount transferred.

SEPA – Single Euro Payments Area; it is composed of all Providers in euro countries, and Providers in other EEA countries, and also in Switzerland, Monaco and San Marino, which have acceded to the SEPA standard independently.

Beneficial Owner – any natural person who has a de facto or de jure opportunity to control, directly or indirectly, a legal entity, a trust or another legal arrangement having no legal personality. The Beneficial Owner is:

- (a) **in the case of business corporations**, a natural person who, alone or together with persons acting in concert with this natural person, holds more than 25% of the voting rights in such business corporation or has an interest of more than 25% in its registered capital, who, alone or together with persons acting in concert with this natural person, controls the person specified in the preceding rule, who is to be the recipient of at least 25% of this business corporation's profit, or who is a member of its governing body, a legal entity's representative in such a body, or in a position similar to the position of a member of the governing body, where there is no beneficial owner or where the beneficial owner cannot be determined by the preceding rules;
- (b) **in the case of associations, charities, condominiums, and churches and religious societies and other legal entities under the law on churches and religious societies**, a natural person who holds more than 25% of its voting rights, who is to be the recipient of at least 25% of the funds distributed by it, or who is a member of its governing body or a representative of a legal entity in such a body or is in a position similar to the position of a member of the governing body, where there is no beneficial owner or where the beneficial owner cannot be determined by the preceding rules;
- (c) **in the case of foundations, institutes, endowment funds, trusts or other legal arrangements having no legal personality**, a natural person or the beneficial owner of the legal entity, who is in the position of the founder or trustee, or of the beneficiary or the person in whose interest the foundation, institute, endowment fund, trust or other legal arrangement having no legal personality

has been founded or operates where no beneficiary has been appointed, and persons authorised to exercise oversight.

Agreement – an agreement on the provision of a Banking Service concluded between a Client and the Bank.

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).

SWIFT – the Society for Worldwide Interbank Financial Telecommunication registered in Belgium, which is used by the Bank inter alia for payments.

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. The delivery of Information in an attachment to an e-mail message to the e-mail address specified by the Client shall also be regarded as Durable Medium.

Standing Order – the payer's Payment Order to transfer Funds from the payer's Payment Account on preset days or at regular intervals.

Account – any account of the Client held with the Bank in CZK or in other currencies as may be agreed between the Bank and the Client. In particular Payment Accounts are Accounts.

GBC – these General Business Conditions of PPF banka a.s.

Act on the Financial Arbitrator – Act No 229/2002, as amended.

Payments Act – Act No 370/2017, as amended.

Money Laundering Act – Act No 253/2008 on certain measures to combat money laundering and terrorist financing, as amended.

Banking Act – Act No 21/1992, as amended.

2.2 The following rules shall be followed when interpreting the provisions of these GBC and the Agreement:

- (a) Any reference to an article, paragraph, clause referenced by a letter, or point is regarded as a reference to an article, paragraph, clause referenced by a letter, or point of these GBC;
- (b) The headings of articles and paragraphs of the Agreement and these GBC serve for convenience only and not for interpretation;
- (c) Words and expressions in the singular also include those in the plural, and vice versa;
- (d) Agreement is understood to be an Agreement including all of its integral parts, in particular, but without limitation, the GBC, the relevant SBC, and the Price List;
- (e) **Making available** of Information is understood to be the disclosure of data helping the Client to find Information, and **provision** is understood to be the delivery of Information to the Client on a Durable Medium.
- (f) The person representing the Client is understood to be the Authorised Person or any other person authorised to represent the Client.
- (g) **CZK, Kč** and **Czech crown** mean the legal tender of the Czech Republic; **EUR** and **euro** designate the common currency of the European Union member states that will adopt or have adopted the euro.

3. Identification of clients and submission of documents

3.1 Identification of persons. Before the provision of and at any time during the course of providing any Banking Service the Bank has the right to request the identification documents of the Person Subject to Identification, and other documents and information required for the proper provision of the Banking Service and the due identification and verification of the Person Subject to Identification.

3.2 The Bank has the right to determine the range of the required documents and information. The Bank shall, within the limits of performing its obligations under legislation, in particular the Money Laundering Act, carry out the identification of and due diligence for Persons Subject to Identification and perform its information obligation. The Bank has the right to obtain and process data on Persons Subject to Identification in compliance with contractual arrangements and legislation.

3.3 Submitted documents. Persons Subject to Identification provide the Bank with originals or officially verified copies of the following documents:

- (i) A valid ID document in the case of natural persons;
- (ii) A valid ID document and a certificate proving authorisation to carry on business (in particular the trade licence certificate) in the case of sole traders;
- (iii) A valid ID document of Authorised Persons and proof of legal personality (in particular the certificate of incorporation or the deed of foundation; such certificates may not be more than three months old for entities registered in the Czech Republic and more than six months old for entities registered outside the Czech Republic) in the case of legal entities;
- (iv) Any other documents and information as the Bank may request with a view to obtaining all the data required for the provision of Banking Services and for the due identification of persons.

3.4 Authenticity, accuracy, and completeness. The Bank is not obliged to accept a document should it have doubts as to its authenticity or accuracy, or the acceptance of which would be contrary to the contractual arrangements or legislation. The Bank has the right to request the certification of the submitted documents.

3.5 Language. 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.

3.6 Apostille and Superlegalisation. The Bank may require documents issued abroad to bear an Apostille or to be Superlegalised.

4. Bank secrecy and clients' consents

4.1 Bank secrecy. Banking Services are subject to bank secrecy under the Banking Act. The Bank may disclose information about Banking Services and other matters that are subject to bank secrecy without the Client's consent only to the extent and under the conditions specified in legislation.

4.2 The Bank has the right to find and process such data on the Client, which is needed to make it possible to carry out the Banking Service without undue legal or material risks for the Bank. If the Client refuses to disclose the data requested in the scope laid down in binding legislation to the Bank, the Bank may refuse to provide the Banking Service.

4.3 The Bank has the right to supply the Client, subject to the Client's consent, with marketing material for the purpose of offering its products and services in writing, electronically, or using other means. The Bank may approach the Client for the purpose of customer satisfaction surveys regarding its offers of products and services. The Client has the right to withhold such consent to the Bank, or to withdraw it subsequently in writing.

4.4 The Bank uses unencrypted transmission of data and Documents, including information subject to bank secrecy under the Banking Act, to the e-mail addresses or, via text messages, to the telephone numbers that the Client and the Authorised Person have provided to the Bank. The Bank sends unencrypted Documents, in particular those concerning offered transactions and Banking Services, the execution of Payment Transactions, and the balances on Accounts. By sending unencrypted e-mail or text messages neither the Bank nor any of PPF Group companies guarantees the protection of their content against potential unauthorised access by third parties during their transmission or delivery.

4.5 The provisions of this section concerning Clients also apply mutatis mutandis to any other Persons Subject to Identification.

5. Information obligation and change of particulars

5.1 Clients' information obligation. Clients shall notify the Bank without undue delay of the following:

- (i) Any changes in their identification data, in particular a change of their first name or surname or of their company/business name, their address (of permanent residence or registered office), changes in data on Authorised Persons, and changes of Authorised Persons, Persons Subject to Identification, and the Beneficial Owner;
- (ii) Any facts that may result in a Person Subject to Identification becoming a Person with a Special Relationship to the Bank or a politically exposed person;
- (iii) Any other facts that affect or may affect the provision of Banking Services or the exercise of the rights and the performance of the obligations of the Client in relation to the Bank, in particular the start of insolvency proceedings, or the start of execution or of proceedings to enforce a decision against property of a Person Subject to Identification;

- (iv) The loss or theft of documents related to the provision of Banking Services and pertaining to the Agreement, and the loss or theft of Payment Instruments or instruments helping to identify or authorise the Client or Authorised Persons.
- 5.2** The Bank has the right to request information and proof of facts, in particular those concerning the origin and source of the Client's Funds, and information about and proof of the purpose and nature of the Account or Payment Transactions. Clients shall also disclose and prove any information and facts to the Bank as the Bank may require for tax and accounting or other justified purposes.
- 5.3** Clients shall evidence every change by the relevant documents. The Bank acts in good faith in the authenticity and veracity of such documents and information provided to it. The Bank is not obliged to accept such documents and information should it have justified doubts about them.
- 5.4** **The Bank's information obligation in the provision of Payment Services.** During the course of the contractual relationship the Bank shall provide Clients-Consumers, at their request and free of charge, with information about the Bank, the Payment Service being provided, the manner of communication with the Bank, the Agreement on Payment Services concluded with the Bank, and about the obligations and responsibilities of the Bank and the Client, in the scope laid down in the Payments Act. In compliance with the Payments Act, the Bank shall provide information about Payment Services primarily via Internet Banking. By signing the Agreement on Payment Services, Clients-Consumers also confirm that sufficiently well in advance of the conclusion thereof, they were provided with information about the Bank, the Payment Service to be provided, the manner of communication with the Bank, the Agreement on Payment Services in question, and the obligations and responsibilities of the Bank and the Client-Consumer, in the scope laid down in the Payments Act. In respect of Payment Transactions outside the EEA, the Bank is not obliged to provide Clients-Consumers with information about the maximum time for the execution of the Payment Service before the provision thereof or before the conclusion of the Agreement on Payment Services.
- 5.5** **Publication of information.** The Bank publishes the GBC, SBC, the Price List, and any other information that it is obliged to publish on its Website.

6. Acting of the client and the bank

- 6.1** **Manner of the Clients' actions.** In relation to the Bank, the Client acts either in person or through an Authorised Person unless the Bank and the Client agree that other persons can also act for the Client in the agreed extent and form.
- 6.2** The Bank may verify the authorisation of any person representing the Client. The Bank may refuse or defer the execution of any order or request until the Bank considers it indisputable that the person is indeed authorised to represent the Client in the particular matter. The Bank is not liable for any damage incurred by the Client due to the refusal or deferral of the execution of any such order or request.
- 6.3** **Power of attorney and its particulars.** The Bank has the right to require a special power of attorney. Clients' signatures on powers of attorney must be affixed in the presence of a Bank employee or must be officially verified. Where the legislation lays down a specific form for legal acting (in particular by way of a notarial record), the power of attorney must be granted in the form so required.
- 6.4** **Clients' signature.** The Client's signature on the Agreement and related documents, orders and requests must be affixed in the presence of a Bank employee or must be officially verified, unless the Bank and the Client agree on a different method of verification. The Bank has the right to specify the documents that have to be signed in line with the Specimen Signature. Signature of the Agreement is understood to constitute the forms of consent, which have been agreed between the Bank and the Client or specified in legislation (such as electronic signature, or consent given via a secured ELB channel).
- 6.5** When acting in relation to the Bank, any person representing the Client shall adhere to all the conditions for representation arising from legislation, decisions of courts or other governmental authorities, or the Client's instructions. Should such person breach this obligation, they shall compensate the Bank for damage suffered due to the breach of this obligation.
- 6.6** **Manner of the Bank's actions.** The Bank acts through its governing body, appointed employees, or duly authorised third parties. The Bank may, if it deems it appropriate, substitute the signature of persons authorised to represent the Bank by printed or mechanical means, in particular in the case of mass mailed or automatically generated communications (e.g. reminders, notifications, and requests).

7. Communication between the bank and clients

- 7.1 Methods of communication.** Subject to agreement between the Bank and the Client, communication between them can take place using electronic or other technical means. In communication over the telephone, the Bank and the Client shall identify themselves in the agreed manner, or in a manner causing no doubts about the identity of the person.
- 7.2 Language of communication.** Communication between the Bank and the Client in the context of their contractual relationship takes place in Czech, unless agreed otherwise. In the case of documents or an Agreement made in multiple language versions, the Czech version shall prevail at all times.
- 7.3 Place of communication.** Clients and the Bank communicate via the Client's Place of Business, unless agreed otherwise.

8. Delivery

- 8.1 Delivery to the Client.** The Bank delivers documents for the Client at the Contact Address, via ELB, or using another method as may be agreed.
- 8.2 Delivery methods.** Documents can be delivered by hand, by post, using a courier service, by fax, via ELB or via e-mail.
- 8.3 Moment of delivery.** Documents delivered by the Bank to the Client are deemed delivered:
- (i) upon receipt thereof in the case of documents being delivered at the Contact Address by restricted delivery or by a registered letter or against a 'certificate of delivery'. Notwithstanding the foregoing, documents are deemed delivered not later than on the 10th Business Day from the day of sending within the Czech Republic, or the 15th Business Day from the day of sending to another country;
 - (ii) in the case of other documents not specified under (i) above, on the 3rd Business Day from the day of sending within the Czech Republic or the 15th Business Day from the day of sending to another country, unless the Bank learns of earlier delivery;
 - (iii) at the moment of their loading and displaying in ELB if the documents are delivered via ELB;
 - (iv) at the moment of their sending to the Client in the case of delivery via e-mail;
 - (v) at the moment of the acknowledgement of successful transmission, generated by the sender's device, in the case of delivery via fax;
 - (vi) where the Client frustrates the delivery of a document (in particular by refusing receipt thereof), or where a document is returned as undelivered, the day on which the document is returned to the Bank is deemed to be the moment of delivery, including cases where the Client was unaware of the deposit of the document for collection.
- 8.4** Clients may agree with the Bank that some documents will be forwarded to the Client's Place of Business for personal collection. In such a case, documents are deemed delivered upon being deposited at the Client's Place of Business. Where such documents are not collected within six months, the Bank may destroy them.
- 8.5 Repeated delivery.** Where a document has been returned at least two times due to the frustration of its delivery by the Client, the Bank has the right to henceforth deliver documents for the Client only to the Client's Place of Business for personal collection.
- 8.6 Delivery to the Bank.** Clients deliver documents for the Bank to the Client's Place of Business or in another way as may be agreed.

9. Clients' orders and requests

- 9.1** The Client's orders and requests must have the form and content acceptable for the Bank; otherwise, the Bank may reject the order or refuse the request. The Client may also submit orders and requests via ELB under the conditions of the SBC.
- 9.2 Conditions for execution.** The Bank may reject orders and refuse requests that are incomplete, unintelligible, unclear, formally incorrect or otherwise made contrary to the agreed conditions; in particular, the Bank may reject orders that contain details that have been crossed out or corrected, that have been submitted only in the form of a photocopy, etc. Orders must be signed in accordance with the Specimen Signature and satisfy any other conditions (the set limits, etc.). The Bank may refuse to execute an order or request where such execution would be contrary to legislation, or for serious operating and technical reasons. The Bank may suspend the execution or refuse to execute

an order or request if it has reasonable concerns that the Client will not be able to meet their obligations to the Bank, or where the Bank has outstanding receivables from the Client which are past due.

- 9.3** The Bank has the right to carry out the identification of any person submitting an order or request.
- 9.4** **Change and cancellation of orders.** Clients may change or revoke their order or request subject to agreement with the Bank, unless legislation rules this out.

10. Establishment of contractual relationships

- 10.1** The Bank and the Client usually enter into an Agreement at a Place of Business. Unless stipulated otherwise in the Agreement, Agreements are entered into for an indefinite period of time. An Agreement is concluded following consensus on all of its particulars.
- 10.2** The Bank may terminate talks on Agreement conclusion at any time, giving no reasons.

11. Changes to contractual relationships

- 11.1** The Bank may propose amendments to these GBC, any SBC, and the Price List, in particular further to changes in legislation, for the purpose of improving the quality of the Banking Services that it provides, and with regard to the Bank's business objectives.
- 11.2** The Bank shall inform Clients about proposed amendments to the GBC, any SBC, and the Price List at least two months before the proposed date of effect. The Bank shall inform Clients about the proposed amendments and the date of effect of such amendments in the manner agreed with Clients.
- 11.3** If the Client does not refuse a proposed amendment to the GBC, any SBC, or the Price List in writing by the Business Day preceding the expected date of effect of the proposed amendment the Client is understood to have accepted the proposed amendment with effect from the day of effect proposed by the Bank. Clients shall be advised of this consequence in the proposal for the amendment.
- 11.4** If, under the conditions of this Article 11, the Client refuses a proposed amendment to the GBC, any SBC, or the Price List in writing by the Business Day preceding the expected date of effect of the proposed amendment the Client has the right to terminate the obligation under the Agreement. The Bank shall inform Clients about the right to terminate the obligation under the Agreement in the proposal for the amendment. The termination must be in writing and delivered to the Client's Place of Business.
- 11.5** If Clients do not exercise their right to terminate the obligation under the Agreement, they are understood to have accepted the proposed amendment with effect from the day of effect proposed by the Bank.
- 11.6** Clients have the right to refuse a proposed amendment and may also terminate the obligation under the Agreement only if the proposed amendment directly concerns the Banking Service provided to the Client under the Agreement.
- 11.7** **Changes with immediate effect.** The Bank has the right to make the following changes with immediate effect:
- (i) Changes made exclusively for the benefit of Clients or in the case of extending the provided Banking Services to include a new Banking Service;
 - (ii) Changes in the particulars that are not set out in the contracting parties' agreement and have a purely informative nature (such as information about the Bank's registered office or name);

The Bank shall notify Clients of amendments under this Article by the time specified in clause 11.2 above.

12. Discharge of contractual relationships

- 12.1** **Withdrawal by the Bank.** The Bank may withdraw from Agreements if Clients materially breach their contractual or statutory obligations in connection with Banking Services (in particular unauthorised debit on the Account, or the provision of false information) or if the Bank discovers any other significant facts as a consequence of which Clients' ability to duly meet their obligations is seriously jeopardised. The Agreement shall be discharged on the day of delivery of the notice of withdrawal, or within a different period specified by the Bank.
- 12.2** **Arrangement.** The Agreement shall be discharged on the basis of a written arrangement between the Client and the Bank.

12.3 Expiration. The Agreement shall be discharged upon the expiration of the period for which it was concluded.

12.4 Termination of obligation under the Agreement

- (a) **Termination by the Client.** The Client may terminate the obligation under any Agreement in writing at any time. An order to close an Account is deemed written termination of the Account. Unless agreed otherwise or unless laid down otherwise in legislation, the period of notice is 30 calendar days and starts to run on the Business Day following the delivery of the notice to the Bank.
- (b) A Client's notice of termination in relation to an Account that is subject to enforcement or execution proceedings shall only become effective upon the conclusion of the relevant enforcement or execution proceedings unless the Bank and the Client explicitly agree otherwise in a particular case.
- (c) **Termination by the Bank.** The Bank may terminate the obligation under Agreements concluded for an indefinite period of time; in such a case, the period of notice is two months and starts to run on the Business Day following the delivery of the notice to the Client unless agreed otherwise or unless laid down otherwise in legislation.
- (d) In the event of the termination of the validity of the last of the Payment Services provided under an Agreement on Payment Services, the Agreement on Payment Services shall also be discharged, unless agreed otherwise.
- (e) During the period of notice, the Bank may block funds in an amount equalling the Fees, the costs of settling the Account, and debit interest.

12.5 Settlement of rights and obligations. The Bank and the Client shall, before the end of their contractual relationships, settle their receivables from and debts to each other as existing on the day of the discharge of the Agreement, provided that in the case of withdrawal, debts fall due and payable on the Business Day following the delivery of the notice of withdrawal to the Client. In such a case, the Bank only refunds the prorated part of the Fee for the Banking Service if explicitly so required in the Agreement or legislation.

12.6 Limitation. The Client agrees that unless this is contrary to legislation in a particular case, all of the Bank's rights over and receivables from the Client shall be statute-barred in 15 years; where legislation in force before the effect of the Civil Code is used for a particular contractual relationship, they shall be statute-barred in ten years from the day on which the Bank could exercise/demand them for the first time.

13. The bank's liability

13.1 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 performed in a due and timely manner if performed within the periods required by legislation, an Agreement, these GBC or the SBC, or within periods that are adequate to the nature of such obligation and to banks' procedures reflecting customary business practice. The Bank is liable to Clients for any damage incurred by Clients due to the Bank's breach of its obligations under Agreements.

13.2 The Bank is not liable to Clients for damage in cases where

- (i) the damage was caused by illegal conduct of the Client or a third party;
- (ii) the damage was caused by a breach of obligations of persons representing the Client;
- (iii) the damage was due to the Bank having proceeded in accordance with the Client's orders and requests or for damage that the Client incurred as a consequence of the Client's own business or other decisions;
- (iv) the damage was caused by the Bank acting in accordance with the Agreement;
- (v) the damage was caused otherwise than wilfully or due to gross negligence;
- (vi) the breach of the obligation in question was caused by an unforeseeable and insurmountable obstacle arising beyond the Bank's control or by circumstances precluding liability of the Bank (including, without limitation, events of force majeure, including natural disasters, war, civil unrest, actions of institutions used by the Bank in payments, strikes, work stoppages, and defects in the telecommunications means used between the Client and the Bank), which occurred beyond the Bank's control and which the Bank could not have reasonably foreseen at the time of the establishment of the obligation;
- (vii) the breach of the Bank's obligation was caused by the Client's conduct or lack of the Client's cooperation.

- 13.3** The Bank's liability for unauthorised or incorrectly executed Payment Transactions is described in Article 23 Payments.
- 13.4** The Bank shall not be held liable for any damage caused by the disclosure of the messages sent to the telephone number provided by the Client, or the Bank's or third parties' e-mail address.
- 13.5** The Bank shall not be held liable for damage caused to the Client in the case of abuse of the electronic communications network (in particular e-mail and fax).
- 13.6** The Client shall ensure that the Authorised Person or other persons who represent the Client and use Banking Services, or participate in the use thereof, are at all times properly acquainted with the relevant Agreement, the SBC, the GBC, the Price List, and other documents pertaining to the Banking Service in question. The Client agrees that these persons shall perform the Client's obligations under these documents and applicable legislation to the full extent. The Client shall at all times be held fully liable for cases where these persons breach the conditions set out in these documents and is obliged to compensate the Bank for any damage caused to the Bank by the breach of these conditions.

14. Complaints

- 14.1** Complaints are handled in accordance with the Bank's Complaints Code. The Complaints Code is available at the Places of Business and on the Website.
- 14.2** Clients and persons representing Clients are obliged to check executed Payment Transactions on a regular basis.

15. Insurance of deposits

- 15.1** Receivables arising from deposits on Accounts are insured in accordance with legislation (in particular the Banking Act). Insurance does not cover deposits of financial institutions, health insurers, and sovereign funds, or bills and notes and other securities. Detailed conditions of deposit insurance are available at the Places of Business and on the Website.

16. Fees

- 16.1** Clients shall pay the Fees and other charges for the Banking Services provided and for the operations related to such services to the Bank in a due and timely manner. The Bank charges the Fees under the Price List effective at the time of the provision of the Banking Service. The Price List shows Fees in the currency in which the Account is kept, or in some other currency.
- 16.2 Individual prices.** The Bank may charge Fees for Banking Services which are not contained in the Price List and have been agreed with the Client in an Agreement and/or on the basis of some other arrangement with the Client. The Bank may charge individualised Fees (i.e. differently from the Price List).
- 16.3 Method of payment.** The Bank may debit the amount equalling the Fees for the Banking Services provided and for the operations related to the Banking Services from the Client's Account to which the provided Banking Services relate, otherwise from any other Account of the Client, on the dates determined by the Bank. The Bank bills the Fees on a monthly basis as at the last day of the month in which the reason for Fee payment occurred.

17. Transactions in foreign currencies

- 17.1 Cashless transactions.** The Bank sells Clients Funds in a foreign currency for CZK at the "non-cash currency sell" Rate. The Bank buys Funds in a foreign currency for CZK at the "non-cash currency buy" Rate from Clients.
- 17.2 Cash transactions.** The Banks sells Clients Funds in a foreign currency for CZK at the "cash currency sell" Rate. The Bank buys Funds in a foreign currency for CZK at the "cash currency buy" Rate from Clients.
- 17.3** The Bank converts between foreign currencies via CZK using the procedure described in 17.1 and 17.2 above.
- 17.4** Fees are converted using the "median" ["*střed*"] Rate.
- 17.5 Exchange rate list.** The exchange rate list is published at the Places of Business or on the Website. The exchange rate list and any changes therein are in effect from their publication by the Bank, and Clients are not notified of any changes. The Bank may change the exchange rate list at its discretion.

For transactions in foreign currencies, the Bank uses the Rate in the Bank's exchange rate list, which is effective at the moment when the transaction in question is being posted.

- 17.6 Individual rate.** The Bank and the Client may agree on an individualised rate intended for Transactions in foreign currencies, provided that if the Transaction is not executed in the relationship for which the individualised rate was agreed, for reasons beyond the Bank's control, and the Bank suffers damage as a consequence of this, the Client shall compensate the damage without undue delay.

18. Assignment and set-off

- 18.1** Without the Bank's prior consent in writing the Client may not assign or pledge (this also applies *mutatis mutandis* to the putting up of receivables as security) any of the Client's receivables from the Bank or a part thereof (including receivables arising from Accounts), or assign an Agreement or a part thereof or the Client's rights and obligations under an Agreement, unless the assignment is to the Bank or the pledge is in favour of the Bank.
- 18.2** The Bank has the right to assign an Agreement or a part thereof, its receivables from the Client or a part thereof, or the rights and obligations under an Agreement to a third party and the Client hereby gives express consent to this. The Bank and the Client agree to exclude the use of Section 1899 of the Civil Code.
- 18.3 Set-off.** The Client agrees that the Bank may set off any of its receivables from the Client, whether due, not yet due, or statute-barred, against the Client's receivables from the Bank, both due and not yet due, regardless of the currency of the receivable and the legal relationship from which the receivable arises. For the purpose of such set-off the Bank may convert the currencies at the Bank's Rate applicable at the time of the set-off. Without the Bank's express consent, the Client may not set off any of the Client's receivables from the Bank against any of the Bank's receivables from the Client, regardless of the currency of the receivable and the legal relationship from which the receivable arises.

19. Taxes

- 19.1** The Bank deducts income tax in the amount specified by the applicable legislation.
- 19.2** Where Clients request the Bank to apply taxation under an international agreement on the avoidance of double taxation by which the Czech Republic is bound, they must prove to the Bank that they are tax residents of another country. For this purpose, the Clients must submit, without limitation, the original (officially verified copy) of a document proving their tax residence, issued by the competent tax authority (the so-called tax domicile).
- 19.3** The Bank shall withhold income tax in the amount complying with the relevant international agreement 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.
- 19.4** 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 agreements.

20. Selected banking services

20.1 Term deposit

- (a) Term deposits are set up in relation to deposit accounts or Payment Accounts as a non-recurring deposit transaction (with a fixed term and amount, and with a single maturity of the deposit) or as a revolving deposit transaction (for a period with automatic renewal of the original term). The minimum amount and the term of the term deposit are specified in the Price List and the Interest Rate List.
- (b) The Bank credits interest accrued on the term deposit on the maturity date in the manner and to the Account agreed in the Agreement.
- (c) **Interest on term deposits.** The interest rate is fixed and does not change over the entire duration of a term deposit, or over the entire duration of one period of a revolving term deposit. Interest accrues on a term deposit from the date of establishment, or from the date of the commencement of each individual period of a revolving term deposit and stops accruing on the day preceding the maturity of the term deposit or the end of the period of the revolving term deposit. The interest rate is set out in the Interest Rate List, unless agreed individually.

(d) **Termination of term deposits:**

- (i) Clients are not permitted to handle term deposits before their Maturity Date.
- (ii) Clients may request early termination of term deposits in a written request submitted at least three Business Days before the required day of term deposit termination. Where a term deposit is terminated before its Maturity Date, it is regarded as terminated early. The Bank may charge a fee under the Price list for an early termination of a term deposit.
- (iii) Revolving term deposits can be terminated based on the Client's request submitted at least one Business Day before the end of the period of the revolving term deposit; otherwise, such deposit will be automatically extended.
- (iv) The Bank may terminate a term deposit if the balance on the Account falls under the minimum amount required for setting up a term deposit.

20.2 Deposit Transactions and Spot Transactions

- (a) **Entering into a Transaction.** Transactions may be entered into in writing, by means of telecommunications, or orally over recorded telephone lines.
- (b) **Settlement.** Immediately after entering into a Transaction, or by 11 a.m. on the day agreed for Transaction settlement, the Client is obliged to transfer the amount payable to the Bank to the Bank's relevant Account designated as the account for payments in the respective currency. Should the Client default on this obligation the Bank is not obliged to execute the Transaction any further and in such a case, the Bank may withdraw from the Transaction as such with effect as of the point in time of notifying the Client of such withdrawal.
- (c) Clients have no legal entitlement to an early termination of Transactions before the agreed day of settlement or maturity.
- (d) The Bank has the right not to execute operations the execution of which the Bank would consider to be, in particular, at variance with legislation or capable of causing the initiation of court or other proceedings against the Bank. The Bank has the right to execute any and all operations that it considers to be necessary for meeting the conditions laid down in legislation.
- (e) **Confirmation.** The Bank shall send Confirmations without undue delay following the entering into the agreed Transaction. Confirmations have only a declaratory nature and do not constitute a legal basis for Transactions. In respect of the content of a Confirmation, Clients may submit objections, however, not later than on the Business Day following receipt of the Confirmation. Where the Client expressly acknowledges a Confirmation or does not raise objections or fails to raise objections within the set period, the Confirmation shall be considered to be accurate and correct.
- (f) **Force majeure.** The Bank shall not be held liable for any delay with or failure of the execution of the transfer of Transaction funds occurring due to force majeure.
- (g) **Clients' liability.** Clients shall be held fully liable for any losses and damage suffered by the Bank as a consequence of Clients breaching or failing to perform obligations arising from the Transaction in question or as a consequence of Client-initiated changes or cancellation of the conditions of a Transaction already entered into.
- (h) **Transaction termination.** Without prejudice to any other provisions in these GBC, if (i) the Client breaches or fails to perform any of its obligations agreed in any Transaction or (ii) the Client requests from the Bank a change or cancellation of the conditions of any outstanding Transaction, the Client agrees to indemnify and hold harmless the Bank for any losses or damage that the Bank may suffer due to such breach or failure by the Client or as the result of such change or cancellation by the Client. Upon such termination of or, as applicable, withdrawal from the Transaction by the Bank, or any change or cancellation of the conditions of an outstanding Transaction, the Bank shall, in good faith and in a commercially acceptable manner, determine the amount in Czech crowns, or any other freely convertible currency, equalling the costs (expressed as a positive number) or gains (expressed as a negative number) that are incurred by the Bank in connection with the termination or, as applicable, change of such Transaction (the "Loss") for the purpose of maintaining the economic value of all the payments and deliveries that the Bank would be entitled to receive, or obliged to provide, on the basis of the Transaction but for the termination or change thereof. 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 date of such termination of the Transaction and the Loss shall be paid by debiting the Loss amount from any Payment Account of the Client, or by crediting it to any Payment Account of the Client, unless agreed otherwise with the Client. Where terms and conditions for Transactions are not provided for in specific provisions of these GBC they are governed by the other provisions of these GBC and the customary business practice applied to such types of transactions on the interbank market.

21. Accounts

21.1 Account opening and maintenance

- (a) The Bank opens Accounts for natural persons of legal age and legal entities registered in the Czech Republic or other countries on the basis of an Agreement on Payment Services. The Bank does not open anonymous Accounts or joint Accounts for more than one Client.
- (b) **Minimum deposit and balance.** The Bank may stipulate in the Agreement, a minimum amount of the deposit and/or a minimum amount of the balance on the Account.
- (c) Accounts for natural persons not engaged in business are designated solely for personal, non-business purposes. Accounts for natural persons as sole traders are designated solely for business purposes and Accounts for legal entities are designated solely for business purposes only or for other purposes. Clients are not allowed to use Accounts contrary to the agreed purpose.
- (d) **Identification of Accounts.** The Bank allocates a Unique Identifier to each Account, which both the Bank and Clients are to reference in their communications regarding the Account. If required by legislation 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 shall inform Clients of this fact in writing within a reasonable period, at the latest two months before the effectiveness of the change. The Bank is not liable for any costs incurred by Clients due to the change of their Unique Identifier. Part of the identification of an Account is its name, which contains the Client's first name and surname or its company/business name.

21.2 Handling of Funds on Accounts

- (a) **Handling of Funds by Clients.** The Client and the Authorised Person to the extent of his or her authorisation have the right to handle Funds on Accounts. Funds in an Account may be handled only up to the amount of the Available Balance on the Account;
- (b) **Unauthorised debit.** In the event of any unauthorised debit balance in an Account for any reason, the Client shall immediately pay the Bank all amounts owed, including incidentals. Unauthorised debit continues to exist if on the day on which all owed amounts are paid to the Bank an unauthorised debit comes into existence on the Account again.
- (c) **Restriction.** The Bank may restrict the handling of Funds in an Account at its discretion if this procedure is required by legislation or where this is in accordance with an Agreement or conditions otherwise agreed between the Bank and the Client.
- (d) In the event that the handling of Funds on the Account is restricted due to the enforcement of a decision by the garnishment of funds from the Client's Account, the Bank may block an amount in an account held in a foreign currency equal to the amount of the garnished funds plus 5% to cover any exchange rate differences.
- (e) **Handling of Funds by the Bank.** The Bank may handle Funds on Accounts if so laid down or stipulated in legislation or Agreements. Clients agree that the Bank has the right to debit Funds from Accounts at the Bank for the following purposes:
 - (i) Payment of payable interest;
 - (ii) Corrective settlement due to its own incorrect posting or incorrect posting by a third-party bank within the meaning of the relevant legislation;
 - (iii) Payment in cases required by the law;
 - (iv) Payment of all charges, fees and expenses in connection with the provision of Banking Services, including fees of third-party banks and persons involved in payments operations;
 - (v) Payment of the amount of cheques or money orders already encashed by the Bank in the case of the cheque payer's or the collection bank's subsequent failure to pay them;
 - (vi) Payment of the Bank's receivables (including the cheque payer's or the collection bank's expenses) that arose after the cheque amount or the money order amount was credited to the Client's Account if the Client failed to keep the contract conditions concerning the encashment of cheques or money orders, or if it is later found that the Client had accepted a counterfeit or altered cheque or money order;
 - (vii) Payment of a credited payment from abroad if the sending bank did not ensure cover/transfer of funds for the benefit of the Bank;
 - (viii) Return of pensions and other statutory benefits and allowances (however, only up to the amount of the credit balance on the Account) in cases where the beneficiary's entitlement to

such payments has ended and the payer has explicitly requested the return of such unjustifiably remitted payment;

- (ix) Return of a direct debit amount credited to the Client's Account, the return of which the payer is demanding in compliance with the Payments Act;
- (x) Return of a credited payment if the number of the beneficiary's or the payer's Account is included in the list of unauthorised online games in accordance with the requirements of the law on gambling; or
- (xi) Payment of any other of the Bank's receivables due from the Client, including statute-barred receivables;
- (xii) In other cases specified in legislation or an Agreement.

21.3 Interest on Accounts

- (a) The Bank credits interest accrued on the balance of Funds on the Account. Unless the Agreement stipulates otherwise the Bank credits interest accrued on the balance of the Funds on the Account at an annual interest rate; interest is posted on a monthly basis on the last day of the month.
- (b) **Interest on credit balance.** Interest accrues on the credit balance from the date that Funds are credited to the Account until the day preceding the withdrawal or transfer of the Funds from the Account. Interest is credited in the currency of the Account.
- (c) **Interest on debit balance.** Interest accrued on the debit balance from the day on which debit arose on the Account until the day preceding the day on which the debit balance is compensated.
- (d) **Interest rate.** The Bank sets the interest rates primarily in relation to the interest rates declared by the CNB and the development of interest rates in financial markets, taking into account the Bank's business policy. Interest rates are declared in the Interest Rate List. Interest rates can also be negative rates.
- (e) **Interest calculation.** The Bank calculates interest based on the actual number of days and a 360-day year. Interest is calculated to two decimal places.
- (f) **Changes in interest rates.** The Bank may, at its own discretion, change interest rates depending on changes in reference rates and other objective facts. Interest rate changes must be notified to Clients in accordance with the requirements of the Payments Act.
- (g) **Interest taxation.** Interest is subject to taxation under applicable legislation. Upon payment or in other cases envisaged by legislation the Bank carries out the withholding or securing of taxes.

21.4 Account statements

- (a) **Sending of statements, the form, frequency, and delivery.** The Bank informs Clients about balances and movements in Accounts via Account statements in the form of printed documents or electronic Statements generated through ELB. The frequency and method of delivery of Statements are agreed between the Bank and the Client. The Bank provides Clients-Consumers with statements, in compliance with the Payments Act, once per month free of charge via ELB or e-mail.
- (b) **Check of statements.** Upon receipt of statements and without undue delay, Clients are obliged to check whether Payment Transactions are authorised and correctly executed. Clients shall notify the Bank of unauthorised or incorrectly executed Payment Transactions without undue delay from discovering them, however, not later than within 13 months from the moment when the amount was made available for Payment Transaction execution, and within three months in the case of other irregularities. The right to have an unauthorised or incorrectly executed Payment Transaction remedied shall not be granted following the end of the above time limits. The time limit for notification does not start to run before the Bank meets its information obligation to Clients under the Payments Act.
- (c) The Bank provides information about considerations and an annual list of considerations for services related to Payment Accounts in CZK in accordance with the requirements of the Payments Act, unless agreed otherwise with the Client.

21.5 Account closing

- (a) **Settlement.** Following the discharge of the Agreement on Payment Services, the Bank closes the Account. The Client shall instruct the Bank as to the treatment of the balance on the Account. Where the Client does not give instructions as to the treatment of the balance, the Bank closes the Account and keeps the balance in its records with no interest accruing on the balance. Before the Account is closed, the Client shall return to the Bank all items (chequebooks, unused cheques), that the Bank supplied the Client with in connection with providing Banking Services.

- (b) **Account switching.** The Account can be switched based on the Client's request to the extent and under the conditions laid down in the Payments Act and the Czech Banking Association's Standard on Client Mobility – Procedure for Payment Account Switching (the link to the Standard is shown on the Website and is also available at Places of Business).
- (c) **Orders and requests; Banking Service.** Together with closing the Account, the Bank automatically cancels all orders, requests and Banking Services related to the closed Account. The Bank returns any Payment Transaction incoming to credit the closed Account to the payer.
- (d) **Death of Clients-Consumers.** The Account does not cease to exist upon the death of the account holder, unless agreed otherwise with the Client. Where the Bank receives proof that the Client-Consumer has died, on the following Business Day it stops those Payment Transactions which the Client specified were to be stopped by the Bank upon the Client's death. The Bank takes further steps in line with the development of the probate proceedings.

22. Basic payment account

22.1 The basic payment account is a payment account in CZK, with which Payment Services are connected in the scope laid down in the Payments Act. The basic payment account is intended only for the person who is a consumer and also

- (i) a national of an EU/EEA member state or his or her family member;
- (ii) a foreign national staying in the Czech Republic on a temporary or permanent basis under the law on the stay of foreign nationals in the Czech Republic;
- (iii) a foreign national who has applied, in the Czech Republic, for international protection or who has been granted asylum or subsidiary protection under the law on asylum;
- (iv) a foreign national staying in the Czech Republic under the law on temporary protection of foreign nationals;
- (v) a person staying in the Czech Republic under the law on the stay of armed forces of other countries in the Czech Republic;
- (vi) a person enjoying prerogatives and immunities in the Czech Republic under international law; or
- (vii) a person legally staying in another EU/EEA member state.

22.2 The Bank has the right to refuse to open a basic payment account if:

- (i) the person under clause 22.1 above holds a Payment Account maintained in the Czech Republic, through which the same Payment Services can be received as those connected with a basic payment account;
- (ii) in the preceding 12 months, the Bank terminated or withdrew from an agreement on a basic payment account concluded with this person or the Bank withdrew from another Agreement on Payment Services concluded with such person for a gross breach of contract; or
- (iii) by concluding an agreement on a basic payment account the Bank would breach any provisions of legislation.

22.3 Termination of agreements on basic payment accounts: The Bank may terminate agreements on basic payment accounts if:

- (i) the Client-Consumer has not executed any Payment Transaction for more than 24 months;
- (ii) the Client-Consumer fails to meet the conditions under clause 22.1 above;
- (iii) the Client-Consumer meets the conditions under clause 22.2 (i) above;
- (iv) the Client-Consumer rejects a proposal for an amendment to the agreement on a basic payment account;
- (v) the Bank no longer provides Payment Services to consumers or is divested of the relevant authorisations to provide Payment Services.

22.4 Withdrawal from agreements on basic payment accounts: The Bank has the right to withdraw from such agreement if:

- (i) the Client-Consumer uses the account at variance with the Money Laundering Act or at variance with any other law;

- (ii) the opening and maintenance of the account is based on false or grossly distorted information provided by the Client-Consumer;
- (iii) the Client-Consumer commits a material breach of their obligations under the agreement;
- (iv) The continued existence of the agreement on a basic payment account is at variance with legislation.

22.5 The Bank may terminate or withdraw from the agreement within three months from the day on which the Bank learned of the grounds for terminating or withdrawing from the agreement on a basic payment account (this period shall not apply in the case of termination under clauses 22.3 (v) above and 22.4 (i) and (iv) above).

23. Payments

23.1 General conditions of payments. In respect of payments, the Bank follows the legislation, Agreements, and customary banking practices. The Bank is obliged to accept Funds to Accounts, pay Funds from Accounts, and execute other Payment Transactions from or to Accounts in accordance with Payment Orders of Clients or Authorised Persons. In particular Clients' Payment Accounts are intended for the execution of payments.

23.2 Payments can be executed in cash or cashless, specifically on the basis of written Payment Orders, via electronic Payment Instruments, on the basis of the Bank's cash vouchers, and via Payment Cards. The Bank executes Payment Orders delivered to the Bank in the manner and within periods of time specified in the GBC, or, if applicable, in the SBC, which run from the Point in Time of Receipt of the Payment Order.

23.3 Authorisation of Payment Transactions. A Payment Transaction has been authorised if the Client has given consent to it, unless legislation lays down otherwise. On written Payment Orders, the Client's consent is expressed through the signature of the Authorised Person (identical with the Specimen Signature). In other cases, consent is given under the conditions set out in the relevant SBC and the Agreement.

23.4 Unauthorised and incorrectly executed Payment Transactions. The Client shall report an unauthorised or incorrectly executed Payment Transaction without undue delay from discovering such Payment Transaction, however, not later than within 13 months from the point in time when the Payment Transaction was debited from the Account. The right to have an unauthorised or incorrectly executed Payment Transaction rectified cannot be exercised in court past the end of the above time limit.

23.5 Liability for unauthorised and incorrectly executed Payment Transactions

- (a) Where an unauthorised Payment Transaction has been executed from the Client's Payment Account the Bank shall immediately, but not later than the following Business Day, restore the balance in the respective Payment Account to the level that would have existed had such debit of the Payment Transaction amount not been executed. If it is not possible to restore the Payment Account to the original status, the Bank shall refund the Payment Transaction amount to the Client, including any paid charges and lost interest. This provision shall not be used if the Client is liable for the loss caused by the unauthorised Payment Transaction. The period for restoration shall not start when the Bank has any reasons to believe that the Client has acted fraudulently and the Bank has notified the supervisory authority thereof, including the reasons.
- (b) The Client shall be fully liable for loss caused by the use of a lost or stolen Payment Instrument or by abuse of a Payment Instrument which occurred before the Client notified the Bank of the loss, theft, abuse or unauthorised use of such Payment Instrument in accordance with the Agreement, unless stipulated otherwise (abuse of a Payment Instrument, password, PIN etc. is also understood to include any other forms of use not authorised by the Client). 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.
- (c) The Bank is not liable to the Client for an unauthorised or incorrectly executed Payment Transaction or for failure to keep the set time limits for executing the Payment Transaction if the Bank was prevented from performing the relevant obligation by a circumstance that was unusual, unforeseeable, and beyond the Bank's control and the consequences of which the Bank was unable to avert.
- (d) The Bank's liability arising from unauthorised or incorrectly executed Payment Transactions shall be without prejudice to the Bank's liability for damage or unjust enrichment resulting from such Payment Transactions. However, nothing that can successfully be sought from the Bank by exercising the right

arising from an unauthorised or incorrectly executed Payment Transaction can be sought on the basis of different legal grounds.

23.6 Unauthorised or incorrectly executed Payment Transactions on Accounts of Clients-Consumers

- (a) Clients-Consumers bear liability for damage caused by any and all unauthorised Payment Transactions if such damage was caused by the use of a lost or stolen Payment Instrument or abuse of a Payment Instrument up to a total of EUR 50. Clients-Consumers shall not be held liable for damage under the preceding sentence to the extent they did not act fraudulently and were unable to discover the loss/theft or abuse the Payment Instrument before the execution of the unauthorised Payment Transaction or to the extent that the loss/theft or abuse was caused by the Bank's conduct. Clients-Consumers bear liability for damage caused by an unauthorised Payment Transaction to the full extent where the damage was caused by the Client-Consumer's or the Authorised Person's fraudulent conduct or by the former breaching, wilfully or due to gross negligence, any of his or her 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-Consumer failed to take any and all reasonable measures to protect the Security Elements of the Payment Instrument immediately after obtaining such Payment Instrument) or breaching his or her obligation to notify the Bank of the loss, theft, abuse or unauthorised use of the Payment Instrument and/or Security Elements without undue delay upon discovering such fact.
- (b) Clients-Consumers shall not be held liable for loss caused by unauthorised Payment Transactions where the Client-Consumer did not act fraudulently and the loss occurred after the Client-Consumer notified the Bank of the loss, theft, abuse or unauthorised use of the Payment Instrument or in cases where the Bank failed to ensure adequate means enabling Clients-Consumers to notify the Bank of such facts and also in cases where the Bank has breached its obligation related to the requirement for strong Client-Consumer authentication.
- (c) The Bank shall be liable to Clients-Consumers in the role of Payers for any incorrectly executed Payment Transaction unless the Bank proves to the Client-Consumer that the amount of the incorrectly executed Payment Transaction was credited to the account of the beneficiary's Provider. The Bank is liable for an incorrectly executed Payment Transaction to the Client-Consumer in the role of beneficiary only where the payer's Payment Service Provider is not liable for it to the payer.
- (d) In cases where the Bank is liable to Clients-Consumers in the role of Payers for an incorrectly executed Payment Transaction, and the Client-Consumer informs the Bank that they no longer insist on the execution of the Payment Transaction, the Bank shall immediately restore the balance in the Payment Account to the status that would have existed had such debit not been executed, or, if restoring the balance in the Payment Account is not practicable, shall refund the Payment Transaction amount to the Client-Consumer, including the consideration paid and lost interest. This provision shall not be used in cases where the Bank proves that the respective amount was credited to the account of the beneficiary's Payment Service Provider before the Client-Consumer informed the Bank that they no longer insisted on the execution of the Payment Transaction.
- (e) In cases where the Bank is liable to Clients-Consumers in the role of Payers for an incorrectly executed Payment Transaction, and the Client-Consumer does not inform the Bank that they no longer insist on the execution of the Payment Transaction, the Bank shall immediately ensure that the amount of the incorrectly executed Payment Transaction is credited to the account of the beneficiary's Payment Service Provider.
- (f) In cases where the Bank, as the beneficiary's Payment Service Provider, is liable to a Client-Consumer in the role of the beneficiary for an incorrectly executed Payment Transaction, the Bank shall immediately restore the balance in such Client-Consumer's Payment Account to the status that would have existed had the Payment Transaction not been executed incorrectly, or, if restoring the balance in such Payment Account is not practicable, shall return the amount of the incorrectly executed Payment Transaction to such Client-Consumer, including the incorrectly paid consideration and lost interest.
- (g) The provisions of clause 23.6 (c) to (f) above shall not be used in the case of Payment Transactions initiated by the beneficiary, where the Bank as the beneficiary's Payment Service Provider, failed to perform its obligation to transfer the Payment Order to the Payer's Payment Services Provider in a due and timely manner. At the request of the Client-Consumer in the role of the beneficiary the Bank shall document whether or not it has performed this obligation.
- (h) In the event that a Payment Transaction initiated by a Client-Consumer was executed incorrectly the Bank shall, at such Client-Consumer's request, make every effort as can be required of it in fairness to ensure that this Payment Transaction is traced, and shall inform the Client-Consumer of the outcome.

- (i) The Bank is obliged to prove to the Client-Consumer that the Payment Transaction was authorised, accurately recorded, and posted, and unaffected by any technical breakdown or other defect in cases where a Client-Consumer claims that a Payment Transaction was not authorised or was executed incorrectly.
- (j) Clients-Consumers may, for a period of eight weeks from the date on which the Payment Transaction amount 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 Payment Transaction amount 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. Furthermore, claims may not be made by Clients-Consumers on the grounds of an unexpected change in an Exchange Rate. Clients-Consumers may not, however, request the return of an authorised Payment Transaction amount in cases where consent to the Payment Transaction was granted by the Client-Consumer directly to the Bank and the information about the precise amount was provided or made available to the Client-Consumer by the Bank or by the beneficiary not less than four weeks before the Point in Time of Receipt of the Payment Order.
- (k) Together with any request for the return of the funds under clause 23.6 (j) above, the Clients-Consumers shall provide the Bank with information and documents indicating that the conditions for the return of the Payment Transaction amount under clause 23.6 (j) above have been met, including information as to when the Client-Consumer learned of the precise amount of the Payment Transaction in question. Before the Client-Consumer performs this obligation, the statutory ten-day period for returning the Payment Transaction amount does not start to run.
- (l) Where the Client-Consumer's Payment Order was submitted through the Payment Initiation Service, the Payment Transaction that was executed contrary to the Payment Order that the Client-Consumer had given to the Payment Initiation Services Provider shall also be regarded as incorrectly executed although it was executed in accordance with the received Payment Order. In this case, the Bank has the obligation to rectify the incorrectly executed Payment Transaction vis-à-vis the Client-Consumer.

23.7 The Bank's liability arising from unauthorised or incorrectly executed Payment Transactions shall be without prejudice to the Bank's liability for damage or unjust enrichment resulting from such Payment Transactions. However, nothing that can successfully be sought from the Bank by exercising the right arising from an unauthorised or incorrectly executed Payment Transaction can be sought on the basis of different legal grounds.

23.8 Payment Order

- (a) Particulars of Payment Orders:
 - (i) Designation of the order (order to pay);
 - (ii) The Unique Identifier of the payer;
 - (iii) The Unique Identifier of the beneficiary;
 - (iv) The amount and currency of the Payment Transaction;
 - (v) Date of maturity.

Clients can also specify additional, optional particulars such as the variable symbol, constant symbol, and specific symbol. The Client's Payment Orders must not be written by an ordinary pencil or in black ink. Signatures must be affixed to Payment Orders in the agreed manner of signing and where the Client uses a stamp, signatures and stamps must not overlap.

- (b) **Bulk Payment Order.** This is a joint Payment Order for multiple Payment Transactions. In the case of insufficient Funds on the Account, Payment Transactions are only executed up to the amount of the Available Balance.
- (c) **Delivery of Payment Orders.** Clients can deliver written Payment Orders to the Bank at Places of Business, via e-mail or fax if so agreed between the Bank and the Client, or by post. The Client or an Authorised Person may deliver Payment Orders; where a different person delivers a Payment Order the Bank has the right to check the Payment Order with the Client or to reject the Payment Order. The Bank has the right to identify or to request proof of identity of any person delivering a Payment Order.
- (d) **Payment Order rejection by the Bank.** The Bank may reject a Payment Order if:
 - (i) it fails to contain the particulars set out in Article 9 above;
 - (ii) it fails to contain other particulars set out in the GBC, SBC, and the Agreement.

- (iii) it has not been authorised in accordance with the agreed manner of Payment Order authorisation;
- (iv) there are not enough uncommitted Funds on the Account;
- (v) the Client failed to prove the purpose of the payment or the origin of the Funds despite having been requested by the Bank to do so;

Where the Bank rejects a Payment Order it shall notify the Client thereof and, if possible, describes the reasons for rejection and the procedure for correcting the mistakes that were the reason for rejection. The Bank shall notify the Client of Payment Order rejection within the time limits for the execution of such Payment Order and in the manner agreed for document delivery. This information may be subject to a charge under the Price List. The Bank shall not be held liable for damage caused to the Client by the non-execution of the Payment Order due to an insufficient balance on the Account. The execution of a Bulk Payment Order can also be rejected only in part if the reason for rejection applies to only a part thereof.

- (e) **Payment Order cancellation by Clients.** Clients may cancel a Payment Order (or an individual payment in a (domestic) Standing Order) not later than on the Business Day preceding the Point in Time of Receipt of the Payment Order. The Bank may only cancel a payment order further to a request submitted by the Client after the time limit under the preceding sentence if at the time of receiving the request such cancellation is feasible in view of the Payment Order processing. The request for Payment Order cancellation must contain at least the Unique Identifier of the payer, the Payment Transaction amount and currency, and the Maturity Date.
- (f) In the case of a rather large number of Payment Orders or Payment Transactions in a Bulk Order, having the same Maturity Date, the Bank has the discretion to determine the order of priority of the payments.

23.9 Crediting of Funds. The Bank credits Funds to the Account by the beneficiary's Unique Identifier. The Bank is not obliged to check the compatibility of the Unique Identifier with the name of the Account or other details about the beneficiary. The Bank also credits Funds to the Account in the case of the incompatibility of the Unique Identifier with the name of the Account or other details about the beneficiary if the execution of the Payment Transaction is not contrary to legislation. Where Funds cannot be credited to the beneficiary's account because of an incorrect Unique Identifier the Bank rejects the payment and returns the Funds to the sending bank.

23.10 The Bank credits Funds to the beneficiary's Account, provided that the correct Unique Identifier is stated, in the currency of the beneficiary's Account regardless of the Payment Transaction currency. If the Account currency and the beneficiary's account currency are not the same, the Bank converts the currencies.

23.11 Where Funds cannot be credited (e.g., due to an incorrect Unique Identifier), the Bank automatically does not accept the payment and sends the Funds back to the sending Provider in the case of domestic and SEPA Payment Transactions, or the Bank contacts the payer's Provider, or intermediary Provider, with a request for additional details, or sends the Funds back to the payer's Provider in the case of foreign Payment Transactions.

23.12 Incorrect Unique Identifier. Where the Client has stated an incorrect Unique Identifier, the Bank shall make reasonable effort to have the Funds returned to the Client. Based on the Client's written request the Bank discloses to the Client all the details available to the Bank, which are necessary for exercising the right to the return of Funds before a court or other authority.

24. Cashless payments

24.1 Domestic Cashless Payments

- (a) The Bank executes domestic cashless payments using the following forms of Payment Orders:
 - (i) **Domestic Order** – a one-time order to transfer;
 - (ii) **Direct Debit Order** – a one-time order to directly debit an individual payment;
 - (iii) **Standing Order** – a standing order to transfer a fixed amount from the Account to another account on a regular basis further to the Client's instruction;
 - (iv) **Direct Debit Mandate** – permanent consent to the collection of individual payments by direct debit;
 - (v) **SIPO Payment** (SIPO = Centralised Household Payment Collection) only applies to natural person's Accounts.

- (b) Using domestic Payment Orders the Bank makes payments to debit and to credit Accounts and payments to third-party banks in the Czech Republic. Domestic cashless payments are only executed between accounts held in CZK.

24.2 Foreign cashless payments

- (a) Foreign cashless payments are understood to be payments made from one country to another or the transfers of Funds in foreign currencies between banks in the Czech Republic.
- (b) The Bank executes foreign cashless payments in the currencies in which it has Nostro Accounts, or potentially in other currencies, based on an agreement between the Bank and the Client, using the FX4Cash service. An up-to-date list of the Bank's Nostro Accounts is published at its Places of Business and on the Website.
- (c) The Bank makes foreign cashless payments on the basis of the following Payment Orders:
 - (i) **Intrabank Foreign Currency Order** for credit transfer between Accounts where at least one of the Accounts is held in a currency other than CZK;
 - (ii) **SEPA Order** for credit transfer of Funds in EUR; the payer's and the beneficiary's accounts can be held in any currency and must be maintained in SEPA. A mandatory detail in a SEPA Order is the Unique Identifier in the form of IBAN. The charges related to SEPA payments are paid in part by the payer and in part by the beneficiary (charge code SHA);
 - (iii) **Foreign Order** for credit transfers of Funds in CZK or another currency to another country or to an account held in a different currency in the Czech Republic.
- (d) Charge codes for foreign cashless payments:
 - (i) **OUR** – the payer pays all charges related to the execution of the payment;
 - (ii) **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 Providers;
 - (iii) **BEN** – the beneficiary pays all the charges related to the execution of the payment.
- (e) The Bank may execute foreign Payment Transactions using its correspondence relationships of its own choosing, including cases where the Client requires a particular foreign provider as the intermediary for the execution of the Payment Transaction.
- (f) **SWIFT.** The Bank also operates foreign payments via SWIFT. Under US law, the information specified in the course of foreign Payment Transactions may become part of the data disclosed by SWIFT to the United States Department of the Treasury for counter-terrorism purposes.

24.3 Corrective settlement. Where a Payment Transaction amount in the Czech currency was not posted or where the bank details were not used in compliance with the Client's Order and these facts resulted in an incorrect execution of the Payment Transaction, at the Bank's request every bank in the Czech Republic or the savings association or credit union that keeps the unauthorised beneficiary's account is obliged to debit the incorrectly posted amount from the beneficiary's account and surrender it to the Bank to rectify the incorrectly executed Payment Transaction in compliance with the Payments Act. The Bank has the same obligation in cases where the unauthorised beneficiary is a Client. In such a case, the Bank is also authorised to restore the balance on the Account to the status that would have existed had the incorrect execution of the Payment Transaction not occurred.

24.4 Time limits for cashless payments

- (a) Payment Orders delivered to the Bank after the specified time limit are processed on the next subsequent Business Day. Payment Orders with deferred maturity are processed as at the Maturity Date.
- (b) The order to set up SIPO Payment with effect from the following calendar month must be delivered to the Bank by the 22nd day in the month; payments further to an order submitted after that day will only be made in the second subsequent month from the delivery of the order to the Bank. The same time limit applies to changing or cancelling SIPA Payment. The Bank usually executes SIPO Payments on the 12th to 14th day in a month. Where the payment was not made in the first period of accounting, the Bank shall attempt to make the payment in the second period of accounting, which the Bank shall execute not later than on the 22nd day in the month.

DOMESTIC CASHLESS PAYMENTS

Type of Payment Order	Payment Order submission to the Bank	Time by which the Bank must receive the Payment Order	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 the account of beneficiary's Provider	Time for crediting incoming Payment Transaction to the beneficiary's account held at the Bank
Standard Domestic Order	Paper medium	At the latest one hour before the end of the Place of Business's Business Hours	Same Business Day	Same Business Day	Next Business Day	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 6 p.m.	Same Business Day	Same Business Day	Next Business Day	Same Business Day that the Bank receives the funds in the Bank's account
Express Domestic Order	Paper medium	By 11:30 a.m.	Same Business Day	x	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 11:30 a.m.	Same Business Day	x	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account
Domestic Standing Order	Paper medium	During Business Hours	Next Business Day	On the day of debiting payment from payer's account	Business Day following payment debiting from payer's account	x
	Electronically	By 6 p.m.	Next Business Day	On the day of debiting payment from payer's account	Business Day following payment debiting from payer's account	x
Domestic Direct Debit Order	Paper medium	At the latest one hour before the end of the Place of Business's Business Hours	Same or next Business Day	Same Business Day that the Bank receives the funds in the Bank's account	x	x
	Electronically	By 6 p.m.	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account	x	x
Domestic Direct Debit Mandate	Paper medium	During Business Hours	Next Business Day	x	x	x
	Electronically	By 6 p.m.	Next Business Day	x	x	x

FOREIGN CASHLESS PAYMENTS

Type of Payment Order	Payment Order submission to the Bank	Time by which the Bank must receive the Payment Order	Processing of Payment Order / Debiting of payment from payer's account	Crediting of Funds to the account of beneficiary's Provider	Time for crediting incoming Payment Transaction to the beneficiary's account held at the Bank
Intrabank Foreign Currency Order	Paper medium	By 11 a.m.	Same Business Day	x	Same Business Day
	Electronically	By 3 p.m.	Same Business Day	x	Same Business Day
SEPA Order	Paper medium	By 11 a.m.	Same Business Day	Not later than next Business Day	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 1 p.m.	Same Business Day	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account
Foreign Order for	Paper medium	By 11 a.m.	Same Business Day	Not later than next	Same Business Day that

transfer within EU/EEA in EUR				Business Day ¹⁾	the Bank receives the funds in the Bank's account
	Electronically	By 1 p.m.	Same Business Day	Same Business Day ¹⁾	Same Business Day that the Bank receives the funds in the Bank's account
Foreign Order for transfer within EU/EEA in EU/EEA currencies (but for EUR)	Paper medium	By 11 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 1 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account
Foreign Order for transfer within EU/EEA in other currencies	Paper medium	By 11 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account ³⁾
	Electronically	By 1 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account ³⁾
Foreign Order for transfer outside EU/EEA	Paper medium	By 11 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 1 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the payer's account ²⁾	Same Business Day that the Bank receives the funds in the Bank's account

1) In the case of a EUR-denominated Payment Transaction that includes a currency conversion between EUR and a currency other than CZK, the Bank may extend the Payment Order processing period by up to three Business Days.

2) The second Business Day after debiting the payment from the Payer's account provided that the Payment Transaction in CZK is executed in the Czech Republic and involves a conversion of currencies.

3) In the case of currency conversion, the Bank may extend the Payment Order processing period by one Business Day.

25. Cash payments

25.1 Cash payments are understood to be:

- (i) Deposits of cash into Accounts;
- (ii) Withdrawals of cash from Accounts, including cash withdrawals via ATMs;
- (iii) Currency exchange services.

25.2 The Bank makes cash payments in CZK and in selected foreign currencies.

25.3 The Bank exchanges damaged banknotes and coins in CZK in accordance with legislation. The Bank does not exchange damaged banknotes and coins in foreign currencies.

25.4 Cash deposits

- (a) The bank makes cash deposits to credit the Client's Account or an account maintained by the Bank for a third party in operating hours at cash counters in Places of Business on the basis of the Bank's deposit slip, or postal order "A" (up to no more than the equivalent of EUR 1,000) prescribed for accounts kept at the Bank.
- (b) The Bank is obliged to identify the Client or is authorised to request proof of the Client's identity for cash deposits in excess of EUR 1,000.
- (c) If banknotes or coins are intercepted in the cash deposit process which the Bank suspects are counterfeit, or if such banknotes or coins show unusual damage, the Bank is authorised to confiscate such banknotes and coins without compensation. In such a case, the Bank issues the Client with confirmation of their confiscation.

25.5 Cash withdrawal

- (a) Cash withdrawals are executed during Business Hours at Places of Business on the basis of the Bank's withdrawal slip or the Bank's private cheque written for cash payment from the Account. Cash

withdrawal via ATMs is also regarded as cash withdrawal. Clients may withdraw cash up to the amount of the Available Balance on the Account.

- (b) 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 before the required day of withdrawal. For cash withdrawals exceeding CZK 500,000, Clients are obliged to notify their request at least three Business Days in advance.
- (c) Clients are obliged to prove their identity for cash withdrawals of any amount. Where a third party requests cash withdrawal from an Account, the Bank pays out the cash on the basis of a duly completed withdrawal slip signed by the Bank's Client as per the Specimen Signature for the Account.
- (d) If the Bank does not have the exact mixture of requested denominations available, the Bank may pay out cash in denominations other than those requested by the Client in the case of cash withdrawals in CZK or foreign currencies.
- (e) In cases of cash withdrawal in a foreign currency where the Bank does not have or does not deal in all the denominations of that foreign currency, the Bank may make the payment only up to the amount in the denomination of the relevant tender which it has available, or may make the payment in a substitute foreign currency or in CZK, unless agreed otherwise with the Client.

25.6 Execution of Payment Transactions. A Payment Transaction has been executed (i.e. Funds have been credited or debited to the Account) at the Point in Time of Receipt of the Payment Order.

25.7 Immediately after completing a cash deposit, the Client is obliged to check the accuracy of the execution of the Payment Transaction as shown in the cash receipt or the ATM receipt. Immediately after completing a cash withdrawal, the Client is obliged to count the cash paid out. Later complaints will be disregarded.

25.8 Currency exchange services. The Bank provides 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 customary banking practices. The buying and selling of coins is restricted only to certain currencies and denominations. The Bank is obliged to identify the Client or is authorised to request proof of the Client's identity for cash exchanges in excess of EUR 1,000.

26. Final provisions

26.1 Severability. If an article of an Agreement, SBC, GBC, or Price List becomes invalid, ineffective or unenforceable or is at variance with applicable legislation, it shall be deemed severed from the other parts of the document in question and such invalidity, ineffectiveness, unenforceability or variance shall be without prejudice to the validity, effect and enforceability of the other parts of the Agreement, SBC, GBC, or Price List.

26.2 Transitory provisions

- (a) Where the Bank has published a proposal for amendments to the GBC, SBC and the Price List, and a new Agreement is entered into with a Client in this period, the GBC, SBC and the Price List effective on the day of Agreement conclusion shall be deemed integral parts of the Agreement until the last calendar day before the day of effect of the amendments, and the proposed amended GBC, SBC or the Price List shall be deemed integral parts of the Agreement from the proposed date of effect.
- (b) The Bank provides information about considerations and an annual list of considerations under the GBC as of the effect of the relevant law and in accordance with the requirements thereof.

26.3 Governing law and dispute resolution

- (a) Legal relationships between the Bank and Clients are governed by Czech law, unless stipulated otherwise in separate arrangements.
- (b) Under Section 89a of Act No 99/1963, Rules of Civil Procedure, as amended, the Bank and the Client agree that for resolving any disputes arising from or in connection with an Agreement (including matters concerning its validity, effect and interpretation) the competent court shall be (i) the Prague Municipal Court if regional courts have jurisdiction in rem for adjudicating the dispute, or (ii) the Praha 6 District Court if district courts have jurisdiction in rem for adjudicating the dispute.
- (c) The ADR entity for consumer disputes is the financial arbitrator, whose competences are laid down in the Act on the Financial Arbitrator.

Contact details:

Finanční arbitr ČR, Legerova 69/1581, 110 00 Praha 1, tel.: +420 257 042 070, e-mail: arbitr@finarbitr.cz.

More information is available at www.finarbitr.cz.

- (d) Should the Bank breach its obligations under an Agreement or legislation the Client has the right to lodge a complaint under clause 1.5 of the GBC.

26.4 Exclusion of the application of certain provisions of the Civil Code. Unless agreed otherwise with the Client, the Bank and the Client agree to exclude the application of Sections 558 (2) (to the extent in which it lays down that customary business usage takes precedence over a non-compelling provision of the law), 1727 (the second and third sentences), 1740 (3), 1748, 1766, 1799, 1800, 1805, 1888 (2), 1899, 1913, 1930 (2), 1931 (the second sentence), 1932, 1933, 1950, 1951, 1952 (2), 1957, 1970 (this exclusion shall be without prejudice to the provisions on late charges of the Agreement), 1971, 1978 (2), 1980, 1987 (2), 1995 (2), 2006 (1) second sentence, and 2007.

26.5 Force and effect, repealing provision. These GBC come into force on 31 August 2018 and into effect on 31 October 2018. These GBC shall supersede the GBC that have been in effect since 1 July 2018.