

BUSINESS CONDITIONS OF PPF BANKA A.S. FOR DEBIT CARDS

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1. Introductory provisions

- 1.1 The Business Conditions of PPF banka a.s. for Debit Cards (hereinafter the “**Specific Conditions**” or “**SBC**”) set out the terms and conditions of the legal relationships during the providing and subsequent use of Debit Cards. The Client and the Holder must read them and comply with them.
- 1.2 The General Business Conditions of PPF banka a.s. (hereinafter referred to as the “**GBC**”) and the respective SBC form an integral part of every Agreement. In the event of any conflict between the provisions of an Agreement, the GBC, the SBC, the Price List and the Interest Rate List, the following order of precedence shall apply: the Agreement, the SBC, the GBC, the Price List and the Interest Rate List. These SBC have been issued under and in accordance with, in particular, Section 1751 of the Civil Code and other applicable legal regulations, and in accordance with the conditions of the respective Card Associations.
- 1.3 These SBC are issued in accordance and in conjunction with the GBC; matters not provided for in the Agreement or these Conditions shall be governed by the applicable provisions of the GBC.

2. Definition of terms and interpretation rules

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

3D Secure – an international standard used to increase the security of E-commerce Transactions. When an E-commerce Transaction is performed a Single-use code is sent to the Holder, which is then used to confirm and complete the E-commerce Transaction.

ATM (Automated Teller Machine, also referred to as a Cash Machine or Cash Dispenser) – a self-service electronic device allowing a Debit Card to be used to withdraw cash from a Payment Account or to use other services provided by the Bank via the Debit card (e.g. to receive balance information for the use of a Debit Card).

Automatic Renewal – provision of a new Debit Card for a further period of time after an original Debit Card expires. The newly issued Debit Card is valid for the same length of time and has the same parameters as the original (automatically renewed) Debit Card.

Contactless Transaction – a Payment Transaction performed with a Debit Card at a POS terminal or an ATM which requires no physical contact between the Debit Card and the POS terminal or ATM.

Security Element – under the GBC in particular an e-PIN, a 3D Secure Single-use Code or a PIN.

Call Centre – a Supplier responsible for the operation of a Debit Card Cancellation Hotline outside the Business Hours of the Customer Service.

Cash Advance – withdrawal of cash using a Debit Card at selected bank or exchange office counters. The Cash Advance service may be provided by means of an Imprinter or a POS terminal.

CVC2/CVC code (Card Verification Code) – a three-digit security code pre-printed on or next to the signature panel on the back of a Debit Card.

Debit Card – an electronic Payment Instrument issued on a Client’s Payment Account in accordance with the rules of the relevant Card Association.

Supplier – a third party that processes or performs a service forming an integral or optional part of the Debit Card, or which contractually carries out activities for the Bank associated with the issuance and usage of Debit Cards.

AS (Additional Service) – a service which may be arranged in connection with a Debit Card, or a service which is automatically provided with a Debit Card and which is included in the Fee of the Debit Card.

Holder – an Authorized Party, who has been authorized by the Client to handle Funds on Payment Accounts through a Debit Card, who has been issued with a Debit Card and whose name is stated on the respective Debit Card.

Duplicate – a replacement Debit Card issued as a substitute for an existing Debit Card. A Duplicate Debit Card has the same number, validity period and PIN as the original Debit Card.

E-commerce Transaction – a cashless Payment Transaction performed via the internet.

Embossed Debit Card – a Debit Card allowing payments at Merchants equipped with a POS terminal or an Imprinter, as well as withdrawals from ATMs and Cash Advances. The numbers and characters on an Embossed Debit Card (basic identification data) protrude above the surface of the Debit Card, allowing them to be imprinted on a Payment Order document using an Imprinter.

e-PIN¹ – an automatically generated personalized Security Element. A confidential personal secure code accessible only for the Holder designed to authenticate E-commerce Transactions performed using the Debit Card.

Main Account – the Payment Account on which a Debit Card is issued and from which will be debited:

- (i) Payment Transactions performed using the Debit Card plus associated Fees,
- (ii) Fees for the provision of the Debit Card, Fees for the provision of any AS, and other Fees according to the Price List.

Chargeback – a procedure defined by Debit Card Associations for reclaiming the value of a Payment Transaction performed with a Debit Card, through which the Bank can demand that a Merchant return either the entire amount of a Payment Transaction or a part of the amount. This procedure is used in cases where a Client or a Holder files a complaint about a charged Payment Transaction on grounds justifying the refund of the charged amount (e.g. if the same amount was charged more than once or if the Payment Transaction was not performed by the Client or Holder).

Imprinter – a mechanical reader of embossed characters used for making an imprint of an Embossed Debit Card and the Merchant's identification tag on a sales receipt when performing a cashless non-electronic payment, or when providing a Cash Advance.

SMS Notification – notification of a successful or failed Payment Transaction executed using a Debit Card, sent to the Holder's mobile number.

Single-use Code – an authorization numerical six-digit unique identifier that is sent to the Holder's mobile telephone number or an e-mail address, designed for the 3D Secure authorization of E-commerce Transactions performed using the Debit Card.

Card Association – an association of payment card issuers which provide the Bank with a licence to issue and make use of Debit Cards (e.g. VISA, MasterCard).

Debit Card Limit – the maximum amount of all Payment Transactions performed with a Card in one calendar week (i.e. from Monday 12.01 a.m. to Sunday 12.00 a.m.). This limit consists of:

- (i) an **ATM Limit**, which is the maximum amount for cash withdrawals from ATMs,
- (ii) a **POS Limit**, which is the maximum amount for cashless Payment Transactions performed at Merchants (at POS terminals, using Imprinters and via E-commerce Transactions) and in the form of Cash Advances, and
- (iii) a **Total Weekly Limit**, which is the maximum aggregate amount for all Payment Transactions performed with a Debit Card.

Each of these Limits can be set as a different amount. However, the Total Weekly Limit must be at least equal to the ATM Limit or the POS Limit, whichever is the higher, or must be the sum of the ATM Limit and the POS Limit.

Debit Card Cancellation Hotline – a telephone line used for reporting the loss, theft or misuse of a Debit Card. The telephone line number can be found on the Bank's Website.

MO/TO (Mail Order/Telephone Order) Transactions – cashless Payment Transactions performed without the physical presence of a Debit Card and/or a Holder (e.g. Payment Transactions performed by mail in written form or by phone).

Merchant – a point of sale which offers merchandise or provides services and which accepts Debit Cards as a Payment Instrument for merchandise purchased or services provided.

PIN (Personal Identification Number) – an automatically generated, personalized Security Element. This secret personal security number is disclosed only to the Holder, and is used to authorize Payment Transactions performed with a Debit Card at POS terminals and ATMs.

POS terminal (Point of Sale terminal) – an electronic device which reads data from a magnetic stripe or chip on a Debit Card, and which verifies the Debit Card's validity and the sufficiency of Funds on Payment Accounts to cover a Payment Transaction. A POS terminal stores data about a Payment Transaction in electronic form and electronically transmits this data for the charging and settlement of the payment (online, semi-online).

Signature Panel – a panel on the back of a Debit Card used for recording the Holder's signature.

¹ The provisions of the SBC governing the use of e-PIN do not take effect.

Early Renewal – the provision of a new Debit Card for a further period of time before an original Debit Card expires. The newly issued Debit Card is valid for the same length of time and has the same parameters as the original Debit Card (which is being renewed early).

Associated Account – a Payment Account which may be associated with a Debit Card along with the Main Account. Only Payment Transactions performed with the Debit Card will be debited from the Associated Account, along with any Fees connected with such Payment Transactions. Up to three Associated Accounts can be associated with one Debit Card.

Agreement – an agreement concluded by and between a Client and the Bank under which a Debit Card is provided to the Client, regardless of the name of such agreement.

Customer Service – a telephone line or email address used for communication between Client or Holder and the Bank. The Business Hours of the Customer Service are available on the Bank's Website.

Settlement Currency – the currency in which Payment Transactions performed with a Debit Card are settled by the Bank. The possible Settlement Currencies are CZK, EUR, GBP and USD.

2.2 Unless these SBC provide otherwise capitalized terms and expressions have the meaning given in the GBC.

2.3 The following rules shall be followed when interpreting the provisions of these SBC 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 SBC;
- (b) The headings of articles and paragraphs of the Agreement and these SBC 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, the Interest Rate List and the Price List;
- (e) The person representing the Client is understood to be the Authorized Person or any other person authorized to represent the Client;
- (f) **CZK, Kč and Czech crown** mean the lawful currency 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. General provisions

3.1 The Bank issues Debit Cards on Payment Accounts according to the rules of the relevant Card Association. Debit Cards are issued under Agreements or on the basis of the Client's request and its acceptance by the Bank.

Under the Agreement, the Client can request the issue of more than one Debit Card.

Debit Cards may only be issued on Payment Accounts held by the Bank in CZK, EUR, GBP and USD. Where a Debit Card is issued on several Payment Accounts, the same Client must be the owner of all of the Payment Accounts, with one of the Payment Accounts serving as the Main Account and the others as the Associated Accounts.

3.2 Debit Cards are issued exclusively in the name of a specific Holder and are non-transferable. Debit Cards are the property of the Bank and Holders receive only the right to use them.

3.3 A Debit Card bears a number, the Holder's name, and its expiration date and includes the security elements prescribed by the relevant Card Association. The Debit Cards issued on the Payment Accounts of legal entities may in addition bear the Client's company name or business name. The Bank may change the way in which data is displayed on a Debit Card so as to comply with the standards of the relevant Card Association and the terms and conditions for the given card product.

3.4 The Client and Holder may not change, modify or copy a Debit Card.

3.5 The Client and Holder may communicate with the Bank in regard to the Debit Card via Places of Business, the Customer Service, or Internet banking, or the Debit Card Cancellation Hotline when reporting the loss, theft or misuse of a Debit Card.

3.6 The Bank publishes information about the current range of Debit Cards on offer, the possible combinations of currencies for Payment Accounts associated with one Debit Card, the terms and conditions for service provision for individual types of Debit Cards and any associated AS and bonus schemes at its Places of Business.

- 3.7** If a particular type of Debit Card is being discontinued, the range of functions of a Debit Card is being extended, or a switch is being made to another type of Debit Card, the Bank may provide a Holder with a different type of Debit Card. In such situations, the Bank will proceed as in the case of Automatic Renewal.
- 3.8** Client and Holder agree that the Bank may:
- (i) inform other banks in the Czech Republic of any serious breach of the GBC and/or the SBC on the part of the Client and/or a Holder, where the Bank shall decide what constitutes such a serious breach;
 - (ii) provide a Card Association with information relating to any Debit Cards issued (such as Debit Card numbers and Debit Card validity).
- 3.9** The Bank will debit from the Payment Account on which a Debit Card is issued all Payment Transactions performed with the Debit Card and all Fees for providing the Debit Card, any AS associated with the Debit Card and other operations in the amounts stated in the Bank's Price List valid on the date of debiting of such Fees, regardless of whether the respective amounts of the Payment Transaction or the Fee are covered by available Funds on the Payment Accounts.

4. Provision of Debit Cards

- 4.1** One Debit Card may be issued on as many as four Payment Accounts. Where a Debit Card is issued on a single Payment Account, this Payment Account shall be the Main Account. Where a Debit Card is issued on two or more Payment Accounts, the Client shall specify which will be the Main Account and the order of the Associated Accounts.
- 4.2** When a new Debit Card is issued, the Bank notifies the Holder when it is ready for collection, or sends it to the Holder by ordinary mail.
- 4.3** A Debit Card remains valid until the expiration date printed on it, i.e. until the last day of the month stated. The Holder may use the Debit Card until this date unless the Debit Card is invalidated at an earlier date.
- 4.4** The Bank will issue a Holder with a new Debit Card with automatically renewed validity on or before the original Debit Card's expiration date, unless the Bank decides not to extend the Debit Card's validity. The Holder may either collect this automatically renewed Debit Card at the Place of Business on or before the expiration date of the original Debit Card, or the Bank will send the Debit Card to the Holder by ordinary mail. If a Client or a Holder wishes to refuse the Automatic Renewal of a Debit Card and the provision of any associated AS, they must notify the Bank of this fact in writing at the latest ten Business Days before the beginning of the month in which the validity of the original Debit Card expires.
- 4.5** A Client or Holder may request a Duplicate if a Debit Card is damaged, destroyed or not functioning, or if the Holder's name has changed. A Holder may no longer use the original Debit Card after applying to the Bank for the issuance of a Duplicate.
- 4.6** If necessary, a Client or Holder may also make a request for Early Renewal before an existing Debit Card expires.
- 4.7** A Debit Card will not be provided to a Holder if any Payment Account on which the Debit Card is to be issued shows an unauthorized debit balance, or if the Client is in insolvency proceedings, or if the Client is subject to enforcement proceedings or distraint by the garnishment of funds on Payment Accounts in an amount exceeding the Available Balance on the Payment Accounts.

5. PIN and e-PIN²

- 5.1** The envelope containing a PIN is either delivered by the Bank along with a new Debit Card exclusively to the Holder in person, or is sent to the Holder separately from the Debit Card by restricted delivery registered mail. The Holder provides the Bank with written confirmation of receipt of the envelope with the PIN when taking delivery of the Debit Card in person or with confirmation of receipt over the telephone upon activating the Debit Card. The Holder has the right to reject a Debit Card and not to accept delivery of the envelope with the PIN if the envelope with the PIN is damaged upon delivery.
- 5.2** If a Holder forgets a PIN, the original valid PIN can be re-issued following the submission of a request by the Holder at the Bank. For the delivery of the PIN, Article 5.1 hereof is used analogously.

² The provisions of the SBC governing the use of e-PIN do not take effect.

- 5.3** The Holder may change the PIN at the ATM of another Provider at whose ATMs such a service is also available for Debit Cards issued by other banks; the Holder may do so at any time within the validity of the Debit Card except the following cases. The Holder may not change the PIN:
- (i) six weeks before the expiration of the Debit Card, and
 - (ii) during the period between requesting the replacement of the Debit Card (Early Renewal or Duplicate) and the receipt of the new Debit Card by the Holder – the PIN may only be changed after the new Debit Card has been delivered.

The new PIN is active immediately after the change.

- 5.4** If a wrong PIN is entered more than three times during a Payment Transaction made using the Debit Card the Debit Card functionality will be automatically temporarily suspended for security reasons (e.g. suspicion of misuse). The Debit Card will usually automatically become fully functional on the first day on which the Holder is entitled to draw on a new Debit Card Limit. However, the PIN cannot be unblocked if the Debit Card cannot directly (online) connect to the Bank's systems after the Holder has become entitled to draw on a new Debit Card Limit (i.e. no off-line Payment Transactions are possible).
- 5.5** The Holder will receive an e-PIN upon activation of the E-commerce Transaction functionality.
- 5.6** If the Holder forgets the e-PIN, a new one can be generated and sent electronically upon the Holder's request submitted to the Bank.
- 5.7** No PIN and e-PIN is usually issued for a Debit Card in case of Automatic Renewal and Early Renewal.
- 5.8** The PIN and e-PIN are disclosed only to the Holder, and the Holder must prevent their PIN and e-PIN from being disclosed to any third party. The PIN and the e-PIN must not be written in any easily identifiable form on a Debit Card or on any other object which the Holder keeps or carries together with the Debit Card, and/or may not be disclosed to any other persons, including family members. The Holder must also store the PIN and e-PIN separately from the Debit Card and take care to prevent their disclosure when entering them, e.g. by concealing the keypad with their other hand, etc. The Bank is not liable for any loss or damage incurred due to the disclosure of or allowing access to a PIN or e-PIN to another person.

6. Receipt of Debit Card

- 6.1** If a Holder takes receipt of a Debit Card at the Bank in person, they must sign the Debit Card's Signature Panel before an employee of the Bank and provide the Bank with written confirmation of receipt of the Debit Card and the PIN.
- 6.2** If a Debit Card and PIN are sent to a Holder by mail, the Holder must check that the envelopes containing the Debit Card and the PIN have not been damaged. If an envelope shows signs of damage, the Holder must immediately notify the Bank of this fact. If a Debit Card or PIN is not delivered within 30 days of signing the Agreement or of the Bank's acceptance of the request for Debit Card issue or (in the case of Automatic Renewal) of the expiration date stated on a Debit Card, the Holder must immediately notify the Bank of this fact. If the envelope containing a Debit Card or PIN is damaged or is not delivered, the Bank will arrange for a new Card and PIN to be issued and will send them to the Holder. The Holder is obliged to sign the Signature Panel of the Debit Card before it is first used.
- 6.3** Having requested a Duplicate at the Bank the Holder may no longer use the original Debit Card and must destroy the original Debit Card.
- 6.4** Having requested an Early Renewal the Holder may use the original Debit Card until they receive the new Debit Card.
- 6.5** After taking receipt of a Debit Card, the Holder becomes entitled to use the Debit Card until its expiration, unless the Debit Card is invalidated at an earlier date.
- 6.6** After taking receipt of a renewed Debit Card, the Holder must return the original Debit Card to the Bank or they must destroy it by cutting through the magnetic stripe and chip to prevent any possible misuse.
- 6.7** If a Holder does not take receipt of a new Debit Card within 60 calendar days of being notified to collect it in person or (in the case of Automatic Renewal) of the expiration date of the original Debit Card, or if the envelope with a new or Automatically Renewed Debit Card or a PIN is returned to the Bank as undelivered, the Bank will destroy the Debit Card and/or the envelope with the PIN.
- 6.8** The Fee for providing the Debit Card and any associated AS is charged regardless of whether or not a Holder takes receipt of a new or Automatically Renewed Debit Card, until the end of the period for taking receipt of a new or Automatically Renewed Debit Card according to Article 6.5, or until the undelivered envelope with the new or Automatically Renewed Debit Card is returned to the Bank.

6.9 Holders are obliged to:

- (i) keep the Debit Card in a secure place separately from other bank documents, i.e. in a place which is not freely accessible to third parties and which is secured against unauthorized access by third parties;
- (ii) carry the Debit Card separately from other personal documents;
- (iii) use the Debit Card themselves only and refrain from lending the Debit Card to another person for use;
- (iv) check that the Debit Card is in their possession on a daily basis, and take personal security measures to prevent the misuse, loss or theft of the Debit Card;
- (v) check that the Debit Card is in their possession after each use;
- (vi) protect the Debit Card from being mechanically damaged, damaged by heat, or exposed to any other effects (e.g. magnetic fields) which could damage the data recorded on the Debit Card's magnetic stripe or chip.

6.10 Any breach of the obligations specified in Article 5.3, the first and second indents of Article 6.7, Article 7.7 and Article 7.8 caused by a Holder wilfully or negligently, will be deemed a gross breach of these SBC, and the Client will be fully liable for any and all losses resulting from any Payment Transactions not authorized by the Holder and/or from the loss, theft, or misuse of a Debit Card until such time as these facts are reported to the Bank.

7. Debit Card usage

7.1 Depending on its type, a Debit Card can be used for Payment Transactions performed via the ATM network, at POS terminals, using Imprinters, for Cash Advances, for cashless payments at Merchants, for E-commerce Transactions or for MO/TO Transactions.

7.2 A Debit Card can be used wherever the logo of the relevant Card Association or payment system is displayed.

7.3 The Bank may place limitations on certain types of Payment Transactions (primarily Contactless Transactions, E-commerce Transactions and MO/TO Transactions), including limitations which depend on the particular type of Debit Card.

7.4 Contactless Transactions can be performed only at the ATMs and POS terminals which permit this type of transaction and which allow online authorization of the Contactless Transactions performed. Before performing the first Contactless Transaction, at least one Payment Transaction associated with the insertion of the Debit Card in a POS terminal or ATM and using PIN must be made.

7.5 If a Client wishes to allow E-commerce Transactions using a Debit Card, the Holder must provide the Bank with a mobile phone number or an e-mail address ("**contact details**"). Without the Holder providing one of the contact details, the Bank will not allow a Debit Card to be used to perform E-commerce Transactions.

The contact details provided are valid for all the Debit Cards issued to a Holder, regardless of whether these have been issued for the Accounts of a single Client or for the Accounts of different Clients. It is not possible to register different contact details for each Debit Card of a Holder. If new contact details are provided, these will be changed for all the Debit Cards currently issued to the Holder.

7.6 If an E-commerce Transaction is 3D Secure authorized the information on the website is stored on the hard disk of the computer from which the E-commerce Transaction is executed, in the form of small text files referred to as cookies. Detailed information about cookies is contained in the Guide for Using Payment Cards Issued by PPF banka a.s. for Online Payments.

7.7 A Holder may not provide information relating to a Debit Card via unsecured communication channels, except when reporting the misuse, loss or theft of a Debit Card to the Bank. If a Holder has any suspicions or concerns regarding the misuse of a Debit Card, a POS terminal or an ATM (e.g. if cash is provided in an unusual way, if banknotes jam in the machine or a skimming – scanning device has been installed at an ATM, etc.), or if suspicious persons are loitering near an ATM, attempting to interfere with a Payment Transaction being performed, etc., the Holder must inform the Bank of these facts immediately.

7.8 Debit Cards may not be used for Payment Transactions which would violate applicable laws in the Czech Republic or at the location where the Payment Transaction is being performed.

7.9 The Bank, Client and/or Holder have agreed that the performance of a Payment Transaction may be approved, i.e. authorized, by a Holder (as the Payer) only in the following ways:

- (i) by inserting a Debit Card in a reader and entering a PIN in the case of a Payment Transaction via an ATM or POS terminal;
- (ii) by entering a PIN or by the Holder providing a handwritten signature matching the signature on the Debit Card, or, depending on the type of Debit Card, by a combination of both methods in the case of Cash Advances and cashless Payment Transactions at Merchants;
- (iii) by providing the Debit Card's number, expiration date and CVC2/CVC code in the case of MO/TO Transactions;
- (iv) by providing the Debit Card's number, expiration date and CVC2/CVC code, e-PIN and Single-use code received in the case of E-commerce Transactions; this data will not be required in the case of:
 - a. E-commerce Transactions not exceeding the equivalent of EUR 30, but only for a maximum of five consecutive E-commerce Transactions,
 - b. repeating E-commerce Transactions of the same amount to the same Beneficiary, except when created, amended or initiated for the first time;
- (v) by holding the Debit Card up to the ATM or POS reader in the case of Contactless Transactions; if the amount of a Contactless Transaction exceeds the Bank's, the ATM's or the Merchant's limit for a single Contactless Transaction and/or the cumulative amount of consecutive Contactless Transactions since last entering the PIN exceeds the limit, the PIN will also need to be entered to authorize the Contactless Transaction;
- (vi) using the Debit Card to pay for transport tickets and parking charges at unmanned terminals.

All Debit Card operations requiring a PIN or e-PIN and the Single-use code to be entered must be performed by the Holder alone, i.e. without the assistance of third parties.

7.10 The Holder may request the revocation of a Payment Transaction which they have already authorized only immediately after performing it at the Merchant. A Payment Transaction that has already been charged may not be revoked. In justified cases (e.g. if a service is not provided or merchandise is not delivered) the Holder may file a complaint at the Bank.

7.11 If information is requested regarding the Available Balance on a Payment Account on which a Debit Card has been provided, the Available Balance is displayed as follows:

- (i) If the Debit Card has been provided on one Payment Account only, the current Available Balance on this Payment Account will be displayed;
- (ii) If the Debit Card has been provided on more than one Payment Account, the current Available Balance on the Payment Account with the highest Available Balance at the time of the query will be displayed.

Available Balance information is only approximate, and may not always provide up-to-date information on the balance of Funds on a Payment Account.

7.12 When a Debit Card is used at a Merchant, the Merchant may verify the Payment Transaction and perform it only if approval is received from the Bank or from a third party authorized by the Bank. In order to protect the Holder, a Merchant may request the Holder to show proof of their identity. A Merchant also has the right to retain a Debit Card based on the results of verification.

7.13 The Bank is not liable in the event that a Merchant or a branch of another bank refuses a Payment Transaction, sets a minimum limit for Payment Transactions using a Debit Card, does not provide a service or does not accept a Debit Card to make a Payment Transaction, or for any loss or damage incurred by a Holder, either directly or indirectly, due to circumstances beyond the control of the Bank or its partners (e.g. disruption of the utility supply, breakdowns of machinery and equipment of data processing systems, transmission lines, strikes, etc.).

7.14 An ATM may refuse to pay out a large amount of cash in a single Payment Transaction. This decision depends on the technological parameters of the particular type of ATM and on how the conditions for cash withdrawals have been set up by the operator of the ATM. The Bank cannot influence these settings.

7.15 Payment Transaction validation against the current Available Balance on the Payment Account (hereinafter "**authorization**") takes place according to the following rules:

- (a) The Bank receives the Payment Transaction for authorization either in the transaction currency or in CZK depending on the data transmitted by the Merchant.

- (b) The Bank then converts the reported amount of the Payment Transaction into the currency of the Payment Accounts associated with the Debit Card at the Bank's rate, i.e. non-cash foreign exchange, median, applicable at the moment of the authorization (hereinafter "**the Authorized Amount**").
- (c) Thus, if the Payment Transaction amount to be authorized is in CZK and the Payment Accounts are in a currency other than CZK, the authorized amount of the Payment Transaction received in CZK is usually increased (settlement of a Payment Transaction and conversion of currencies related thereto are governed by Article 9.).
- (d) The authorized amount of the Payment Transaction is first authorized against a Payment Account held in the currency in which the Bank received the Payment Transaction for authorization, regardless of whether this is the Main Account or an Associated Account.

If the Available Balance on a Payment Account in the currency of the Payment Transaction is insufficient to cover the entire amount of the Payment Transaction being authorized, the authorization of the Payment Transaction is carried out against the next Payment Account associated with the Debit Card, if any. Sufficient Available Balance on Payment Accounts is first verified against the Main Account and then against the Associated Accounts in the order set by the Client (see Article 4.1).

- (e) If a Debit Card does not have an associated Payment Account in the original currency of the Payment Transaction, the authorization is first carried out against the Main Account. If the Available Balance on the Main Account is insufficient to cover the entire amount of the Payment Transaction being authorized, the Payment Transaction will be authorized against an Associated Account.
- (f) If the Available Balance on one of the Payment Accounts associated with a Debit Card is sufficient to cover the entire amount of a Payment Transaction being authorized, the Payment Transaction is authorized from this Payment Account, and if the Payment Transaction is performed online, the authorized amount will also be blocked on this Payment Account. The Payment Transaction will likewise be charged to this Payment Account, regardless of whether or not the Client subsequently deposits Funds onto a Payment Account held in the currency of the Payment Transaction or, as the case may be, onto the Main Account.

If a Payment Transaction is performed offline, its amount is blocked on the respective Payment Account with a delay, or is not blocked at all.

- (g) If no Payment Account associated with a Debit Card has an Available Balance sufficient to cover the entire authorized amount of a Payment Transaction, the Payment Transaction is refused.
- (h) If the Funds on a Payment Account on which a Payment Transaction was blocked are insufficient at the time of charging a Payment Transaction, the Payment Transaction will still be charged from this Payment Account even if this results in an unauthorized debit balance, including any Fees for the Payment Transaction.

The Amount of a Payment Transaction may be blocked in accordance with Article 7.15 only with the explicit consent of the Holder (see Article 7.9 of these SBC) to the exact amount.

The Bank shall release the Funds blocked on a Payment Account under this Article 7.15 without undue delay after the receipt of the information about the exact amount of the relating card Payment Transaction and at the latest immediately after the receipt of the Payment Order to make the respective card Payment Transaction.

The charged amount of a Payment Transaction may differ from the authorized amount – during the charging and settlement process the amount of a Payment Transaction is always re-converted using the Bank's current exchange rates (see Articles 9.3 and 9.4).

- 7.16** If a Client or a Holder has set up SMS Notifications in their Internet Banking, the notification states the Payment Transaction amount calculated in accordance with Article 7.15, which may differ from the amount of the Payment Transaction subsequently charged. The amount stated relates to the Funds blocked on a Payment Account based on a Payment Transaction which has just been performed. The actual charging and settlement of the Payment Transaction is carried out according to the provisions of these SBC.

SMS Notifications of offline Payment Transactions may be sent later or not at all.

- 7.17** The Holder may perform Payment Transactions with a Debit Card only up to the set Debit Card Limit, and at the very most in the amount of the Available Balance on Payment Accounts. However, if a Payment Transaction is performed offline or under non-standard Payment Transaction authorization conditions (e.g. if there is a failure in the connection between the Bank's central Debit Card information system and the debit card authorization system), for technical reasons the Available Balance on a Payment Account may be overdrawn and/or the set Debit Card Limit may be exceeded (the amount

of the Payment Transaction is not blocked on the Payment Account in this case). The Bank bears no liability for any such overdraft or exceeding of a Debit Card Limit.

7.18 If the Client arranges the SMS Notification service for a Holder such notifications will be sent to the mobile number provided by the Holder for the purpose of sending the Single-use Code for authorizing E-commerce Transactions through 3D Secure in line with Article 7.5, no earlier than from the Business Day on which the Holder provided the Bank with such mobile number.

7.19 There is a time lag before Payment Transactions are charged and settled (see Article 9.2).

If the Bank does not receive a Payment Transaction for charging and settlement within 10 calendar days of its performance, it will cancel the blocking of Funds carried out during the authorization process (see Article 7.15). The Bank will charge and settle a Payment Transaction even if it receives it for charging and settlement after this time limit has expired and after cancelling the blocking of Funds.

The same also applies if a Payment Transaction is performed offline or under non-standard Payment Transaction authorization conditions (see Article 7.17) where an amount is not blocked on a Payment Account.

The Client is liable for all Payment Transactions performed with Debit Cards issued on their Payment Accounts, and is obliged to pay off any unauthorized debit balance on the Payment Account and/or to compensate the Bank for any loss or damage incurred due to the use of Debit Cards, regardless of the amount of any Debit Card Limit.

7.20 If an unauthorized debit balance on a Payment Account is not paid off within ten calendar days, the Bank may, at the Client's expense, limit the validity of the Debit Cards issued on all of the Client's Payment Accounts.

7.21 If a Debit Card is retained by an ATM, the Holder must immediately contact the Bank and the Bank will limit the Debit Card validity. The Holder may request the relevant bank or ATM service company to return the Debit Card; however neither of these is obliged to return a retained Debit Card to the Holder.

7.22 In the event of any problems with Debit Card functionality, Payment Transactions, or any other Debit Card-related problems, the Client or Holder may contact the Customer Service for Debit Cards.

8. Changes in data

8.1 The Client must notify the Bank of any changes in the data relating to Debit Cards provided to their Payment Accounts which the Client passed to the Bank in connection with the provision of such Debit Cards. This obligation also applies to Holders. The Client is liable for any loss or damage incurred due to the breach of this obligation.

8.2 Both the Client and the Holder may submit requests for changes to be made in regard to a provided Debit Card; however, only the Client may request changes to the Debit Card Limit, changes to Payment Accounts associated with a Debit Card or that an AS be set up or cancelled. If a Holder changes their name, a Duplicate will always be issued with the same validity and bearing the Holder's new name.

8.3 Changes shall become effective on the following Business Day after notification thereof, or after the delivery of the request for the change, with the exception of changes of Payment Accounts associated with a Debit Card and changes of Debit Card Limits.

8.4 Changes of Payment Accounts associated with a Debit Card and changes of Debit Card Limits will, following the entry thereof into the Bank's systems, be operable when sending a request for the Available Balance, when making Payment Transactions and in the case of fee settlement (see Articles 7.11 and 7.15) as follows:

- (i) in the case of online authorization, the change will be operable immediately: when sending a request for Available Balance and when making a Payment Transaction, the current balances on Payment Accounts and the currently set Debit Card Limits are reflected;
- (ii) in the case of offline authorization, the change will not be operable immediately: a request for Available Balance and a Payment Transaction are authorized against the original data. The changes will only be reflected on the following Business Day;
- (iii) Payment Transactions on a Debit Card will be charged to the Payment Account on which the amount of the Payment Transaction was blocked upon authorization regardless of whether or not the Debit Card is issued on such Payment Account at the moment of charging the Payment Transaction;

- (iv) the Fees for providing the Debit Card and AS and for the other services provided (such as a PIN change, a query about the balance, and the sending of SMS notifications etc.) are charged:
 - on the last Business Day in the month with the value date on the first day of the following month, or as at the date of Debit Card termination;
 - to the Main Account on the Debit Card on the day of settlement at all times.

9. Processing of payment transactions, statements and complaints

9.1 The Client is informed of the Payment Transactions performed with a Debit Card in account statements for the Payment Account to which the Payment Transactions were charged. Payment Transactions are charged individually, along with reference information showing that the Payment Transaction was performed with a Debit Card, and stating:

- (i) the Debit Card number in modified form,
- (ii) the date on which the Payment Transaction was performed,
- (iii) the authorization code of the Payment Transaction,
- (iv) a description,
- (v) the name of the ATM or Merchant,
- (vi) the amount in the original currency, including the currency code,
- (vii) the amount in the Payment Account currency,
- (viii) the amount in the Settlement Currency, including the Settlement Currency code,
- (ix) the exchange rate used for conversion from the Settlement Currency into the Payment Account currency, and
- (x) the location and country where the Payment Transaction was performed.

The Fee for any withdrawal of cash from an ATM is posted as a separate Payment Transaction, stating the date of the Payment Transaction, the authorization code of the Payment Transaction for which the Fee was charged, a description, the amount, the currency, the name of the ATM or Merchant, the location and country where the Payment Transaction was performed, and the amount of the Fee in the Payment Account currency.

9.2 In line with the rules of Card Associations, Payment Transactions performed with a Debit Card are charged and settled with a time lag from the date of their performance. All Payment Transactions are charged and settled by the Bank (i.e. debited from the Client's Payment Account) at the latest on the Business Day following the day that the Bank receives a settlement report on the performance of such transactions. If a settlement report is received outside the Bank's Business Hours, it will be deemed to have been received at the beginning of the next following Business Day of the Bank.

The Bank settles the Payment Transaction in the amount in which it has received it from the Card Association for settlement at all times.

9.3 During the processing of a Payment Transaction performed with a Debit Card in a currency other than the Settlement Currency, the amount of the Payment Transaction is first converted to EUR using the current exchange rate of the Card Association and the Bank receives a report from the Card Association which already states the amount of the Payment Transaction in EUR for processing (hereinafter the "**Reported Amount**"). The Bank then charges the Reported Amount to the Payment Account on which the amount of the Payment Transaction was authorized and/or blocked (see Article 7.15). If the currency of this Payment Account is other than EUR, the Bank converts the Reported Amount to the Payment Account currency using the current exchange rate according to the rules specified in the GBC.

9.4 If a Payment Transaction is performed with a Debit Card in a Settlement Currency which differs from the currency of the Payment Account on which the respective amount was blocked during authorization (see Article 7.15), the Bank converts the amount of the Payment Transaction to the currency of this Payment Account using the current exchange rate according to the rules set out in the GBC.

9.5 The Fees for Payment Transactions performed with a Debit Card are debited from the Payment Account to which the respective Payment Transaction was charged.

9.6 Complaints regarding Payment Transactions performed with a Debit Card may be filed by both the Client and the Holder, primarily using the Bank's designated form. If a complaint is filed by email or phone, the Bank has the right to verify the identity of the Client or Holder.

- 9.7** Complaints regarding Payment Transactions performed with a Debit Card are handled according to the Bank's Complaint Rules, unless these SBC or the regulations of the relevant Card Association regarding complaints state otherwise.
- 9.8** During a complaint procedure, the Bank may request a Holder or Client to provide written notification of any unauthorized Payment Transaction, if this is necessary for the handling and settlement of the complaint.
- 9.9** The Bank's liability for unauthorized and/or incorrectly performed Payment Transactions is governed by the relevant provisions of the GBC.
- 9.10** The Client or Holder is required to submit all the documentation that they possess relating to a disputed Payment Transaction (in particular copies of receipts, proof of the cancellation of the relevant Payment Transaction, and where appropriate also copies of Payment Account statements on which the disputed Payment Transaction is indicated). The Bank may request a Holder or Client to submit additional information or documents relating to a disputed Payment Transaction. If this information or documents are not duly delivered to the Bank by the given deadline, the Bank has the right to discontinue the complaint proceedings or to reject the complaint.
- 9.11** In cases involving the charging of a Payment Transaction performed with a Debit Card abroad it is not possible to complain about any amounts based on the different exchange rates on the date of the performance of the Payment Transaction and on the date of its charging and settlement. When a Payment Transaction is performed with a Debit Card abroad, exchange rate differences may also arise due to the conversion of the Payment Transaction to the Settlement Currency and subsequently to the Payment Account currency. If in addition to an earlier debit Payment Transaction a credit Payment Transaction is also performed, this is performed by a different banking institution from the Bank. The Bank bears no liability for any difference in the converted amounts due to the use of different rates of exchange for the conversion of the debit and credit Payment Transactions to the Payment Account currency.
- 9.12** The Bank will inform the Client or Holder in writing of the outcome of a complaint procedure without undue delay after its completion, or of the result of a Chargeback within the periods for handling complaints set by the relevant Card Association, and at the latest within 90 days of receiving a complaint. If it is not possible to settle a complaint within this period due to the complexity of the particular case, the Bank will inform the Client or Holder of the status of the complaint procedure within this period.
- 9.13** The delayed processing of a Debit Card Payment Transaction is not grounds for complaint (see Articles 7.19 and 9.2).

10. Loss, theft, misuse of debit card

- 10.1** The Client, Holder and any relevant third party (hereinafter the "**Reporting Party**") are obliged to report any loss, theft or misuse of a Debit Card to the Bank without undue delay after they discover or could have discovered this fact. In cases where the misuse of a Card is reported, the Holder must immediately hand over the Debit Card to the Bank. The Reporting Party is to use the Debit Card Cancellation Hotline to make a report.
- 10.2** The Reporting Party must inform the Bank of all the facts and circumstances involved in the loss or theft of the Debit Card, and if the Reporting Party does not know the Debit Card number, they must provide other information allowing the Holder and the Debit Card to be identified (e.g. the Payment Account number, the Holder's birth identification number etc.).
- 10.3** The Call Centre will give the Reporting Party an identification code as confirmation of the fact that the loss or theft of the Debit Card has been reported by phone.
- 10.4** The Client and Holder agree that their phone calls with the Bank or a Supplier at the Customer Service or via the Debit Card Cancellation Hotline will be recorded by the Bank or the Supplier, stored and used as evidence in the event of any dispute.
- 10.5** The Client and Holder agree to cooperate effectively with the Bank during the performance of corrective measures proposed by the Bank. If there is a delay in making a report, the Client or Holder may forfeit the right to compensation for loss or damage, or the entitlements arising in the case of unauthorized or incorrectly performed Payment Transaction which are specified in the GBC.
- 10.6** For security reasons, any Debit Card reported lost, stolen or misused is blocked. The Bank bears no liability for any loss or damage incurred by a Client or Holder due to the blocking of a Debit Card.
- 10.7** A Debit Card reported lost or stolen may not be used if the Holder or Client regains possession of it.

10.8 The Bank may, in its sole discretion, block a Debit Card for only the following reasons:

- (i) Debit Card security, in particular when it suspects any unauthorized or fraudulent use of the Debit Card (if the Bank receives information from the respective Card Association, from another bank or from some other reliable source that Debit Card security may be at risk),
- (ii) any significant increase in the risk that the Client will not be able to repay a loan than can be drawn through the Debit Card,
- (iii) in the cases specified by applicable legislation.

Once the reasons for blocking the Debit Card cease to exist, the Bank shall unblock the Debit Card or provide a new Debit Card to the Client. The foregoing is without prejudice to the Bank's right to refuse to provide a new Debit Card on the grounds specified herein.

10.9 The Bank will inform the Holder of the blocking of a Debit Card and of the relevant reasons prior to blocking the Debit Card in the Bank's sole discretion, or, in cases where this is not possible, immediately afterwards. This obligation will not apply if the provision of such information might frustrate the purpose of blocking the Debit Card, or would be in conflict with applicable legislation.

10.10 The Client can make a written request for the provision of a new Debit Card with the same parameters as the original Debit Card within ten Business Days after the loss, theft or misuse of a Debit Card is reported to the Bank or blocked in the Bank's sole discretion. Following the above time limit, a Debit Card may only be provided using the procedure under Article 3.1.

11. Debit Card cancellation

11.1 A cancelled Debit Card cannot be renewed.

11.2 The Holder or Client may request the Bank to cancel a Debit Card. The Client may request the cancellation of all Debit Cards provided on their Payment Accounts, the Holder, however, may only request the cancellation of the Debit Card which they is authorized to use.

11.3 If an attempt is made to use a cancelled Debit Card, the Debit Card may be retained by the Merchant or ATM.

11.4 The Bank bears no liability for any loss or damage incurred by a Client and/or a Holder due to the cancellation of a Debit Card.

11.5 The Bank shall cancel a Debit Card on the basis of the Client's or Holder's request under Article 11.2 no later than as of 12 noon on the Business Day following the day of the submission of the respective Debit Card cancellation request, provided that this request was delivered to the Bank by 2.00 p.m. on a Business Day. If a Debit Card cancellation request was delivered after 2.00 p.m. on a Business Day, the Bank shall cancel the Debit Card no later than as of 12 noon on the second Business Day following the day on which it received the Debit Card cancellation request.

11.6 If a Debit Card has been cancelled the Holder must return the original Debit Card to the Bank or they must destroy it by cutting through the magnetic stripe and chip to prevent any possible misuse.

12. Emergency assistance abroad

12.1 In cases where a Debit Card is blocked due to loss, theft or misuse or in the Bank's sole discretion (i.e. according to Article 10) while the Holder is abroad at the moment when the validity of the Debit Card is restricted, thus placing the Holder in an emergency situation, the Holder may request an emergency cash payment to cover any necessary expenditures. The Holder is to make requests for emergency cash payment by phone to the Bank. The Bank will decide on the provision of any emergency cash payment on an individual basis after assessing the circumstances of the case, the Holder's present location, the feasibility of delivering emergency cash to the Holder's location in a secure manner, and the Holder's ability to clearly prove their identity when taking receipt of the emergency cash payment.

12.2 If the Bank decides to provide an emergency cash payment, its maximum amount will be limited to the current Available Balance on the Payment Accounts on which the Debit Card was issued, after deducting the Bank's costs for the provision of the emergency cash. The largest possible emergency cash payment is CZK 50,000 or the equivalent in another currency.

12.3 Emergency cash payments are governed by the Business Conditions of Europ Assistance s.r.o. covering the provision of personal cash delivery services in cases of emergency.

13. Additional Services and bonus schemes associated with debit cards

- 13.1** An AS may either form an integral part of the benefits associated with the use of particular types of Debit Cards (an obligatory AS) or may be arranged by a Client for a Debit Card separately (an optional AS).
- 13.2** The Holder automatically becomes the authorized party for each obligatory AS, and these services will be provided to the Holder. The Holder becomes entitled to the provision of each obligatory AS upon the provision of the Debit Card. The Client cannot change or cancel any obligatory AS.
- 13.3** In the case of an optional AS, the Holder becomes the authorized party and will be provided with the respective AS only if the Client has arranged this optional AS on the Debit Card. The Client may change or cancel an optional AS at any time over the validity period of a Debit Card (see also Article 8.2).
- 13.4** The Bank may at any time change, suspend, delay provision of, or cancel any AS or all the ASs provided in connection with a Debit Card, particularly if there are technical or technological reasons for doing so. The Bank may also introduce a new optional or obligatory AS for Debit Cards at any time. The Bank may similarly place limitations on a certain type of AS, for example limitations which depend on the particular type of Debit Card.
- 13.5** If Insurance is arranged in connection with a Debit Card against the misuse of the Debit Card, the loss of documents or keys, or the theft or misuse of a mobile phone (hereinafter "**Debit Card Misuse Insurance**"), the following will apply:
- (i) The Insurer will be Česká pojišťovna ZDRAVÍ a.s., Na Pankráci 1720/123, Nusle, 140 00 Praha 4, Czech Republic, Company No. 49240749 (hereinafter "**ČPZ**").
 - (ii) Debit Card Misuse Insurance will be governed by the Special Insurance Conditions for collective insurance of expenses incurred due to the misuse of a payment card, the loss of documents or keys, or the theft or misuse of a mobile phone, Ref. No. 02/2010 (hereinafter the "**SIC-IE-Card**"). The Client and Holder hereby represent that they have familiarized themselves with the content of Insurance Policy No. 19100859/2010, concluded by and between the Bank and ČPZ as the insurer in accordance with Section 2767 of the Civil Code, and with the document SIC-IE-Card which forms an integral part of the Insurance Policy.
 - (iii) Debit Card Misuse Insurance will become effective at 00.00 a.m. on the day following the date on which the Debit Card is activated. In cases where Debit Card Misuse Insurance is arranged at a later date, subsequent to Debit Card activation, Debit Card Misuse Insurance will become effective at 00.00 a.m. on the day following the date on which Debit Card Misuse Insurance is arranged.
- 13.6** If Travel Insurance is arranged in connection with a Debit Card, the following will apply:
- (i) The Insurer will be Česká pojišťovna a.s., with its registered office at Spálená 75/16, 113 04 Praha 1, Czech Republic, Company No. 452 729 56 (hereinafter "**ČP**").
 - (ii) Travel Insurance will be governed by the General Insurance Terms and Conditions for Travel Insurance, GICTI 07 (hereinafter "**GICTI 07**"), and by the Policy Terms and Conditions for Quality Insurance and TOP Insurance (hereinafter the "**Policy Terms and Conditions**"). The Client and Holder hereby represent that prior to arranging travel insurance, they received a copy of the applicable versions of GICTI 07 and the Policy Terms and Conditions and familiarized themselves with those documents.
 - (iii) When taking receipt of a Debit Card, Holder will also receive a Travel Insurance Information Card and Instructions for Insured Parties in the Case of Insured Events.
 - (iv) Travel Insurance becomes effective on the date of Debit Card activation, and is arranged for the entire period of Debit Card validity. In cases where Travel Insurance is arranged at a later date, subsequent to Debit Card activation, Travel Insurance will become effective at 00.00 a.m. on the day following the date on which Travel Insurance is arranged.
 - (v) In the case of Travel Insurance, an Insurance Policy within the meaning of GICTI 07 is arranged as part of the Agreement. The validity period of this Insurance Policy is the same as the period of insurance specified in the preceding paragraph.
 - (vi) Both the Insurer and the Policyholder (the Client) may withdraw from a Travel Insurance Policy under the conditions set out in GICTI 07.
 - (vii) Withdrawal from a Travel Insurance Policy is dealt with between the Client and the Bank.
- 13.7** The Bank also offers participation in bonus schemes provided by the Card Association, the debit cards of which the Bank issues.

13.8 The Bank has the right to renegotiate, change, suspend, delay provision of, or cancel participation in any of the bonus schemes. The current range of bonus schemes on offer is available on the Bank's Website.

14. Termination and cancellation of the right to use a Debit Card

14.1 The Debit Card, or, as applicable, the Agreement, terminates in the cases specified in the GBC and also upon the termination of Automatic Renewal; upon the loss, theft or misuse of the Debit Card; upon the cancellation of the Debit Card; upon the destruction or the return of a valid Debit Card to the Bank, unless a new Debit Card is to be issued; and on the day on which the Client's last Payment Account on which the Debit Card had been issued is closed.

14.2 The Client may cancel a Debit Card at any time either in accordance with Article 11 or by returning the Debit Card to the Bank. Cancellation of a Debit Card does not release the Client from liability for the Payment Transactions performed with the Debit Card up to the time of the cancellation of the Debit Card.

14.3 Unless the SBC stipulate otherwise, the Bank will cancel a Debit Card on the date that the respective Agreement is discharged or, in cases where notice of termination of or withdrawal from an Agreement is served by the Bank, usually as of the time that the Bank sends this notice of termination of or withdrawal from the Agreement.

15. Final provisions

15.1 These SBC come into force on July 1, 2019 and effect on September 1, 2019, as of which date the existing Business Conditions of PPF banka a.s. for Payment Cards effective from October 31, 2018 shall expire.