

## BUSINESS CONDITIONS OF PPF BANKA A.S. FOR PAYMENTS

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## 1. Introductory provisions

- 1.1 These Business Conditions of PPF banka a.s. for Payments (hereinafter “**Specific Business Conditions**” or “**SBC**”) set out the conditions of the legal relationships established upon the provision of the specified payment services, including, without limitation, the periods of time for Payment Transaction execution, the required particulars of Payment Orders, etc. Clients and Authorised Persons shall acquaint themselves with and follow these SBC.
- 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, the Price List, and the Interest Rate List the provisions of each of the respective documents shall prevail with the following order of precedence: the Agreement, the SBC, the GBC, the Price List and the Interest rate List. The SBC have been issued on the basis of and in compliance with Section 1751 of the Civil Code and the relevant legislation.
- 1.3 These SBC have been issued in accordance with and further to the GBC; matters on which an Agreement or these SBC are silent shall be governed by the relevant provisions of the GBC.

## 2. Terms

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

**API (Application Programming Interface)** - the interface through which secure machine communication and online data exchange run.

**Banka** – PPF banka a.s., 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 awarded by CNB under the Banking Act and the Act No 256/2004, on Capital Market Undertakings, as amended.

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

**BIC (Business Identifier Code)** – or the SWIFT code, is the Provider’s code based on the ISO936 international standard, enabling the unambiguous identification of the relevant Provider in international payments.

**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 available on the Account in the case of an incoming Payment Transaction or available to the Provider in the case of an outgoing Payment Transaction.

**Available Balance** – 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 executed instant payments and transactions 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 as 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), or API, as defined in the respective SBC.

**IBAN (International Bank Account Number)** – a standardised format of account numbers defined in the ISO 13616 international standard, enabling the unambiguous identification of the account number 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 IBAN or account number in the relevant country's national format, the Beneficiary's name, and BIC or some other identification of the Beneficiary's Provider.

**Client** – a natural person or legal entity or trust („svěřenský fond“ in czech) using Banking Services, or a person requesting the provision of a Banking Service.

**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].

**Exchange Rate** – the currency exchange rate declared by the Bank in its Exchange Rate List published on the Website and available at Place of Business.

**Nostro Account** – an account of the Bank held with other Providers; Nostro Account is also also referred to as correspondence account, and the list of Providers with which the Bank holds correspondence accounts is listed on the Website.

**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 Client or 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.

**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 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.

**Payer** - the user from whose Payment Account the Funds for executing a Payment Transaction are to be debited or who makes available the Funds for the execution of a Payment Transaction.

**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.

**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, in particular correspondent banks, and other institutions defined by the Payments Act.

**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.

**Beneficiary, Payee** („Plátce“ in czech) – the user to whose Payment Account the Funds are to be credited under the Payment Order or to whom the Funds are to be made available under the Payment Order.

**Interest Rate List** – Interest Rate List of PPF banka a.s., 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 Place 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 scheme, without restrictions on the amount transferred.

**SEPA** – Single Euro Payments Area; it is composed of the EU, EEA countries and other countries e.g. Switzerland, Monaco, San Marino, Andorra and Vatican, which have acceded to the SEPA standard.

**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 foreign payments.

**SWIFT code** – see BIC.

**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** – the 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** Unless specified otherwise herein, capitalised terms or phrases have the meaning specified in the General Business Conditions of PPF banka a.s.

**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, and the Price List;
- (e) The person representing the Client is understood to be the Authorised Person or any other person authorised to represent the Client.
- (f) **CZK, Kč** and **Czech crown** mean the legal tender of the Czech Republic; **EUR** and **euro** designate the common currency of the European Union countries that will adopt or have adopted the euro;

### **3. General conditions of payments**

**3.1** 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.

**3.2** 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.

**3.3 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 Agreement.

- 3.4 Payment Order.** An instruction to the Bank through which a Client requests the execution of a Payment Transaction.
- 3.5 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 in the order determined by the Bank. On the paper form for a bulk payment order, the Client does not specify transfers between Accounts held by the Bank together with transfers to the Beneficiary's account held with a different Provider. 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 outgoing payments.
- 3.6 Delivery of written 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.
- 3.7 Delivery of electronic Payment Orders.** The Client can deliver electronic Payment Orders to the Bank via ELB channels under the conditions set out in the relevant SBC.
- 3.8 Maturity Date of Payment Orders**
- (a) The Maturity Date of a Payment Order must be set on a Business Day; if the Maturity Date of the Payment Order is set for a non-business day (or if the Maturity Date of a Payment Transaction under a standing Payment Order falls on a non-business day), the Payment Order is executed on the following Business Day. If no Maturity Date is specified in a Payment Order or a Maturity Date preceding the day of delivery of the Payment Order to the Bank is specified, the day of delivery of the Payment Order to the Bank is deemed to be the Maturity Date. This point (a) does not apply to Domestic Instant Orders as defined in clause 5.3;
- (b) Domestic Direct Debit Orders can be submitted up to 30 calendar days before the required Maturity Date; other Payment Orders can be submitted up to one calendar year before the required Maturity Date.
- 3.9 Payment Order cancellation by Clients.** Clients may cancel a Payment Order not later than on the Business Day preceding the Maturity Date. 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. This clause 3.9 does not apply to Domestic Instant Orders as defined in clause 5.3;
- 3.10 Insufficient Available Balance in the case of domestic Payment Orders.** In cases of insufficient Available Balances, the Bank registers Payment Orders for 5 Business Days from the Maturity Date; in respect of internal instant orders till 6 PM of the Maturity Date. If the shortage of Funds persists, the Bank excludes the Payment Order from processing after the end of the above period; this period does not apply to express Payment Orders, which are in cases of insufficient Available Balances excluded from processing at 3 PM and Domestic Instant Interbank Orders, which are excluded from processing with immediate effect. The Bank shall not be held liable for damage sustained by the Client by the non-execution of the Payment Order or a part thereof due to an insufficient Available Balance;
- 3.11 Insufficient Available Balance in the case of foreign Payment Orders and SEPA Orders.** In cases of insufficient Available Balances, the Payment Orders are excluded from processing on the Maturity Date at 4 p.m. The Bank shall not be held liable for damage sustained by the Client by the non-execution of the Payment Order due to an insufficient Available Balance;
- 3.12 The Bank's right to reject Payment Orders.** The Bank may reject a Payment Order if:
- (i) it fails to contain the particulars set out in Article 9 of the GBC;
  - (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, or other requirements arising for the Bank out of its contractual relationships with its correspondence banks or requirements arising out of foreign legal regulation in connection with processing of the Payment Order in foreign currency have not been fulfilled;

**3.13 Payment Order rejection by the Bank.** Where the Bank rejects a Payment Order, if possible according to applicable legal regulations, 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 Available Balance. 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.

**3.14 Crediting of Funds.** The Bank credits Funds to the Account by the Beneficiary's Unique Identifier in the currency of the Beneficiary's Account regardless of the Payment Transaction currency. If the Account currency and the Payment Transaction currency are not the same, the Bank converts the currencies. In cases of domestic payments, the currencies are not converted and the Funds are automatically returned to the Payer's account unless the Bank and the Client have agreed otherwise.

**3.15 Incompatibility of the Unique Identifier.** The Bank also credits Funds to the Account if the name of the Account holder corresponds to the Unique Identifier and 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 will not credit the Funds and will request correct information from the Payer's Provider. If the Bank does not receive correct information within 5 Business Days, it rejects the payment and returns the Funds to the Payer's Provider.

**3.16 Incorrect Unique Identifier of the Beneficiary.** Where the Client (Payer) had stated an incorrect Unique Identifier of the Beneficiary in the case of an already executed Payment Transaction, the Bank shall, further to the Client's written request, make reasonable effort to have the Funds from this Payment Transaction credited to the correct Unique Identifier of the Beneficiary, or returned to the Client. Should the return of the Funds to the Client fail the Bank shall, further to the Client's written request, disclose to the Client all of the Payment Transaction details available to the Bank, which are necessary for exercising the right to the return of Funds before a court or other authority.

**3.17 Incorrect Unique Identifier of the Payer.** Where in the case of an already executed incoming Payment Transaction a third-party Provider's Payer had specified an incorrect Unique Identifier of the Client (Beneficiary) and the Bank receives from the Payer's Provider a request to return the Funds, the Bank shall notify the Client thereof and request the Client's consent to the return of the received Funds to the Payer. If the Client does not grant such consent to the Bank the Bank shall transmit the Client's identification details to the Payer through the Payer's Provider.

#### **4. Liability for unauthorised and incorrectly executed Payment Transactions**

**4.1 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.

#### **4.2 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.

#### **4.3 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 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 level that would have existed had such debit not been executed, or, if restoring the Payment Account to the original status 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 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 Provider.
- (f) In cases where the Bank, as the Beneficiary's 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 level 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 4.3 (c) to (e) above shall not be used in the case of Payment Transactions initiated by the Beneficiary or the Payer through the Beneficiary and the Beneficiary's Provider failed to perform its obligation to transfer the Payment Order to the Payer's Provider in a due and timely manner. At the request of the Client-Consumer in the role of the Beneficiary the Bank as the Beneficiary's Provider shall document that 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 8 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 4 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 4.3 (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 4.3 (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.

**4.4** 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.

## **5. Domestic cashless payments**

**5.1** The Bank makes outgoing and incoming payments in CZK to debit and credit accounts in the Bank and to accounts of other Providers in the Czech Republic through domestic cashless payments. Domestic cashless payments are made solely between accounts held in CZK.

**5.2** The Bank executes domestic cashless payments using the following forms of Payment Orders:

- (i) **Domestic Order;**
- (ii) **Domestic Instant Order** (only through ELB, with exception to HB);
- (iii) **Domestic 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) **Domestic Bulk Order;**
- (v) **Domestic Direct Debit Order;**
- (vi) **Domestic Direct Debit Mandate.**



### 5.3 Instant Payments

- (a) **Instant Payment** - a single electronic payment in CZK of up to no more than CZK 400,000, processed by instant payments scheme participants within seconds, where the paid amount is, following delivery to the Beneficiary's bank, immediately available to the Beneficiary for further Payment Transactions while the Payer is immediately provided with information about payment delivery to the Beneficiary's bank. The successful execution of an instant payment is conditional on a sufficient Available Balance at the time of Payment Order delivery to the Bank.
- (b) Instant payments are a special type of domestic payments, and can only be executed between participants connected to an instant payments scheme. They are irrevocable transfers of funds.
- (c) Instant payments can only be used for single immediately payable payments (they cannot be used for multiple payments entered as a bulk in a batch).
- (d) **Service availability.** The instant payments service is available to Clients on a 24/7 basis, including non-business days with the exception of the days for which system maintenance is scheduled (mainly due to the installation of new software versions, component replacements, backups, etc.). The Bank informs the Client about the planned downtime of the Service by means of the Website. The Bank is not liable to the Client for any damage caused by the malfunctioning of the immediate payment service as a result of the planned downtime. The Bank is not liable for cases where the instant payments service cannot be used for reasons beyond the Bank's or its partners' control (interruption in power supply, interruption of connection with the Bank over the Internet public network, strikes, etc.), including the damage caused by such cases. Where the inoperability of the instant payments service for reasons on the part of the Bank is found outside the Bank's Business Hours, the Bank shall make, without undue delay, an effort to remedy the inoperability, specifically on the next Business Day at the latest.
- (e) **Interest.** An instant payment executed during non-business days is posted on the Account on the next subsequent Business Day. Interest accrued on the balance in the Account is not affected by any changes in the Available Balance during non-business days.

### 5.4 Direct Debit

- (a) **Domestic Direct Debit Order.** A single order to directly debit a single payment. Where the Client delivers to the Bank an order for domestic direct debit to credit an Account, the Bank does not examine its justifiability when accepting the order; the Payer's Provider shall examine the justifiability of the use of the direct debit form of payment;
- (b) **Direct Debit Mandate.** The Client's standing consent to an individual payment being directly debited from the Account to credit a specified Beneficiary;
- (c) The Bank posts received direct debit requests to debit the Account under the following conditions:
  - (i) the Payer's Account holds a Domestic Direct Debit Mandate for the particular Beneficiary upon whose initiative the Bank has received the direct debit request; and
  - (ii) the amount of the direct debit request falls within the allowed limit; and
  - (iii) the Account holds a sufficient Available Balance;
- (d) **Insufficient Available Balance.** If the Account does not hold a sufficient Available Balance on the Maturity Date the Bank also has the right to post the direct debit request to debit the Account after such date, however, not later than 5 Business Days from the Maturity Date if the Maturity Date is specified, or from the day of receiving the direct debit request; if the Account does not hold a sufficient Available Balance even on the 5th Business Day from the Maturity Date the Bank does not execute the direct debit request and shall notify the Beneficiary's bank thereof.

**5.5 Corrective settlement.** Where a Payment Transaction was incorrectly posted due to the Bank's fault, every Provider in the Czech Republic that holds the unauthorised Beneficiary's account shall, at the Bank's request and within 3 months from the day of the occurrence of the fault in posting, is obliged to debit the incorrectly posted amount from the Beneficiary's account, including without the Beneficiary's consent, and surrender it to the Bank to rectify the incorrectly executed Payment Transaction. 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 level that would have existed had the incorrect execution of the Payment Transaction not occurred.

## 6. Foreign cashless payments

**6.1** Foreign cashless payments are understood to be transfers of Funds in a foreign currency or CZK from one country to another or the transfers of Funds in foreign currencies between Accounts held in the Bank and between Providers in the Czech Republic.

- 6.2** 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. An up-to-date list of the Bank's Nostro Accounts is published on the Website and at Places of Business.
- 6.3** 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 both accounts must be maintained in SEPA.
  - (iii) **Foreign Order** for credit transfers of Funds in CZK or another currency to another country or in a different currency to an account held at a Provider in the Czech Republic;

**6.4** Variants of charges 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; This variant of charges is mandatory for SEPA Orders;
- (iii) **BEN** - the Beneficiary pays all the charges related to the execution of the payment (this variant of charges is not supported by the Bank for outgoing foreign payments);

The Payer decides on the variant of charges. The Bank charges Fees for foreign cashless payments (excl. SEPA Payment Transactions) as of the date of accounting of each Payment Transaction.

- 6.5** 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.
- 6.6** Upon a request of a correspondent bank or the Beneficiary's Provider, the Bank is authorised to provide additional details about the Payment Transaction as may be required for its proper execution, and also request the Client's assistance in case of need. In the event of a delay in Payment Transaction processing at the correspondent bank or third-party Providers, the Bank shall not be held liable for any damage so caused.
- 6.7 SWIFT.** The Bank operates foreign payments via the SWIFT telecommunication network. 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.

**7. Time limits for cashless payments**

- 7.1** 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.
- 7.2** Foreign Payment Orders which the Client requests to be processed on an express basis are, subject to prior agreement between the Bank and the Client, processed so that there are credited to the Provider's account on the same Business Day.

**7.3 Time limits for 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
<b>Standard Domestic Order</b>	Paper medium	At the latest 2 hours 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

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
<b>Standard Domestic Order</b>	Electronically	By 10:00 a.m.	Same Business Day	Same Business Day	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	From 10:00 a.m. to 6:00 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
<b>Express Domestic Order</b>	Paper medium	By 12:00 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 12:00 a.m.	Same Business Day	x	Same Business Day	Same Business Day that the Bank receives the funds in the Bank's account
<b>Domestic Instant Order</b>	Electronically	24 hours per day	Same Business Day	Same Business Day	Same Business Day	Same Business Day
<b>Domestic Standing Order</b>	Paper medium	During Business Hours of the Place of Business	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 6:00 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
<b>Domestic Direct Debit Order</b>	Paper medium	At the latest 2 hours before the end of the Place of Business's Business Hours	Same or next Business Day	x	x	Same Business Day that the Bank receives the funds in the Bank's account
	Electronically	By 6:00 p.m.	Same Business Day	x	x	Same Business Day that the Bank receives the funds in the Bank's account
<b>Domestic Direct Debit Mandate</b>	Paper medium	During Business Hours of the Place of Business	Next Business Day	x	x	x
	Electronically	By 6:00 p.m.	Next Business Day	x	x	x

#### 7.4 Time limits for 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
<b>Intrabank Foreign Currency Order</b>	Paper medium	By 11:00 a.m.	Same Business Day	x	Same Business Day
	Electronically	By 3:00 p.m.	Same Business Day	x	Same Business Day

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
<b>SEPA Order</b> (outgoing payment)	Paper medium	By 11:00 a.m.	Same Business Day	Not later than next Business Day	x
	Electronically	By 1:00 p.m.	Same Business Day	Not later than next Business Day	x
<b>SEPA Order</b> (intrabank payment)	Paper medium	By 11:00 a.m.	Same Business Day	x	Same Business Day
	Electronically	By 1:00 p.m.	Same Business Day	x	Same Business Day
<b>SEPA</b> (incoming payment)	Electronically	By 6:30 p.m.	x	x	The Business Day on which the Bank receives Funds to the Bank's account
<b>Foreign Order for transfer within EU/EEA in EUR</b> (outgoing payment)	Paper medium	By 11:00 a.m.	Same Business Day	Not later than next Business Day	x
	Electronically	By 1:00 p.m.	Same Business Day	Not later than next Business Day	x
<b>Foreign Order for transfer within EU/EEA in EU/EEA currencies (except for EUR)</b> (outgoing payment)	Paper medium	By 11:00 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
	Electronically	By 1:00 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
<b>Foreign Order for transfer within EU/EEA in other currencies</b> (outgoing payment)	Paper medium	By 11:00 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
	Electronically	By 1:00 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
<b>Foreign Order for transfer outside EU/EEA</b> (outgoing payment)	Paper medium	By 11:00 a.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
	Electronically	By 1:00 p.m.	Same Business Day	Not later than 4th Business Day from payment debiting from the Payer's account	x
<b>Foreign incoming payment</b>	Received from SWIFT	By 4:00 p.m.	x	x	The Business Day on which the Bank receives Funds to the Bank's account <sup>1)</sup>

<sup>1)</sup> In the case of currency conversion, the Bank may extend the Payment Order processing period by one Business Day.

## 8. Cash Payments

**8.1** Cash payments are understood to be:

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

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

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

- 8.4** The Bank exchanges domestic banknotes and coins with one denomination for another denomination to the Client's requirement and only if it has the required denominations available. The Bank does not exchange denominations in the case of foreign currencies.
- 8.5** When receiving domestic banknotes and coins, the Bank has the right to request that the banknotes and coins sorted by denomination and, if justified by their number, packed as required by the legislation.
- 8.6 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 Business 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 and/or is authorised to request proof of the Client's identity for cash deposits in excess of EUR 1,000. In cases of up to EUR 1,000 cash deposits in an Account the Bank is authorised to request, in particular, the first name and surname of the depositor.
  - (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.
  - (d) Before completing a cash deposit exceeding EUR 15,000 or the equivalent in another currency, the Bank shall, under the Money Laundering Act, identify the source and origin of the Funds; for this purpose it has the right to request the necessary information and written documents.
  - (e) In cases where the cash deposit departs from the Client's habitual conduct or appears to be risky, the Bank also has discretion to demand the identification of the Client, verify the Client's identity and possibly identify the origin/source of the Funds where the deposited value is lower than under (b) and (d) above. The Bank is authorised to refuse to execute the deposit if Client identification cannot be performed or if the origin/source of the Funds is not documented.
- 8.7 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) With the exception of withdrawals from ATMs, 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 1 Business Day before the required day of withdrawal. For cash withdrawals exceeding CZK 500,000, Clients are obliged to notify their request at least 3 Business Days in advance.
  - (c) With the exception of withdrawals from ATMs, 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.
- 8.8** 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.

## **9. Final Provisions**

- 9.1** These SBC come into force on 1 October 2019 and into effect on 1 December 2019.
- 9.2** These SBC shall supersede to the full extent the provisions on payments contained in the GBC effective as of 1 April 2019.