

## GENERAL BUSINESS TERMS AND CONDITIONS OF EQUA BANK A.S.

### 1. INTRODUCTORY PROVISIONS

#### 1.1. Scope and changes to the General Business Terms and Conditions

- 1.1.1. These General Business Terms and Conditions (hereinafter "T&C") govern the general terms of all contractual obligations between the Bank and the Client arising from the provision of Banking Services.
- 1.1.2. Besides the T&C, individual contractual obligations arising from Banking Services are also governed by the Product Terms and Conditions issued by the Bank (hereinafter "PTC"), which contain specific rules for individual product types or groups of Banking Services, by Price Lists specifying the Fees for Banking Services in relation to individual Banking Services or their types (hereinafter "Price Lists"), and by specific arrangements included in a Contractual Document. Interest rates are announced by the Bank in the Interest Rate List. Exchange rates are announced by the Bank in the Exchange Rate List.
- 1.1.3. The Bank shall notify the Client of any change to the T&C in writing or by e-mail and via a Direct Banking service two months prior to the day on which this change shall become effective, at the latest. The Client is entitled to reject the change one month before the date on which the change to the T&C becomes effective at the latest and to terminate the Agreement unilaterally with a notice period of one month from the date of delivery of the notice to the Bank, unless a shorter notice period is laid down by general legal regulations binding for the Bank. If the Client does not reject the change by the date set out above, it is assumed that the Client agrees with the change. The Bank shall specifically advise the Client of this consequence in the notice of change of the T&C.
- 1.1.4. The Bank shall introduce changes to the PTC only in justified cases and within the necessary scope (e.g. legislative or regulatory changes which have an impact on the functioning of the Bank or the Client's co-operation or increasing the efficiency of procedures related to the provision of Banking Services).
- 1.1.5. The Client acknowledges and agrees that the Bank may announce changes to the T&C, PTC, Terms and Conditions of Payment Services or Price Lists made to the benefit of the Client (i.e. especially the introduction of a new Banking or Payment Service which the Client may request, reduction or cancellation of a Fee) in a manner specified in Art. 1.1.3 hereof even with a shorter notice.

#### 1.2. Interpretation and definition of terms

- 1.2.1. If any provision of the PTC differs from the T&C, the differing provision shall prevail over the wording in the T&C. If any provision of a Contractual Document differs from the PTC, Price Lists or T&C, the differing provision shall prevail over the wording in the PTC, Price Lists or T&C.
- 1.2.2. Unless indicated otherwise in these T&C, capitalised terms contained in these T&C shall have the meaning defined in chapter 19 below, in the PTC or Terms and Conditions of Payment Services.

### 2. ESTABLISHMENT AND TERMINATION OF CONTRACTUAL RELATIONSHIP

#### 2.1. Execution of Agreement

- 2.1.1. The Bank and the Client enter into their mutual contractual relationship by executing the Framework Agreement on Provision of Banking and Payment Services of Equa bank a.s. (hereinafter "Framework Agreement"). The Framework Agreement shall be governed by provisions applicable to the Agreement unless expressly stipulated otherwise in the T&C, PTC or Terms and Conditions of Payment Services. The Agreement is concluded for an indefinite term unless stipulated otherwise therein.
- 2.1.2. The Agreement shall be executed either in writing in printed form or using means of distance communication, especially through a Direct Banking service. The Agreement and its amendments must be made in writing only if so required by a general legal regulation or if expressly agreed in the Agreement.
- 2.1.3. If the Agreement is executed in writing and its draft is prepared by the Bank, the Agreement is deemed executed upon delivery of the draft Agreement signed by the Client to the Bank; if the Agreement is executed using means of distance communication, the Agreement is deemed executed when the Bank receives the Client's consent to the draft Agreement. The Bank shall inform the Client about the receipt of the consent in a suitable manner. If the draft Agreement is prepared by the Client, the previous sentence shall apply analogously.
- 2.1.4. If the Agreement is executed otherwise than in writing and unless explicitly agreed otherwise, the draft Agreement shall be presented by the Client by means of a request for a certain Banking Service; in that case, the Agreement is deemed executed when the Bank notifies the Client of approval of the request. Any other act implying that the

Banking Services listed in the request are available to the Client or may be used by the Client is also deemed a notice of approval of the request.

2.1.5. The Agreement becomes effective on the date of its execution unless a later effective date is stipulated in the Agreement.

2.1.6. If the Client delivers a signed draft Agreement to the Bank or if the Bank receives the Client's consent to the draft Agreement with any additions, objections, limitations or other changes, this shall be deemed a rejection of the Bank's draft Agreement and a new draft Agreement presented by the Client, even if the addition, objection, limitation or another change in question does not imply a material change to the draft Agreement presented by the Bank. In that case, the Agreement will be executed only if this new draft Agreement is confirmed in writing and delivered to the Client by the Bank.

2.1.7. As a rule, brokers, couriers or other third parties whose services are used by the Bank in connection with execution of the Agreement are not authorised to act on behalf of the Bank and, consequently, to accept any deliveries or notifications on behalf of the Bank unless explicitly authorised to that effect by the Bank in writing.

## 2.2. Termination of Agreement

2.2.1. The Agreement terminates upon expiry of the term for which it was concluded (unless concluded for an indefinite term), based on agreement between the Bank and the Client, unilateral termination or withdrawal, unless defined otherwise in the Agreement.

2.2.2. Both the Client and the Bank may terminate the Agreement unilaterally without giving a reason. In that case, the notice period commences on the date of delivery of the notice to the other party and, unless a longer notice period is given in the notice, ends one month after the date of delivery of the notice to the other party. The Client may also terminate the Agreement unilaterally without giving a reason pursuant to the rules of the Czech Banking Association governing the mobility of clients from one bank to another (Clients Mobility Code).

2.2.3. Unless this option is expressly excluded from the Agreement, the Bank may withdraw from the Framework Agreement in case of any Event of Default.

2.2.4. If the Agreement was executed using means of distance communication (especially via a Direct Banking service), the Client may withdraw from the Agreement without giving a reason within fourteen days from execution of the Agreement. If the Client was not provided with information within the scope set by the Civil Code before execution of the Agreement, the Client may withdraw from the Agreement within fourteen days from the date when such information was subsequently provided to the Client by the Bank.

2.2.5. The Bank may also withdraw from the Agreement in case of a major change in the circumstances relevant for the execution of the Agreement and its contents occurring at a time between the execution of the Agreement and the time when the Agreement is to be performed due to an event which could otherwise be a circumstance excluding the Bank's liability. The Client and the Bank agree to disapply Sections 1764 to 1766 of the Civil Code.

2.2.6. The Agreement terminates in case of withdrawal upon delivery of the notice of withdrawal or at a later time set in the notice of withdrawal from the Agreement. Any outstanding claims related to the Agreement shall fall due on the first Business Day following the delivery of notice of withdrawal to the other party.

2.2.7. Unless agreed otherwise, the Bank and the Client are obliged to settle their mutual obligations existing on the date of termination of the Agreement without undue delay after the termination of their contractual relationship; they are obliged, in particular, to pay all amounts owed including any outstanding loans. In that case, the Bank shall refund the proportional part of the price, Fee or any other payment for Banking Services only if this is expressly required by a general legal regulation or the Agreement. After termination of the contractual relationship, the Client is obliged to return to the Bank, within deadlines set by the Bank, all things, payment cards, unused checks, check books and other documents and means which the Bank or a third party provided to the Client in connection with the provision of Banking Services.

## 2.3. Dependence of Agreements

2.3.1. An Agreement (dependent Agreement) may be arranged as dependent on some other Agreement (main Agreement); in that case, execution of the dependent Agreement is conditional on execution of the main Agreement and termination of the main Agreement results in a termination of the dependent Agreement. The Bank reserves the right to update the offer of Banking or Payment Services (without any impact on previously executed Agreements); information on the Banking or Payment Services which are currently provided is available on the Bank's Homepage or in the PTC, Price List and Interest Rate List.

## 2.4. Contract receivables

2.4.1. The Client may not assign any receivable under the Agreement to any third parties without prior written consent of the

Bank.

### 3. BANK SECRECY, PERSONAL DATA PROTECTION AND CLIENT CONSENTS

3.1. All Banking Services are subject to banking secrecy pursuant to general legal regulations. The Bank shall provide information that is considered a banking secrecy to third parties without the Client's consent only in cases stipulated by general legal regulations and within the scope laid down by general legal regulations. The Client agrees that the Bank may provide information on the amount of a Bank's secured claim to the persons securing the claim.

#### 3.2. Personal data processing on the basis of law

The Client is hereby informed and acknowledges that the Bank is obliged, in conformity with the general legal regulations and for the purposes of:

- (i) performance of the Bank's statutory duties according to the special legal regulations (especially the Banks Act, Anti-Money Laundering Act, International Co-operation in Tax Administration Act);
- (ii) for purposes related to Banking Services;
- (iii) for purposes of protection of the rights and legally protected interests of the Bank as a personal data controller (especially the performance of analyses, risk management and strategic planning)

to collect and process Client data including personal data. The Bank shall handle the information provided pursuant to laws and other general legal regulations binding for the Bank and, as the Client's personal data controller, the Bank shall store and process personal data in conformity with the purposes specified above. The Bank shall maintain confidentiality of the information provided also after termination of the contractual relationship between the Bank and the Client. The Client agrees with the use of his/her birth identification number for the purposes of his/her unambiguous identification and its transfer to third persons pursuant to paragraph 3.5.4. T&C below where required.

3.3. The Client agrees that the Bank may verify data obtained on the Client, especially from courts, public authorities or the Client's employer provided that confidentiality of the information provided is maintained.

3.4. Should the Client refuse to provide the Bank with data which the Bank is obliged to collect on the Client in conformity with the general legal regulations, the Bank may reject the provision of the requested Banking Service to the Client.

#### 3.5. Client's consent to collection and processing of personal data

3.5.1. By execution of the Agreement, the Client gave the Bank (hereinafter the "Controller") the consent to the collection and processing of his/her personal data including the use of birth identification number and other data relating to the Client (hereinafter "Consent") which are communicated by the Client or otherwise obtained pursuant to the Personal Data Protection Act, as amended, for the following purposes:

- (i) for the purposes to which the Client has given an express consent;
- (ii) for the purposes of providing information on new products and services.

3.5.2. Unless stipulated otherwise in respect of an individual purpose by the applicable legal regulations or within the consent, the Client's personal data shall be processed for the period of:

- (i) four years from the provision of such personal data for the purposes of negotiations on the contractual relationship with the Bank; or
- (ii) the term of the contractual relationship and, subsequently, for the period of four years from the termination of the contractual relationship with the Bank.

3.5.3. The Client's personal data shall be processed within the scope in which they were provided in connection with:

- (i) the request for a contractual or some other legal relationship or which the Controller collected otherwise, and the processing is in accordance with the applicable legal regulations, or
- (ii) any other contractual or legal relationship concluded between an individual for whom the party signing this Consent acts, and the Controller.

3.5.4. Personal data shall be processed directly by the Controller or another specialised external entity, both in the Czech Republic and abroad (e.g. an individual authorised by the Bank to perform the Bank's contractual or legal obligations including the exercise of rights from contractual relationships with Clients, an individual with whom the Bank negotiates on the assignment of receivables from the Client or on assumption of Bank's liabilities to the Client, or an individual with whom the Bank negotiates in connection with the provision of banking products to Clients), which also provides sufficient and credible assurances about the technical and organisational arrangement of personal data protection. The processing takes place in technically and physically secured information systems.

3.5.5. The Bank shall publish a list of individuals with whom the Bank negotiates in connection with the provision of Banking Services to Clients, always stating the proper purpose for the transfer and processing of personal data as well as any change to the list, at the Points of Sale and on the Bank's Homepage. This shall in no way prejudice Bank's liability to

Clients in connection with the processing of personal data by third parties listed in this document. Clients' personal data may be disclosed to public authorities (courts, police, notaries, tax authorities, etc. within the exercise of their statutory powers) under certain conditions or the Controller may provide them directly to other banks within the scope specified by a special law or through third parties appointed to manage client registries.

3.5.6. By executing the Agreement, the Client grants the Bank consent pursuant to the Section 84 *et seq.* of the Civil Code to make and store recordings of telephone calls between the Bank and the Client made in connection to the provision of Banking or Payment Services.

3.5.7. The Client also declares that:

- (i) before granting this Consent, he/she has been informed properly and in a timely manner about the fact that the Bank collects, processes and verifies the Client's personal data to the extent and for the purposes set above as well as about the fact that these data may be made available to third parties listed above;
- (ii) he/she is aware of the fact that the provision of his/her personal data is voluntary, and
- (iii) he/she is hereby informed of his/her right to access his/her personal data collected by the Bank (for a Fee specified on the Bank's Homepage) as well as other rights stipulated in Section 21 of the Personal Data Protection Act.

### 3.6. Client Information Bank and Non-Bank Registers (CIBR and CINR)

3.6.1. In relation to the execution of an Agreement, the Client is informed and acknowledges, in respect of the Client Information Bank Register (hereinafter the "CIBR"), and agrees, in respect of the Client Information Non-Bank Register (hereinafter the "CINR"), that the Bank may collect, process and store the Client's personal data including the birth identification number for the purpose specified below in the manner specified in the Information Memorandum of the Client Information Bank Register and the Client Information Non-Bank Register (hereinafter "Information Memorandum"), within the scope and under the conditions specified in the Information Memorandum, and that the Bank may post queries to the respective loan registers and verify the Client's creditworthiness and, as appropriate, correctness or accuracy of information given by the Client in connection with the contractual relationship with the Bank.

3.6.2. The purpose of processing of the Client's personal data is to ensure mutual provision of information among authorised users of the CIBR and CINR on the Client's creditworthiness, credibility and payment morale, and allowing (repeated) assessment of the Client's creditworthiness, credibility, and payment morale by the authorised users of the CIBR and CINR. The manner, scope, and conditions of the mutual provision of information among the authorised users of CIBR and CINR are specified in the Information Memorandum.

3.6.3. The Client grants this Consent for the period of four years from the date of its granting. If an Agreement has been or is executed between the Client and the Bank, the Client shall grant this Consent for term of the Agreement and for the period of a further 4 years from the performance of all the Client's financial obligations under the executed Agreement if these obligations expire by performance or in a manner replacing performance, or from termination of the Agreement if the financial obligations under the Agreement expire otherwise.

3.6.4. Before executing this Consent, the Client has become acquainted with the Information Memorandum, which includes advice on the Client's rights in relation to the processing of personal data in the CIBR and for the purposes of mutual provision of information among the users of the CIBR and/or NRCI on creditworthiness, credibility and payment morale of their clients. Before executing this Consent, the Client was also informed that the current wording of the Information Memorandum might be obtained at any time at the Client Centre of the BRCI (www.cbcb.cz; e-mail: klient@cbcb.cz, tel. 222 811 055) or on the Bank's Homepage. Article 3.5.6 above shall apply analogously in relation to credit registries.

### 3.7. Association for the Protection of Leases and Loans to Consumers (SOLUS)

3.7.1. In connection with the execution of the Agreement, the Client agrees that the Bank may collect, process and store the Client's personal data to the extent specified in the Advice on SOLUS Registries (hereinafter the "Advice"). Furthermore, the Bank may transfer personal data for further processing to SOLUS, association of legal entities, Id. No. 69346925 (hereinafter also "SOLUS"), which is the administrator of the "SOLUS Positive Registry" (hereinafter also the "Positive Registry"), to the SOLUS Registry of Individuals (hereinafter also the "Registry of Individuals"), and the ID SOLUS Registry (hereinafter also the "ID Registry") for further collection, processing and storage in the Positive Registry, Registry of Individuals, and ID Registry. SOLUS may use services of a processor or processors for data processing. The Bank may obtain information on the Client's creditworthiness, payment morale and credibility from the Positive Registry, Registry of Individuals, and ID Registry.

3.7.2. The Bank and SOLUS may also process the Client's personal data contained in the insolvency registry administered under Act No. 182/2006 Coll., the Insolvency Act, as amended. SOLUS may use the services of processors in processing the Client's personal data and make the thus-processed personal data including birth identification number available to its members exclusively for the purposes listed above, directly or through a processor.

- 3.7.3. SOLUS may create an information file comprising the Client's personal data obtained from all member companies, possibly together with other publicly available personal data of the Client (e.g. Client's personal data contained in the Insolvency Registry); based on this information file comprising the Client's personal data, SOLUS may conduct statistical analyses of the Client's creditworthiness and credibility.
- 3.7.4. SOLUS may make the Client's personal data (as an information file including the data from statistical analyses of the Client's creditworthiness and credibility) available to all authorised users (SOLUS members) of the Positive Registry, Registry of Individuals and ID Registry, and thus also to the Bank, by means of online queries, in each case to the extent and under the conditions specified for each of these registries in the Advice.
- 3.7.5. The Client grants this Consent for a period of six months. If the Client executes an Agreement with the Bank during this period, the Consent is granted for the term of the Agreement and for a further 3 years from the performance of all the Client's obligations to the Bank.
- 3.7.6. The Client expressly declares that before execution of this Consent, he/she has had the opportunity become acquainted in detail with the "ADVICE on SOLUS Registries", comprising: (i) explanation of the term "information file", separately for the Positive Registry, Registry of Individuals and ID Registry, (ii) the definition of other personal data of the Client which may be generated within processing, (iii) the description of functioning of the Positive Registry, Registry of Individuals, and ID Registry, (iv) identification of entities or individuals who may have access to the Client's personal data within their processing, and (v) advice on the Client's rights (Sections 11 and 12 of Personal Data Protection Act) and claims (Section 21 of the Personal Data Protection Act) in connection with the processing of the Client's personal data in the SOLUS Positive Registry.
- 3.7.7. Furthermore, the Client confirms that the current version of the Advice has been made available to him/her on the Bank's Homepage, at the SOLUS information line 840 140 120, and at [www.solus.cz](http://www.solus.cz).

### 3.8. Revocation of consent

- 3.8.1. The Client may revoke the Consents given by him/her at any time by means of a written notice demonstrably delivered to the address of the Bank, as specified on the Bank's Homepage, or by personal delivery of the written notice of revocation to the Bank's Point of Sale. The consent cannot be revoked in respect of purposes following for the Bank from the generally applicable legal regulations (see paragraph 3.2 T&C above).
- 3.8.2. The provision of the Client's personal data to the Controller is voluntary; however, since the Controller is obliged to secure and process the Client's personal data for reasons of banking transactions with a view to performance of the transactions without undue legal and material risks to the Bank, their provision is a necessary precondition for executing a banking transaction or provision of a Banking Service. The Client acknowledges that revocation of any Consent in this document may prevent the Bank from providing certain Banking Services and may be considered a breach of the obligations or duties of the Client to the Bank in connection with the Banking Service.

## 4. BANK'S LIABILITY

- 4.1. The Bank is liable to the Client for any damage the Client incurs as a result of breach of the Bank's obligations arising from general legal regulations or contractual arrangements made with the Client, excluding situations described further in this part of the T&C.
- 4.2. If the Client's culpable acts contributed to the damage (e.g. by breach of the Client's obligation under the Agreement), the Bank is not liable for the damage to the extent corresponding to the Client's contribution.
- 4.3. If the Bank performs its contractual obligations in accordance with the Client's instructions in that it forwards an instruction obtained from the Client to a third party so that the latter performs on its own behalf and on the Client's account, the Bank is liable for the damage incurred in connection with acts of such third party to the Client if the Bank did not choose the third party with professional care; however, if the third party was chosen by the Client, the Bank shall not bear any liability whatsoever.
- 4.4. The Bank's liability for damage shall not arise if the damage resulted from a circumstance excluding liability pursuant to Section 2913 (2) of the Civil Code; a circumstance excluding liability is also an unexpected development in financial markets, defective means of distance communication used by the Client or the Bank (e.g. defective internet connection or software), and failure of any other technical means not caused by the Bank.
- 4.5. The Bank is entitled to refuse the provision of a Banking Service if such provision could result in a conflict of interest between the Bank and the Client or among various Clients of the Bank, a breach of the Bank's statutory duty to act prudently or any other breach of a general legal regulation.
- 4.6. The Bank is entitled to postpone provision of a Banking Service for a time necessary to verify data and facts set out in documents submitted to it by the Client for this purpose.
- 4.7. The Bank is liable to the Client for damage resulting from a breach of the Bank's obligations arising from the general

legal regulations or a contractual arrangement made with the Client. The Bank is also not liable for damage to the extent to which it was not foreseeable; in this respect the Client's lost profit or damage which has not directly resulted from a breach of the Bank's legal obligation (consequential damage) is deemed unforeseeable.

- 4.8. The Bank is not liable for any damage incurred by the Client as a result of execution of an instruction submitted by the Client or in connection with relying on some other Client's communication. The Client shall compensate the Bank for any damage, liability, claim raised or costs (including costs of legal assistance) incurred by the Bank as a result of the Bank's due conduct based on the Client's instruction.
- 4.9. Unless expressly stipulated otherwise, the Bank is not liable for any loss incurred by the Client due to changes in exchange rates and interest rates during the provision of banking products and services.
- 4.10. The Bank is not liable for any loss, damage, costs or expenses incurred by the Client as a result of the fact that the Bank follows an instruction submitted using the Client's access features (regardless of whether the instruction was submitted by the Client him/herself or whether it was submitted with the Client's consent or authorisation or without such consent or authorisation). The Client shall indemnify the Bank for any loss, damage, costs, expenses and fees (including costs of legal representation to the full extent) incurred by the Bank in connection with such an instruction; this does not apply instructions in the form of Payment Orders.
- 4.11. If the Bank acts according to an instruction whose nature typically requires that the Bank use services of a third party for its performance, the Bank is liable for damage incurred by the Client as a result of such an act of the third party if the Bank did not proceed with professional care within choice of the third party; if the third party was chosen by the Client, the Bank shall bear no liability whatsoever for the damage incurred. In that case, if this contributes to a better position of the Client in recovering damages from the third party, the Bank shall assign relevant rights towards the third party to the Client.
- 4.12. Beyond the scope of the Bank's duties to provide information laid down by general legal regulations and obligations expressly assumed by the Bank in a contract, the Bank is not obliged to inform the Client of usual risks associated with the requested banking service or banking product (e.g. the risk of loss) or any other facts which may be relevant for the Client's decision as to whether or how the Client will request the respective service or product.
- 4.13. Should the Bank determine that any notification or confirmation delivered to the Client was incorrect as of the date of its issue, the Bank shall inform the Client of this fact without undue delay; should this occur after the deadline for the provision of information to the Client, the Client may request that the Bank document that the notification or confirmation was incorrect.

## **5. CLIENT'S ACTS, REPRESENTATION, SIGNING**

- 5.1. The Client shall perform legal acts in relation to the Bank either in person or through a Representative or an individual other than the Client who has been properly appointed by the Client.
- 5.2. The Representative is obliged to prove his/her authorisation to act for the Client by presenting the original power of attorney with the Client's authenticated signature, a court decision or some other document which the Bank considers sufficient; this shall also apply in relation to the Client's spouse.
- 5.3. A power of attorney for the purposes of acts made by the Client towards the Bank must be individual, written, sufficiently specific and executed personally by the Client. The signature attached by the Client or individuals who act on the Client's behalf to the power of attorney must be authenticated or verified by other usual means (e.g. by a Bank employee within negotiation on a Banking Service). If the power of attorney fails to meet these requirements or if the Bank doubts the existence, authenticity or validity of the power of attorney, the Bank may reject the power of attorney.
- 5.4. If the Representative demonstrated his/her authorisation to represent the Client to the Bank, the Bank shall also be discharged from any of its obligations towards the Client by providing the relevant performance to the Representative on the Client's account if the performance corresponds to the extent of his/her authorisation; in case of doubt, it is deemed that the authorisation covers all Banking Services.
- 5.5. The Client may revoke or change the Representative's authorisation at any time and shall inform the Bank of such step without delay by a written notice. The revocation of or change in the scope of authorisation becomes effective vis-à-vis the Bank when the Bank reliably learns about the change.
- 5.6. If the Agreement is concluded with the Bank by several persons on the part of Client or security provider and unless expressly stated otherwise in the Agreement, these persons shall be obliged by and entitled under the Agreement jointly and severally. In that case, the Bank shall be also discharged from its obligation to perform the Agreement if the performance is provided to its full extent to any of these person, even if it is a divisible performance; this also applies in relation to any other obligation of the Bank (e.g. information duty). The jointly obliged persons undertake to inform each other without undue delay of all facts relevant for the contractual relationship with the Bank.
- 5.7. The Bank may always require that the signature of the Client or his/her Representative be authenticated if it was not

made in the presence of a Bank employee.

- 5.8. If the Bank executes the Agreement with the Client using distance communication, the Client shall express the Client's will to conclude the Agreement by means of Authorisation under Article 14.3 T&C. For the purposes of this method of execution of the Agreement, the Client expressly agrees with the method of the Client's Authentication and Authorisation as set out in Article 14.3 herein.

## 6. CLIENT'S CO-OPERATION

- 6.1. The Client or his/her Representative is obliged to prove his/her identity (if an individual) or provide additional information and documents before execution of the Agreement with the Bank and during the term of the Agreement at any time when the Bank so requests, according to the Bank's requirements set out, in particular, in accordance with the Anti-Money Laundering Act. The Bank may, in particular, request the submission of a valid identity card as well as proof of origin and source of funds or proof of the purpose and nature of the transaction envisaged or being performed.
- 6.2. The Client is obliged to notify the Bank without undue delay of the following facts:
- (a) any change in the Client's name, permanent residence or other data provided to the Bank in connection with the Agreement or any change to it or within the provision of any Banking Service;
  - (b) termination of or change in the Representative's authorisation or any authority granted by the Client which may be applied when dealing with the Bank; this obligation also applies to the authorisation to represent the Client which has not yet been entered in the Commercial Register, some other public register or a similar foreign register;
  - (c) any facts and changes which may be reasonably assumed to have a significant impact on Banking Services (e.g. loss or theft of personal documents, Means of Payment etc.);
  - (d) any events or changes which may be reasonably presumed to adversely affect the Client's ability to perform obligations to the Bank (e.g. the existence of the Client's due obligations, insolvency proceedings etc.);
  - (e) any fact which would result in the Client having a special relationship with the Bank pursuant to the Banks Act.
- 6.3. The Client must become familiar without undue delay with the contents of each and every message delivered to the Client by the Bank (including messages sent by a Direct Banking service). In case of bank statements, credit account statements, payment confirmations, and similar messages, the Client shall check the information contained therein as to their correctness and completeness, and shall notify the Bank immediately of any identified inconsistencies. The Client shall also notify the Bank without undue delay if a regular Account statement or other similar periodic communication was not delivered to the Client by the usual deadline.
- 6.4. For the purposes of the Foreign Account Tax Compliance Act (FATCA) issued by the tax authorities of the United States of America, by executing the Framework Agreement, the Client declares to the Bank that the Client's Account is not a USA account (e.g. the Client is neither a USA citizen nor a USA resident, nor has the Client been born in the USA, nor does he/she have USA residency based on a green card, or a mailing address or a contact telephone number in the USA, nor does he/she use standing orders to transfer funds to a USA account). The term USA above shall also mean other territories under the administration of the United States of America which the Bank publishes on the Bank's Homepage in the Frequent Asked Questions section). If the Client fulfils any of the "USA criteria" listed above during the term of the Framework Agreement, the Client is obliged to inform the Bank of that fact without undue delay. For more on FATCA, see [www.irs.gov](http://www.irs.gov).
- 6.5. As of the date of every single banking transaction performed with the Bank, the Client declares that he/she is not a politically exposed person within the meaning of the Anti-Money Laundering Act. If the Client's position changes in this respect during the term of the Framework Agreement, the Client shall be obliged to inform the Bank thereof without undue delay.
- 6.6. Unless the Client states otherwise in the Framework Agreement, the Client declares that he/she is a tax resident<sup>1</sup> of the Czech Republic or another EU Member State or another country of the European Economic Area or another country or jurisdiction with which the Czech Republic has concluded a valid and effective international double taxation treaty governing taxation and elimination of international double taxation of all possible types of income, a valid and

<sup>1</sup> Tax resident of a certain country usually means a person liable to income tax or some other similar tax who is subject to tax in that country under the legal regulations of the given country on the grounds of his/her place of residence, permanent address, place of management or any other similar criterion and, at the same time, he/she is not considered a tax resident of some other country or jurisdiction under an applicable international double taxation treaty. A list of countries with which the Czech Republic has entered into a double taxation treaty or into an agreement on exchange of information on tax matters, or a multilateral international treaty comprising provisions on exchange of tax information, as appropriate, is available on the website of the Ministry of Finance of the Czech Republic at [www.mfcr.cz](http://www.mfcr.cz).

effective international agreement or treaty on information exchange in taxation matters for the field of income taxes or a multilateral international agreement containing provisions on the exchange of tax information in the field of income taxes which is valid and effective for such country and the Czech Republic. The Client is obliged to present a confirmation of his/her tax residency issued by the competent governmental authority on the Bank's request, including after termination of the contractual relationship with the Bank.

- 6.7. If the Client as a tax non-resident of the Czech Republic requests that his/her claim for a more favourable taxation mode arising from a double taxation treaty binding for the Czech Republic be taken into account, the Client is obliged to provide the Bank with a confirmation of tax residency from the respective contracting State; the competent tax authority of that State shall confirm his/her tax residency for the purposes of the respective double taxation treaty between the respective State and the Czech Republic. If a high amount of interest is paid or in case of any doubt, the Bank may also request a declaration of the Client that he/she is the beneficial owner of the interest revenue and that this interest revenue paid to the Client by the Bank is considered his/her income according to the tax laws of the respective contracting State.
- 6.8. The Client is obliged to inform the Bank without delay in writing if he/she fails to comply or has ceased to comply with his/her declaration of tax residency specified in paragraph 6.6. or if the Client has changed his/her tax residency documented to the Bank pursuant to paragraph 6.7.
- 6.9. The Client is liable for any damage incurred by the Bank due to the application of a wrong mode of the withholding tax based on false, incomplete or invalid information on the Client's tax residency provided by the Client or due to a failure to comply with any obligation of the Client specified in this Article.
- 6.10. The Client hereby expressly declares that he/she has had the opportunity to become acquainted in detail with FATCA on the website of the tax authority of the United States of America at [www.irs.gov](http://www.irs.gov), as well as with the documents published on the website of the Ministry of Finance of the Czech Republic at <http://www.mfcr.cz/cs/legislativa/mezinarodni-vymena-info-v-danove-oblasti>, and that he/she is familiar with the significance of these documents.
- 6.11. If the Client is not a tax resident of the Czech Republic or is considered a notified person on some other grounds based on the International Co-operation in Tax Administration Act, the Client acknowledges that the Bank is obliged to report information on the Client's Accounts to the competent tax authorities of the Czech Republic (including, but not limited to, information on the balance and the total amount of interest revenues together with identification details on the Client) with a view to provision of this information to tax authorities of the country where the Client is or, according to available information, is likely to be the tax resident. This provision does not apply to tax residents of non-EU Member States with which the Czech Republic has not entered into the relevant treaty or agreement enabling international exchange of information for tax purposes.
- 6.12. The Client is obliged to properly archive all forms, data carriers and means of communication provided to him/her by the Bank, and handle them with due care. If the Client determines an extraordinary event such as loss, theft or abuse of forms, data carriers or means of communication or their unauthorised use, the Client is obliged to inform the Bank of this fact without delay in writing. The Client is liable for any damage and all other consequences resulting from the unauthorised use of forms, data carriers or means of communication until the Business Day following the day on which the Bank receives said notification from the Client. The Client may by no means modify any Bank's forms provided by the Bank to the Client electronically without the Bank's consent (except for filling requested data in specified parts of the forms).

## 7. MUTUAL COMMUNICATION

- 7.1. All instructions, orders and notifications (messages) addressed by the Client to the Bank must be legible and must unambiguously indicate their contents. If the Bank agreed specific requirements for certain messages with the Client, these requirements must be met.
- 7.2. The Client and the Bank shall use the following means of communication for mutual communication: consignments delivered by postal service providers, personal or e-mail delivery, fax, SWIFT, and Direct Banking and Client Centre services; the Bank shall also use courier services. In the Agreement, the Client may agree with the Bank on the use of other appropriate means of communication.
- 7.3. The Bank shall also communicate with the Client by electronic means (including telephone and SMS) to the extent and in the manner specified in the Agreement. To facilitate mutual communication, especially in relation to the provision of information concerning, in particular, the Client's account balance and Client's liabilities to the Bank, the Bank may request that the Client use authentication features to authenticate the Client (e.g. password, electronic certificate, PIN etc.); authentication features shall be assigned to and subsequently set up by the Client using Direct Banking services. The Client is responsible for the protection of authentication features. The Bank is not liable for any loss or damage resulting from misuse of assigned authentication features. The Client acknowledges that the communication between the Bank and the Client is not encrypted or otherwise secured against disclosure to third parties unless stated otherwise in the Agreement. The Client acknowledges and agrees that the Bank is not liable and does not accept liability for any damage incurred as a result of unauthorised access to electronic communications by third parties.



- 7.4. Unless expressly agreed otherwise by the Client and the Bank, the Bank and the Client shall communicate in Czech. In justified cases, the Bank may agree to communicate in another language without prior agreement, but always only to the extent set by the Bank.
- 7.5. The Bank is entitled to request that communications provided by the Client in a form other than in writing be confirmed in writing to the Bank to the address specified in Article 8.2 within an additional period of time. If the Client fails to send such written confirmation to the Bank, the Bank is not obliged to proceed in accordance with such communication.
- 7.6. If a communication provided by the Client does not meet the requirements on its form or contents stated in the Agreement, the Bank need not proceed in accordance with such communication and may, instead, address the Client with a request for proper confirmation or provision of additional information; the Bank is not liable for any damage resulting from any ensuing delay.
- 7.7. The Client expressly agrees that the Bank may contact the Client by telephone from 8 a.m. to 10 p.m. The Client further agrees that the Bank may record any communication between the Bank and the Client using any available technical means. The Client also agrees that the Bank may archive all recordings of communication made by the Bank for a reasonable period of time, but at least for the term of any Agreement between the Client and the Bank. The Client further agrees that the Bank may record communication with the Client even without prior notice. The Bank is obliged to protect the recorded data against misuse.

## 8. NOTICES

### 8.1. Notices to the Client

- 8.1.1. The Bank shall send all notices and documents via a Direct Banking service or to the Client's address specified in the Framework Agreement (or any address subsequently notified by the Client in accordance with paragraph 8.1.2). The Client's mailing address must be in the Czech Republic.
- 8.1.2. The Client may agree with the Bank that the Bank's notices and other documents may also be sent to the Client to an address other than the address specified in the Agreement. If the Client fails to take over documents at these addresses, the Bank may use the address specified in the Agreement or some other address of the Client available to the Bank for their delivery.
- 8.1.3. In cases where this is a usual procedure, the Bank may replace the signature of individuals authorised to act for the Bank by mechanical means, especially in case of a bulk correspondence with Clients or in case of correspondence which is automatically generated by the Bank (e.g. Account statements, Card statements, reminders, notices of failure to perform an order, requests addressed to the Client).
- 8.1.4. The Bank may also send notices and documents to the Client by fax, e-mail or other technical means.

### 8.2. Notices to the Bank

The Client shall send all notices and documents to the Bank in a demonstrable manner by registered mail to the Bank's address specified on the Bank's Homepage or by e-mail or by personal delivery to the Bank's Point of Sale unless specified otherwise in the Agreement.

### 8.3. Time of delivery

- 8.3.1. Consignments are deemed delivered once they come under the addressee's control:
- unless the contrary is proven or unless agreed otherwise, written communications in printed form delivered by a postal services licence holder (post) shall be deemed delivered on the third Business Day after the dispatch date in case of a domestic consignment, on the tenth Business Day after the dispatch date in case of a consignment sent to European countries and on the fifteenth Business Day after the dispatch date in case of a consignment sent to non-European countries; this also applies to consignments which are returned as undeliverable;
  - unless the contrary is proven or unless agreed otherwise, written communications in printed form delivered by some other carrier (courier service) or employee of the Bank shall be deemed delivered at the time of acceptance or unjustified refusal to accept the consignment;
  - a communication sent by the Bank electronically via a Direct Banking service shall be deemed delivered once the message is placed in the Client's data box intended for communication;
  - a communication sent by the Bank in the form of an SMS or some other data message shall be deemed delivered upon receipt of notification that the message was accepted, generated by the recipient's communication services device or provider.

- 8.3.2. For purposes of communication with the Bank, the Client is obliged to ensure full functionality of all technical means of communication and e-mail addresses as well as visibly specify his/her name in the mailing address during the entire term of the Agreement.
- 8.3.3. The Client acknowledges that in cases where the Bank sends consignments in printed form to the Client by means of a postal services licence holder (post), regular (not registered) mail is usually used.

## 9. SUBMISSION AND STORAGE OF DOCUMENTS

- 9.1. Where the Agreement, a Contractual Document, T&C, PTC, Terms and Conditions of Payment Services or any other arrangements between the Bank and the Client require that the Client submit a certain document to the Bank, the Bank is not obliged to accept the document in any language other than Czech, unless agreed otherwise in the Agreement. In other cases, the Bank may request that, upon submission of a document in a language other than Czech, the Client also submit a certified translation of the document into Czech.
- 9.2. Furthermore, the Bank may request that any copy of an original document submitted to the Bank along with its original be authenticated.
- 9.3. The Bank reserves the right to make copies of the submitted documents for its own needs in accordance with the general legal regulations and file them in accordance with the general legal regulations.
- 9.4. If the Client submits to the Bank any documents issued abroad, the Bank reserves the right to request that these documents be provided with a higher authentication (superlegalisation) or an apostille (under the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, 1961) and/or be officially translated into Czech at the Client's expense.
- 9.5. In case of any doubt, the Client and the Bank shall assume that records and documents held by the Bank and generated in usual operation within the provision of Banking Services are crucial for determination of mutual rights and obligations, and have a decisive evidentiary value; this does not apply if their inaccuracy has been unambiguously proven to the Bank.
- 9.6. The Bank is entitled (but not obliged) to record or otherwise take down all the Client's instructions according to its own discretion. The Client agrees that the Bank may use these recordings or records made by the Bank for any reason, including their transcripts, for purposes deemed appropriate by the Bank, also as evidence in proceedings against the Client or any other individual.

## 10. SET-OFF AND LIMITATION OF RIGHTS

- 10.1. The Client hereby agrees that the Bank is entitled to set off its receivables, whether they are due or not, from the Client at any time, regardless of the currency in which they are denominated and the legal relationship from which they arise, against any Client's receivables from the Bank, whether they are due or not, recorded by the Bank in any of the Client's Accounts. The Bank shall notify the Client about this step in due course. Unless expressly agreed otherwise, the Client is not entitled to unilaterally set off the Client's receivables from the Bank against any of the Client's debts to the Bank.
- 10.2. The Client and the Bank hereby agree on a limitation period of three years from the commencement of the limitation period in which they are entitled to mutually set off claims arising from the Agreement, T&C, PTC, Terms and Conditions of Payment Services or any other arrangement between the Client and the Bank.

## 11. FEES AND EXPENSES

- 11.1. The Client is obliged to pay Fees for Banking Services according to Price Lists effective on the day of provision of a Banking Service that is subject to a fee unless the Price List or Agreement specifies some other decisive date for determining the amount of the Fee, as well as other fees stipulated in the Agreement.
- 11.2. In addition to Fees, the Client is also obliged to pay to the Bank:
- (a) the costs of Assessment;
  - (b) all costs and expenses incurred in connection with any breach of obligation arising from the Agreement on the part of individuals other than the Bank; and/or
  - (c) any extraordinary costs and expenses reasonably generated to the Bank in connection with provision of a Banking Service and incurred by the Client.

## 12. INTEREST RATES

- 12.1. The Bank announces the applicable interest rates by means of publication in the Interest Rate List. The Bank may unilaterally modify the published interest rates depending on the development of reference interest rates, i.e. interest rates published by the Czech National Bank, and also based on the price of money on the money and financial markets, the Bank's financing costs and in view of its business policy. The Bank may unilaterally change an interest rate pursuant to the preceding sentence to zero or to a negative rate. Any change in interest rates becomes effective on the date published in the Interest Rate List; unless specified otherwise, newly published Interest Rate List replaces all previous versions thereof. The Bank shall inform the Client of changes in interest rates by e-mail or via the Direct Banking services or on the Bank's Homepage.
- 12.2. If the Client is in delay in paying any amount to the Bank, the Client is obliged to pay default interest in the amount set in the Price List, or otherwise in an amount stipulated by the general legal regulations.
- 12.3. The Bank's calculation of interest is based on a calendar year of three hundred sixty-five (365) days and the actual number of days. For certain interest products and deposit services, interest is calculated based a calendar year of three hundred sixty (360) days or the number of days in a month – thirty (30) – and the number of months in a year – twelve (12).
- 12.4. Unless stipulated otherwise in the Agreement, interest is calculated by the Bank continuously and credited at the end of the respective interest period.

## 13. CURRENCY RATES

- 13.1. The currency exchange rates are made available to Clients in the Exchange Rate List. The Client shall also be informed about exchange rates in the Account statement. The Bank shall set the exchange rates and changes therein unilaterally without prior notice to the Client based on the situation on financial markets. Unless agreed otherwise, the following rules shall apply for conversion of money:
- (a) For a conversion from a foreign currency to the Czech currency, the Bank shall use its "foreign exchange buy" spot rate;
  - (b) For a conversion from the Czech currency to a foreign currency, the Bank shall use its "foreign exchange sell" spot rate;
  - (c) For a conversion from a foreign currency to another foreign currency (purchase or sale of foreign currency), the Bank shall use its spot exchange rates for currencies defined in subparagraphs a) and b) above or an individual rate;
  - (d) Spot rate is a rate specified in the Bank's Exchange Rate List effective at the time of Payment Transaction;
  - (e) The rules for a Payment Transaction with conversion made using a Card are defined in the PTC;
  - (f) For the above types of conversion, an individual rate may be arranged with the Bank for conversion of major amounts of money; this rate shall be based on current market conditions for the respective currency on financial markets where the currency is quoted.

## 14. DIRECT BANKING SERVICES

### 14.1. GENERAL

- 14.1.1. Direct Banking services are established and provided under the Agreement concluded between the Bank and the Client.
- 14.1.2. The Client shall pay Fees for the use of Direct Banking services according to the Price List. Fees for the use of Direct Banking services shall be charged by the Bank to the debit of a current Account in CZK or some other Account opened by the Client with the Bank if the Client has not opened a current Account in CZK.
- 14.1.3. Direct Banking services may only be established on request of the Client.
- 14.1.4. A Direct Banking service will automatically be cancelled or blocked if the Agreement is terminated, if access is cancelled or if the Client's Direct Banking services are blocked.
- 14.1.5. Within the provision of Direct Banking services, the Bank shall proceed in accordance with the applicable legal regulations, especially the Payment Services Act. Any and all matters not regulated by the Agreement, T&C, PTC, and Terms and Conditions of Payment Services shall be governed by the provisions of the Act.

## 14.2. USE OF DIRECT BANKING SERVICES

- 14.2.1. Direct Banking services are available to Clients 24 hours a day, 7 days a week. The Bank reserves the right to block access to the Direct Banking services or modify or suspend the provision of Direct Banking services for the necessary period of time if this is required for important, especially security or technical, reasons. The Bank may also suspend the provision of Direct Banking services if insolvency proceedings are initiated in respect of the Client's assets, without any limitation for the duration of the insolvency proceedings.
- 14.2.2. The language used for the operation of Direct Banking services shall be either Czech or English, based on the Client's choice made on each occasion.
- 14.2.3. To grant safe access to Direct Banking services, the Bank shall use, in particular, verification of every Client's identity by means of the Client's signature, as a means ensuring data coherency. Furthermore, the Bank shall evaluate especially the access of individual Clients to the Direct Banking services.
- 14.2.4. The Client is obliged to authorise certain instructions using a one-off Authorisation SMS Code generated by the Bank on the Client's request. An Authorisation SMS Code has limited time validity and is bound to the mobile telephone number specified by the Client.
- 14.2.5. The Client acknowledges and agrees that Authorisation SMS Codes are sent as regular, unencrypted SMS messages.
- 14.2.6. The Bank is not liable for cases when Direct Banking services cannot be used for reasons beyond control of the Bank or its partners (e.g. due to interruption of power supply, disconnection of the Bank from the public internet network, breakdowns on the part of mobile services provider, strike etc.).
- 14.2.7. Electronic communications networks used for communication between the Bank and the Client under these T&C are not directly controlled by the Bank and the Bank is thus not liable for any damage caused to the Client by their possible misuse. The obligation to protect these networks and ensure the credibility of messages sent via these networks is borne by relevant providers of electronic communication services (especially pursuant to Act No. 127/2005 Coll., on electronic communications, as amended).
- 14.2.8. The Bank has established a point of customer support for Clients – the Client Centre – which may be contacted by telephone or e-mail. The current contact details are listed on the Bank's Homepage.
- 14.2.9. The language used in the Client Centre shall be either Czech or English, based on the Client's choice made on each occasion.
- 14.2.10. The Bank is obliged to provide for the operation of Direct Banking services in accordance with the Agreement and the wording of these T&C. The Bank agrees to provide the Client with personalised security features in such a way that these data may only be used by the respective Client.
- 14.2.11. The means of communication for Direct Banking services pursuant to these T&C are as follows:
- a) signature,
  - b) a personal computer meeting minimum technical requirements specified in the Direct Banking Services Handbook and on the Bank's Homepage,
  - c) a mobile telephone activated in the network of any provider in the Czech Republic (hereinafter the "Telephone").
- 14.2.12. The Client is obliged to use Direct Banking services in accordance with the Agreement, Direct Banking Services Handbook and any other instructions of the Bank, as appropriate. The Bank is responsible for the functionality of Direct Banking services subject to compliance with the Agreement, Terms and Conditions of Payment Services, Direct Banking Services Handbook and any other instructions of the Bank, as appropriate.
- 14.2.13. The Client is obliged to check from time to time whether notifications of executed instructions entered by means of Direct Banking services conform to the orders entered and whether the orders entered were executed or rejected by the Bank.
- 14.2.14. The Client is obliged to immediately notify the Bank of any inconsistencies and defects in execution of payment orders (at a Point of Sale or via the Client Centre).
- 14.2.15. The Bank is responsible only for data received and confirmed by the Bank. The Bank is not liable for any damage caused by incorrect or duplicate data entry (instructions to execute a Payment Transaction).
- 14.2.16. Any and all information about the Direct Banking system and Direct Banking services and their use is confidential; the Client agrees not to use such information at variance with the purpose for which it was provided.

## 14.3. AUTHORISATION AND AUTHENTICATION OF THE CLIENT IN DIRECT BANKING SERVICES

- 14.3.1. Authentication is a clear verification and confirmation of the Client's identity within Direct Banking services. Authentication differs depending on whether the Client uses internet banking (hereinafter "IB"), telephone banking (hereinafter "TB") or mobile banking (hereinafter "MB") and whether the Client uses IB at a Point of Sale.
- 14.3.2. To authenticate access to IB, the Bank requests entry of the user number and Password for access to IB or a one-off Authorisation SMS Code. The Client may change his/her username and Password via IB.
- 14.3.3. To authenticate access to TB, the Bank requests entry of the identification number (ID) and selected characters of the Password for access to TB, or an answer to control questions. To be able to fully use TB, the Client must enable Account Use through TB in accordance with respective provisions of PTC.
- 14.3.4. To authenticate access to MB, the Bank requests entry of the user number and Password for access to MB.
- 14.3.5. Authorisation means consent of the Client to the transaction entered by him/her in IB, MB or TB. The Client's transaction and its Authorisation are stored by the Bank.
- 14.3.6. Authorisation in IB is carried out by entering the Authorisation SMS and/or confirmation of the transaction by clicking on "Yes"/"I agree".
- 14.3.7. Authorisation in TB is carried out by entering the confirmation PIN code which has been set by the Client in IB.
- 14.3.8. Authorization in MB is carried out by entering the confirmation PIN code.
- 14.3.9. Authorization at a Point of Sale is carried out by entering the Authorisation SMS.

## 14.4. DIRECT BANKING SERVICES SECURITY

- 14.4.1 The Bank adopts preventive measure within the sphere of its influence to limit the risk of misuse of confidential information within the Direct Banking services. These measures are described in detail in the Direct Banking Services Handbook (encryption, etc.).
- 14.4.2 The Client is obliged to protect the personalised security features of the Direct Banking services (especially the Client's Identification Number, Access Password for Direct Banking and Authorisation SMS Code sent to the Telephone) against their loss, theft and misuse.
- 14.4.3 At his/her own expense, the Client is obliged to adopt measures aimed at ensuring security of the personalised security features of the Direct Banking services and other confidential information within the Direct Banking services which are technically feasible and reasonable in view of the usual risks of breach of protection of confidential information, and to this end, the Client agrees to comply especially with the following preventive and security measures and procedures to ensure security of confidential information:
- i) not to write down the personalised security features of the Direct Banking services, not to store them on any permanent data carriers, or to store them separately from each other beyond reach of other persons, and not to write them down in a manner enabling their association with the relevant Banking Service;
  - ii) not to enter the personalised security features of the Direct Banking services in front of any other person, not to disclose the personalised security features of the Direct Banking services to any other persons, not even family members and close relatives; furthermore, not to allow automatic saving of the personalised security features of the Direct Banking services for access to the Direct Banking services, especially if the given communication equipment is used by several persons;
  - iii) to set the optional personalised security features of the Direct Banking services based on the rules set out in the Direct Banking Services Handbook, especially without any clear link to him/herself or to his/her close relatives, and to regularly update them;
  - iv) to change the personalised security features of the Direct Banking services exclusively at a Point of Sale or via the Client Centre or on the tab IB / MB Settings / Internet banking services. The Telephone number for sending Authorisation SMS can only be changed at a Point of Sale or via the Client Centre;
  - v) to change the optional personalised security features of the Direct Banking services immediately in case there is any suspicion of their disclosure;
  - vi) not to send the personalised security features of the Direct Banking services, Client's personal data or PIN on any request sent by e-mail, SMS or via social networks, and to notify any such request to the Client Centre without undue delay. The Bank never requests such data in electronic communication with the Client;
  - vii) to always enter the personalised security features of the Direct Banking services exclusively at <https://www.equabanking.cz/>, in a credible browser and check that the browser does not display a security warning, e.g. as to credibility of the SSL server certificate, before entering the personalised security features of

- the Direct Banking services;
- viii) to use the Direct Banking services exclusively on devices and in networks that are properly secured against misuse of confidential information. The Client may not use the Direct Banking services especially in internet cafés and on other publicly accessible devices, or on devices where there is not a sufficient degree of certainty that they are secured against misuse of confidential information;
  - ix) to legally secure the device for the use of the Direct Banking services by means of anti-virus and anti-spyware protection, as well as a firewall, and to regularly update these protection features, as well as the operating system of the given device. Furthermore, the Client is obliged to update the programmes in a standard way and to regularly check information on new threats, viruses, spyware, etc. and provide for the protection of the device accordingly;
  - x) not to download and install freely accessible programmes in respect of which he/she cannot be sure that they do not contain viruses or spyware on the device used for the Direct Banking services and to secure the device against remote access by other persons;
  - xi) in case of insufficient knowledge of the security settings of the device that will be used for the Direct Banking services, to contact the Client Centre or an expert in cybernetic security;
  - xii) to make use of the option of monitoring movements of funds in the Account(s);
  - xiii) to protect the Telephone used for receiving Authorisation SMS similarly in terms of technology as the device used for the Direct Banking services (i.e. by means of anti-virus and anti-spyware protection, as well as by a firewall) and to regularly update these protective features and secure the Telephone against remote access by other persons;
  - xiv) to have the Telephone constantly under control and not lend it (or the SIM card) to any other persons without adequate control of the way they handle the Telephone;
  - xv) to secure the Telephone by means of an access code (numeric or graphic) to prevent the use of the Telephone by another person; to keep the access code secret, not to disclose it to other persons and not to write it down anywhere;
  - xvi) to inform the Bank immediately at a Point of Sale or via the Client Centre in case of a suspicion of any bug in the Direct Banking services, or an error, loss, theft or misuse in relation to the personalised security features of the Direct Banking services (e.g. destruction, loss or theft of the device used for the Direct Banking services or the Telephone or a virus attack) or in relation to making or receiving Payment Transactions, and subsequently co-operate with the Bank effectively in implementing remedial measures proposed by the Bank. In case of any such notice, the Bank may block the use of the Direct Banking services.

Non-compliance with these measures and procedures can lead to misuse of confidential information or personalised security features of the Direct Banking services and cause damage to the Client or a third party. The Bank may consider any non-compliance with these measures and rules a gross negligence. As a result of such negligence, the Client is fully liable for any and all damage caused to the Client or a third party until the time when the loss, theft or misuse of the personalised security features of the Direct Banking services or other confidential information within the Direct Banking services is reported to the Bank.

## 15. DEBITING AND CREDITING OF FUNDS

### 15.1. Time of Execution of Payments

- 15.1.1. The Bank's obligation to make any payment to the Client is deemed to be performed once the respective amount is credited to the Client's Account maintained by the Bank unless expressly agreed otherwise in the Agreement.
- 15.1.2. The Client's obligation to make any payments to the Bank is deemed to be performed once the respective amount is debited to the Client's Account maintained by the Bank unless expressly agreed otherwise in the Agreement.
- 15.1.3. Unless agreed otherwise in the Agreement, the Bank shall also credit/debit amounts to the Client's account on days other than Business Days. The Client is obliged to ensure that the Account has a sufficient balance for payment of his/her debt as of the due date - if the debt is to be paid by its debiting to the Client's Account.

### 15.2. No deductions

- 15.2.1. The Client shall make all payments under the Agreement in full and without any deductions (including tax deductions) unless such deductions are required under the general legal regulations. If the Client makes any deduction on the grounds of such legal duty, the amount of the Client's debt will be increased so that the Bank receives an amount equal to the original value, thus excluding the impact of the tax deduction.
- 15.2.2. All payments to be made by the Client to the Bank under the Agreement are exclusive of VAT. If the Bank becomes liable to pay VAT in connection with any payment under the Agreement (including payments aimed at compensating costs or damage to the Bank), the Client shall be obliged to make the respective payment to the Bank together with the corresponding amount of VAT.

15.2.3. As a taxpayer, the Bank makes tax deductions (including tax deductions from interest revenues from Banking Services) in accordance with the applicable laws and other general legal regulations valid in the Czech Republic, except where an applicable international double taxation treaty requires otherwise.

### 15.3. Sequence of payment of receivables

15.3.1. If the Bank has several due receivables from the Client, any funds which the Bank receives or collects from the Client or any third party or which the Bank receives as proceeds from the sale of security shall be used to cover due receivables of the Bank from the Client in the manner and order specified by the Bank.

## 16. OTHER RIGHTS OF THE BANK

16.1. With regard to its legal duty to proceed with diligence in the provision of Banking Services, the Bank may conduct an Evaluation before the execution of the Agreement and also at any time during the contractual relationship. The Client agrees to provide the Bank with all requested collaboration, especially to disclose information and provide documents requested by the Bank or otherwise enable the Bank's access to necessary information and documents.

16.2. The provision of certain Banking Services, their extent or other conditions of mutual obligations between the Bank and the Client may be conditional on a certain amount of Credit Income in one or more Client's accounts maintained by the Bank. If this condition is not met, the Bank may limit or discontinue the provision of the relevant Banking Services.

16.3. The Client agrees that the Bank in case of a dispute with the Client, the Bank may use any records, recordings and copies of documents made in accordance with the Agreement as evidence.

## 17. EVENTS OF DEFAULT AND CONSEQUENCES OF EVENTS OF DEFAULT

17.1. In case of an Event of Default, the Bank may, if it decides not to use its entitlement to withdraw from the Agreement or before it makes such step:

- (a) suspend or limit provision of Banking Services to the Client until the Event of Default and/or its consequences are remedied; or
- (b) impose a Remedial Measure on the Client.

17.2. An Event of Default occurs if:

- (a) the Client breaches any of his/her obligations under any Agreement;
- (b) the Client is in delay in performing any (financial or non-financial) obligation to the Bank or a third party;
- (c) it is found that a representation or warranty made the Client to the Bank was false, incorrect or substantially incomplete at a time when it was made;
- (d) funds provided by the Bank are or were used by the Client or a third party at variance with the purpose or manner agreed in the Agreement;
- (e) the Client has failed to provide the Bank with collaboration in Evaluation or inspection;
- (f) the Client has failed to provide or complement the required security or has otherwise failed to fulfil conditions of security agreed in the Agreement;
- (g) the Client has failed to adopt Remedial Measures or has failed to perform obligations comprised in an adopted Remedial Measure properly and in due time;
- (h) the Client has failed to perform any notification obligation which the Client has towards the Bank based on any Agreement or other arrangements or based on general legal regulations, or has failed to prove the source of funds or the purpose of a payment transaction;
- (i) mutual trust between the Bank and the Client has been substantially undermined as a result of the Client's conduct;
- (j) the Client is insolvent or the Client's insolvency is imminent or steps have been taken to initiate insolvency proceedings or to initiate the process of liquidation or an event has occurred which would have an effect similar to the effect of any of the events mentioned in this article according to laws of some other jurisdiction if such laws are decisive for the assessment of the respective event;
- (k) the Client has announced the intention to cease performing any of his/her obligations or has entered into negotiations with his/her creditor(s) regarding postponement of the due date of any of his/her liabilities;
- (l) the provision of any Banking Service to the Client is at variance with applicable legal or regulatory rules binding on the Bank.

## 18. FINAL PROVISIONS

- 18.1. The Bank holds a banking licence pursuant to the Banks Act issued by the Czech National Bank. The Bank's activities are subject to supervision of the Czech National Bank with its seat at Na Příkopě 28, 115 03 Prague 1.
- 18.2. If the T&C, PTC or Terms and Conditions of Payment Services require on the Bank to publish any notifications, other communications or documents, the Bank shall publish them on the Bank's Homepage unless the Agreement expressly stipulates otherwise.
- 18.3. The Bank shall provide Banking Services to the full extent on Business Days. In view of local customs, the Bank may determine certain other days on which the Bank will not provide Banking Services or, on the contrary, provide Banking Services beyond the standard period of time.
- 18.4. If the T&C, PTC, a Contractual Document or any other document are also drawn up in another language version in addition to Czech or bilingually, the Czech version shall always prevail.
- 18.5. If any provision of the Agreement becomes invalid, ineffective or unenforceable in any respect under the applicable law, this shall be without prejudice to the validity, effectiveness, enforceability or legal perfection of the remaining provisions. In these cases, the Bank and the Client agree to replace such invalid, ineffective or unenforceable provision without undue delay with a valid, effective and enforceable provision which most closely matches the intent and purpose of the original provision.
- 18.6. All information intended for the Client concerning Banking Services, including up-to-date versions of the T&C, PTC, the Terms and Conditions of Payment Services and Price Lists will be made available in public areas of the Points of Sale, on the Bank's Homepage or in some other suitable manner.
- 18.7. Legal relationships concerning the provision of Banking Services shall be governed by the laws of the Czech Republic.
- 18.8. Any disputes between the Client and the Bank regarding Banking Services shall be resolved by the courts of the Czech Republic.
- 18.9. In the event of a dispute between the Client and the Bank concerning
- (a) the provision of Payment Services, or
  - (b) an offer, provision or brokering of a consumer loan in accordance with the Consumer Loans Act, the Client may submit the dispute to a financial arbitrator acting under Financial Arbitrator Act.
- 18.10. The Client may also file a complaint concerning Banking Services with the Czech National Bank.
- 18.11. The T&C shall become effective as of 1 January 2016.

## 19. DEFINITIONS

Capitalised terms shall have the following meaning unless these T&C indicate otherwise:

**Account** – means Client's account opened and maintained by the Bank based on the Agreement.

**Adjusted Credit Turnover** – means the sum of amounts credited to a Current Account during every calendar month subject to a minimum amount that has been agreed and/or published; the sum of credited amounts does not include transfers from any other Client's Account including Savings Accounts, transfers from internal Bank's accounts, credit interest income from funds in the Client's Accounts maintained by the Bank, cash deposits and withdrawals in a similar amount, and transfers from other accounts of the Client's Group, which the Client shall communicate to the Bank based on the Client's specific notification obligation or which shall be identified as accounts of the Client's Group within an Evaluation or inspection of conditions unless the Bank determines otherwise in a decision published by the Bank.

**Agreement** – means an agreement on provision of a certain Banking Service or Payment Service concluded between the Bank and the Client or an agreement securing receivables from Banking Services concluded by the Bank and the provider of the security; reference to an Agreement means a reference to the contents of the contractual relationship, including provisions of the relevant business terms and conditions (T&C, PTC, Terms and Conditions of Payment Services) and Price Lists.

**Anti-Money Laundering Act** – means Act No. 253/2008 Coll., on certain measures against legalising the proceeds of crime and financing terrorism, as amended.

**Authorisation SMS Code** – means a set of authorisation numbers used by the Client to authorise his/her instructions. An Authorisation SMS Code is sent as a text message (SMS) to the Client's mobile telephone number.



**Bank** – means Equa bank a.s., Id. No.: 471 16 102, with its registered office in Prague 8, at Karolinská 661/4, Postal Code 186 00, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1830.

**Banking Services** – mean all banking services and products provided by the Bank to the Client.

**Banks Act** – means Act No. 21/1992 Coll., on banks, as amended.

**Bank's Group** – means a group of legal entities formed by Equa bank a.s. and by all legal entities which are directly or indirectly controlled by Equa bank a.s.

**Bank's Homepage** – means the Bank's website, i.e. [www.equabank.cz](http://www.equabank.cz).

**Business Day** – means any day on which Points of Sale are open and intra-bank or interbank transactions are settled; for payments in a currency other than Czech crowns, this is any day on which banks are open and foreign exchange transactions are settled in the Czech Republic and in the main financial centre for the currency in which payments are made. A financial centre is a place where interest rates are quoted for the respective currency and payments in such currency are settled.

**Civil Code** – means Act No. 89/2012 Coll., the Civil Code, as amended.

**Client** – means an individual who enters into business negotiations with the Bank with a view to the provision of a Banking Service or a Payment Service, or an individual who has entered into a Framework Agreement regardless of whether the respective individual is designated as a Client or otherwise in the relevant Framework Agreement; for the avoidance of doubt, the Client also means an individual with an access right to the Client's Account – Representative or another Card Holder, as appropriate.

**Client Centre** – means a customer service line which may be used to establish further products or change parameters of the Agreement, conduct Payment Transactions and fulfil other Client's requests, as well as to report a loss, theft or misuse of a Card; the telephone number is listed on the Bank's Homepage and on the rear side of a Card.

**Client's Group** – means a group consisting of persons controlled by the Client, who control the Client or are under common control of third parties together with the Client, and also any guarantor, avalist or a person providing another security for Client's liabilities as well as persons controlled by this guarantor or person providing security, persons who control this guarantor or person providing security and persons who are under control of third parties together with this guarantor or person providing security, in all mentioned cases both directly and indirectly, and furthermore, by persons closely related to the Client or the Client's guarantors or persons providing security pursuant to Section 22 of the Civil Code or some other provision replacing the cited provision, and persons who are controlled by any person closely related to the Client or the Client's guarantor or person providing security.

**Consent** – means the Client's voluntary consent to the collection and processing of the Client's personal data in accordance with Act No. 101/2000 Coll., on personal data protection and amending certain laws, granted to the Bank for the purposes of provision of Banking Services. Based on the Consent, the Bank is also authorised to make queries with respective loan registries in order to verify the Client's creditworthiness and is also authorised to inform the Client by electronic means of communication about Banking Services offered by the Bank.

**Consumer Loans Act** – means Act No. 145/2010 Coll., on consumer loans and amending certain laws, as amended.

**Contractual Document** – means provisions governing the contractual relationship under an Agreement which are arranged specifically for the given Agreement (e.g. they are not included in the T&C, PTC or the Price List).

**Credit Income** – means the sum of amounts credited to an Account maintained for the Client by the Bank during every calendar month; the sum of credited amounts does not include transfers from any other Client's Account maintained by the Bank including term deposit, transfers from Bank's internal accounts and credit interest income from funds in the Client's Accounts maintained by the Bank unless the Bank determines otherwise in a decision published by the Bank.

**Direct Banking** – Direct Banking services include, in particular, internet, mobile, and telephone banking.

**Direct Banking Services Handbook** – means the Bank's handbook for Direct Banking Services, available on the Bank's Homepage.

**Distance Agreement** – an agreement concluded by means of Direct Banking services.

**Evaluation** – means an evaluation of the Client and any members of the Client's Group carried out by the Bank in terms of the Client's ability to pay all Bank's receivables which have arisen or may arise for the Bank from the Client or members of the Client's Group in connection with execution of any Agreement, and also an evaluation of the extent and value of any security provided in respect of receivables from Banking Services, including an evaluation of individuals providing such security in terms of their potential ability to meet obligations arising from such liability.

**Events of Default** – are facts that constitute grounds for withdrawal from the Agreement by the Bank pursuant to paragraph 17.2 T&C; their scope may be further extended by the Product Terms and Conditions or a Contractual Document.

**Exchange Rate List** – means an overview of exchange rates used by the Bank, published on the Bank's Homepage.

**Fees** – mean fees, bonuses and other compensations for services provided by the Bank; the amount and method of calculation of the Fees are specified in the Price Lists.

**Financial Arbitrator Act** – means Act No. 229/2002 Coll., on financial arbitrators, as amended.

**Framework Agreement** – means the Agreement on Provision of Banking and Payment Services of Equa bank a.s.

**IB** – means the internet banking application within Direct Banking.

**Interest Rate List** – means a list of interest rates for products offered by the Bank.

**International Co-operation in Tax Administration Act** – means Act No. 164/2013 Coll., on international co-operation in tax administration and amending other related laws, as amended by Statutory Measure of the Senate No. 344/2013 Coll., as amended.

**MB** – means the mobile internet banking application within Direct Banking.

**Password** – means an access code chosen by the Client which serves along with other security features for access to Direct Banking services.

**Payment Services Act** – means Act No. 284/2009 Coll., on payment services, as amended.

**Personal Data Protection Act** – means Act No. 101/2000 Coll., on the personal data protection and amending certain laws, as amended.

**PIN** – has the meaning defined in the Product Terms and Conditions for Current Accounts, Term Accounts and Debit Cards of Equa bank a.s., or means a four-digit personal identification code for verifying the Client's authorisation to access the MB or TB.

**Point of Sale** – means a branch or other business premises of the Bank in the Czech Republic.

**Product Terms and Conditions (PTC)** – mean special business terms and conditions issued by the Bank for individual product and service types.

**Price List** – means a document containing the current amount of Fees charged by the Bank for the provision of Banking Services and Payment Services.

**Remedial Measure** – means an instruction of the Bank to the Client to adopt a certain measure to eliminate or mitigate the consequences of an Event of Default.

**Representative** – means an individual who is authorised to act vis-à-vis the Bank for the Client within the scope specified by the Client based on a power of attorney, a general legal regulation or a decision of a competent authority (legal representative, guardian); an individual who merely delivers a communication signed by the Client to the Bank is not considered a Representative.

**Request** – means a document containing data required by the Bank which was generated (a) in that the Client filled it in and sent it from the Bank's Homepage, (b) as an output of a telephone call between the Client and the Bank or an Authorised Company within which the Client provided the necessary data, (c) by entering necessary data which the Client provided to the Bank's representative, (d) by means of a request entered in Direct Banking Service.

**TB** – means telephone banking within Direct Banking.