

## **GENERAL BUSINESS TERMS AND CONDITIONS**



# VUB BANKA

Intesa Sanpaolo Group

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Obchodný register: Mestský súd Bratislava III  
Oddiel: Sa, vložka č. 341/B, IČO: 31 320 155  
BIC: SUBASKBX  
www.vub.sk

Predmet činnosti: podľa zákona o bankách  
Orgán dohľadu: Národná banka Slovenska  
I. Karvaša 1, 813 25 Bratislava  
Banková licencia udelená rozhodnutím NBS  
č. UBD-1744/1996 z 26. 9. 1996

## GENERAL BUSINESS TERMS AND CONDITIONS

This English version of the contractual document is for information only and is not legally valid. In the event of any discrepancies between the Czech and English versions, the Czech version shall prevail.

### 1. INTRODUCTORY AND COMMON PROVISIONS

- 1.1. These General Business Terms and Conditions shall apply to all legal and other relationships and transactions between the Client and the Bank. The General Business Terms and Conditions form an integral part of each agreement concluded between the Client and the Bank, as referred to in the specific agreement. The Bank shall provide each Client with the current wording of these General Business Terms and Conditions. The Bank shall not accept any proposal for concluding a contract with a supplement or variation; a reply to a proposal for concluding a contract with a supplement or variation shall be considered a new proposal for concluding a contract.
- 1.2. "Bank" means Všeobecná úverová banka, a. s., with registered office at Mlynské nivy 1, 829 90 Bratislava 25, Slovak Republic, business ID: 31 32 01 55, entered in the Companies Register of District Court of Bratislava I, section Sa, file no. 341/B with the respective legal and other relations and transactions related to its Czech branch Všeobecná úverová banka a. s., Prague Branch, registered office at Purkyňova 2121/3, 110 00 Praha 1, Nové Město, Czech Republic, business ID: 48 55 00 19, entered in the Companies Register of the Municipal Court in Prague, section A, file no: 7735.
- 1.3. The Bank conducts its business activities in the Czech Republic since 01 May 2004 on the basis of the Single European Banking License, i.e. on the basis of a banking license granted by the National Bank of Slovakia as the banking supervision authority in the home state of the Bank. The registered seat of the National Bank of Slovakia is Imricha Karvaša 1, 813 25 Bratislava, Slovak Republic. The main business of the Bank is the acceptance of deposits, the provision of payment services and the provision of investment services.
- 1.4. Further to paragraph 1.3 above, the Bank is not registered in the list of payment institutions, register of providers of small-scale payment services, list of electronic money institutions or in the register of small-scale electronic money issuers, kept by the Czech National Bank. The Bank is registered in the list of banks and branches of foreign banks conducting business in the territory of the Czech Republic, which list is kept by the Czech National Bank. Furthermore, the Bank is entered in the Companies Register of Municipal Court in Prague under identification no. 485 50 019. The Czech National Bank (hereinafter also referred to as the **"Supervising Authority"**) with registered seat at Na Příkope 28, 115 03 Prague 1, Czech Republic, supervises the Bank's payment activities carried out in the Czech Republic.
- 1.5. **"Client"** means any person with whom the Bank concluded an agreement on any banking deal or provision of banking service either in writing or in any other manner acceptable to the Bank.
- 1.6. **"Consumer"** means any natural person who in addition to their business activity or in addition to independent performance of their profession enters into an agreement with the Bank or deals with the Bank in any other manner.
- 1.7. **"Domestic payment"** means a payment transaction made in the Czech currency (CZK) in the territory of the Czech Republic.
- 1.8. **"International payment"** means a payment transaction that does not meet the requisites of SEPA payments and is made in foreign currency or in CZK to or from abroad or payment transactions made in foreign currency in the Czech Republic.
- 1.9. **"SEPA area"** (Single Euro Payments Area) means a single area for payments in euro currency in EU/EEA countries and other countries that acceded to the SEPA rules (e.g. Switzerland, Monaco and San Marino).
- 1.10. **"SEPA payment"** means cashless money transfer in euro currency within the SEPA area – with the indication of obligatory requisites as per Article 7 hereof and in accordance with the applicable legal regulations which meet the principles set by the Bank for SEPA payment.
- 1.11. **"SEPA direct debit"** means cashless money transfer in euro currency within the SEPA area initiated by the order of creditor based on a previous agreement between the debtor and the creditor (hereinafter referred to as **"mandate"**) that meets the principles set by the Bank for SEPA direct debits. SEPA direct debits are divided into one-off and recurring direct debits and are subdivided into two payment schemes differing in the rules of processing and periods:
  - a) Consumer SEPA direct debit (CORE scheme – Business to Customer) intended for consumers, natural persons – entrepreneurs and legal entities;
  - b) Business SEPA direct debit (B2B scheme – Business to Business) intended for natural persons – entrepreneurs and legal entities.
- 1.12. The Payment Services Act shall mean Act No. 370/2017 Coll., On Payment Services, as amended.

- 1.13. In addition to the General Business Terms and Conditions, the Bank can issue or apply Special Business Terms and Conditions. Such Special Business Terms and Conditions form an integral part of the respective Agreement concluded between the Bank and the Client, if so specified in that Agreement. Should the provisions of the Special Business Terms and Conditions be discordant to the General Business Terms and Conditions, the provisions of the Special Business Terms and Conditions shall take precedence.
- 1.14. Should the provisions of any individual agreement be in contradiction with the General Business Terms and Conditions or Special Business Terms and Conditions, the Agreement shall be governed by the provisions defined in the individual Agreement. Any matter not governed by the provisions of the respective individual written agreement concluded between the Bank and the Client or the Special Business Terms and Conditions shall be directly governed by the General Business Terms and Conditions herein.

## 2. OPENING AND ADMINISTRATION OF A BANK ACCOUNT

### General Information on Bank Accounts

- 2.1. The Bank shall open and administer Clients' bank accounts in CZK currency and/or other currencies upon the Agreement on Current Account, or any other agreement concluded between the Client and the Bank (hereinafter referred to as the "**Agreement**"). If the bank account is used for making payment transactions (within the meaning as defined in paragraph 7.1. hereunder), it is a "**payment account**" and the agreement being the basis for its opening shall be considered "**Payment Services Agreement**". Before the account is opened, the Client shall present the Bank with a document proving his/her identity pursuant to these General Business Terms and Conditions, and provide the Bank with other information in accordance with the conditions stipulated by Act No.253/2008 Coll. on Some Measures Preventing the Legalisation of Proceeds of Criminal Activities and Terrorist Financing, as amended ("**AML Act**").
- 2.2. The Bank shall inform the Client on the balance of funds on the account in the form of an account statement or another form agreed upon with the Client. The Bank shall provide the Client who is a Consumer with the account statement at least once a month.
- 2.3. The Bank shall provide the Client who is a Consumer, with an overview of fees for the services provided in connection with the payment account for the previous calendar year by the end of February. The overview shall be provided in the same way in which the account statement is provided to the Client.

### Switching of the Payment Account

- 2.4. Using the Bank's form, the Client who is a Consumer is entitled to ask the Bank to switch the payment account between the payment services providers., The Client shall specify the details of the switching of the payment account in the form, which is available on the website [www.vub.cz](http://www.vub.cz).
- 2.5. The form shall be in Czech language or in a language agreed between the Client and the Bank. The Bank shall provide the Client, at his request, with a copy of the completed form.

- 2.6. The Bank is not obliged to switch the payment account if the payment accounts affected by switching are maintained in different currencies.
- 2.7. For more information on changing the payment account, please refer to the Switching of Payment Account information document, which is published on the Bank's website [www.vub.cz](http://www.vub.cz) and is also available in the Bank's premises in the Czech Republic.
- 2.8. The Client is obliged to reimburse the Bank for switching of the payment account in accordance with the Bank's Current Price List.

## 3. DEPOSIT INTEREST

- 3.1. The Bank shall pay interest on funds deposited on Client's account pursuant to the valid Interest Rates or the Agreement or relevant contract, concluded with the Client. The interest rate defined in the specific Agreement takes precedence over the current Interest Rates. The Bank shall disclose current Interest Rates in its branch and on the Internet, while the amount of the interest rates is specified by the Bank upon market practice, current market situation, and with respect to the nature of the deal or contracted relation. Current Interest Rates form an integral part of these General Business Terms and Conditions.
- 3.2. Where the interest is set on the basis of the reference interest rate, the Bank shall have the right to unilaterally change the interest rate specified in the individual agreement concluded with the Client or in the Interest Rates without giving prior notice to the Client. The Bank shall notify the Client who is a Consumer about the change in the interest rate as per the previous sentence within the dates of delivery of the account statements, as agreed with the Client. The Bank shall not be obliged to inform the Client of any changes in the interest rate if such change is more favourable for the Client.
- 3.3. The Bank shall deduct the withholding tax from the interest credited on funds, should the valid legislation define so.
- 3.4. The calculation of interest and other payments determined on a yearly basis is performed upon the actual number of days within the maturity period for the interest, fees and charges, based on the year consisting of 360 days (while the first day is counted and the last day is not counted in).
- 3.5. Unless otherwise agreed, the Bank shall credit the interest defined in the Agreement or the current Interest Rates to the Client's account always on the last day of the calendar month in which the respective period of interest terminated.

## 4. DEPOSIT INSURANCE

- 4.1. The Bank, as the entity conducting business on the basis of the Banking License issued by the National Bank of Slovakia, shall, pursuant to the Act No. 118/1996 Coll. on Deposit Protection and on changes and amendments to some acts, as amended (hereinafter referred to as "**ADP**"), participate within the defined scope in the Bank Deposit Protection System in the Slovak Republic and contribute to the Deposit Protection Fund. Clients' deposits, apart from those excluded by the ADP, are protected within the Slovak Bank Deposit Protection System up to the amount of EUR 100,000 or, under the conditions stip-

ulated by the ADP, in full amount over EUR 100,000 (pursuant to Article 9(6) of the ADP, the Fund shall provide reimbursement in full amount in the event that the deposit becomes unavailable according to the ADP during the first 12 months from the first crediting of the deposit or from the moment the deposit became legally transferrable and such deposit comes from a transfer of residential real property, or relates to social purposes and was acquired under the procedure relating to inheritance matters or from funds acquired under the procedure relating to inheritance matters, or for other reasons laid down in the ADP, or was acquired from funds acquired from insurance claims or indemnity for damage incurred as a result of a criminal act or false accusation). The deposit insurance terms and conditions, including the information on the deposits which are not subject to the protection, are available on the Bank's website [www.vub.cz](http://www.vub.cz) and at the Bank's branch.

## 5. CREDIT INTEREST

5.1. Interest rates for loans provided to the Client by the Bank or the method of their charging are defined in the relevant loan agreement. Interest rates can be defined as fix or floating rates. The fix rate means interest rate the fix percentage of which is defined in the respective loan agreement. Floating rate means an interest rate defined as the total of respective reference rate for the loan currency and margin in the amount specified by the loan agreement. The reference rates mean PRIBOR, EURIBOR, LIBOR and €STR rates defined per annum and specified by the Bank and rounded up to two decimal places as follows:

### 5.1.1. PRIBOR Reference Rate:

- a) means the interest rate offered for deposits denominated in CZK and shown on the website of the REUTERS Screen Service (or on the monitor of potential succession service) on the Quotation Date for the period identical to the respective Period of Interest or closest to the Period of Interest herein. If PRIBOR cannot be determined by the method specified in this paragraph, paragraph 5.1.2.b) shall apply;
- b) if PRIBOR is not available on the respective quotation day according to the aforementioned paragraph 5.1.2.a), PRIBOR shall be defined by the Bank as the arithmetic mean of interest rates of interbank deposits sale in CZK for the respective Period of Interest and Loan Amount available for the Bank from at least three reference banks active on the Prague Interbank market and selected by the Bank on the quotation day;
- c) if PRIBOR cannot be specified pursuant to paragraph 5.1.2.b), the respective PRIBOR shall be equal to PRIBOR specified in compliance with the aforementioned paragraph 5.1.2.a) in the closest preceding business banking day (the day when financial institutions are regularly open to the public and when payment clearing can be made in Prague) on which PRIBOR is available;
- d) if the reference rate is quoted on the quotation day or the reference rate is determined according to paragraphs b) or c) above as zero or negative, i.e. equal to 0 or less, the reference rate amounting to 0 (zero) shall apply.

### 5.1.2. EURIBOR Reference Rate

- a) means the interest rate offered for deposits denominated in EUR shown on the website of the Reuters Screen Service (or on the monitor of potential succession service) on the quo-

tation day for the period corresponding to the respective Period of Interest or the closest to the Period of Interest herein. If EURIBOR cannot be specified by the method mentioned in this paragraph a), paragraph 5.1.3.b) shall apply;

- b) if EURIBOR is not available on the respective quotation day as per the aforementioned paragraph 5.1.3.a), EURIBOR shall be defined by the Bank as the arithmetic mean of interest rates of interbank deposits-sale in EUR for the respective period of interest and loan amount available for the Bank from at least three reference banks acting on the relevant banking market and selected by the Bank on the quotation day;
- c) if EURIBOR cannot be specified as per paragraph 5.1.3.b) either, the respective EURIBOR shall be equal to EURIBOR specified in compliance with aforementioned paragraph 5.1.3.a) on the closest preceding business banking day in which EURIBOR is available;
- d) if the reference rate is quoted on the quotation day or the reference rate is determined according to paragraphs b) or c) above as zero or negative, i.e. equal to 0 or less, the reference rate amounting to 0 (zero) shall apply.

### 5.1.3. LIBOR Reference Rate

- a) means the interest rate offered for deposits denominated in USD, GBP, CHF or CAD shown on the website of the Reuters Screen Service (or on the monitor of potential succession service) on the quotation day for the period corresponding to the respective Period of Interest or closest to such Period of Interest. If LIBOR cannot be specified under the method specified in this paragraph a), paragraph 5.1.4.b) shall apply;
- b) if LIBOR is not available on the respective quotation day as per the aforementioned paragraph 5.1.4.a), LIBOR shall be defined by the Bank as the arithmetical mean of interest rates of interbank deposits sale in USD, GBP, CHF or CAD for the respective Period of Interest and loan amount available for the Bank from at least three reference banks acting on the relevant banking market and selected by the Bank on the quotation day;
- c) if LIBOR fails cannot be specified as per paragraph 5.1.4.b) either, the respective LIBOR shall be equal to LIBOR specified in compliance with the aforementioned paragraph 5.1.4.a) in the nearest preceding business banking day in which LIBOR is available;
- d) if the reference rate is quoted on the quotation day or the reference rate is determined according to paragraphs b) or c) above as zero or negative, i.e. equal to 0 or less, the reference rate amounting to 0 (zero) shall apply.

### 5.1.4. €STR Reference Rate

- a) means the interest rate quoted by the Bank, such as the euro short-term rate pursuant to the rate announced by the European Central Bank (or any other person replacing the European Central Bank in administering and announcing this rate) for the Banking Day the same as the quotation day and any subsequent day which is not the Banking Day that appears on the quotation day on the EUROSTR page of the REUTERS service (or on any other page that replaced Thomson Reuters in announcing this rate) for a period of one day,
- b) if €STR is not available on the respective quotation day as per the aforementioned paragraph 5.1.3.a), €STR shall be defined by the Bank as the arithmetic mean of interest rates



- of interbank deposits-sale in EUR for the respective period of interest and loan amount available for the Bank from at least three reference banks acting on the relevant banking market and selected by the Bank on the quotation day;
- c) If €STR cannot be specified as per paragraph 5.1.3.b) either, the respective €STR shall be equal to €STR specified in compliance with aforementioned paragraph 5.1.3.a) on the closest preceding business banking day in which €STR is available;
  - d) If the reference rate is quoted on the quotation day or the reference rate is determined according to paragraphs b) or c) above as zero or negative, i.e. equal to 0 or less, the reference rate amounting to 0 (zero) shall apply.
- 5.1.5. For other currencies not mentioned above, the Interest Rate shall be governed by the relevant provisions specified in the individual Agreement concluded between the Bank and the Client.
- 5.2. For the purposes of paragraphs 5 and 6 of the General Business Terms and Conditions, the following terms shall have the following meaning:
- 5.2.1. Period of interest means the period of interest defined in the respective loan agreement. If the period of interest is not defined in the loan agreement, it means a one (1) calendar month for overdraft loans if drawn in full or in part, the maturity period of short-term loans if drawn in full or in part (i.e. loans not exceeding the 12-month maturity period), and a one (1) calendar year for middle-term or long-terms loan if drawn in full or in part (i.e. loans with maturity of more than 12 months). Interest in the case of loans repaid on a straight-line basis (linear) is calculated on the basis of the actual number of days within the period for which the interest is due and based on a 360-day year (**actual / 360**); the calculation of interest in the case of loans repaid on annual basis is made on the basis of the number of 30 days of each calendar month during the period for which interest is due and on the basis of a 360-day year (**360/360**) (with the first day counted and the last day not counted in) unless otherwise agreed in the respective loan agreement.
- 5.2.2. The loan amount, unless otherwise provided in the loan agreement, for an overdraft loan means the maximum total loan amount which can be drawn down in terms of the loan agreement as an overdraft, and for short-term, medium-term, or long-term loan the amount of the relevant provided (drawn) short-term, medium-term or long-term loan.
- 5.2.3. Banking day for loans provided to Clients by the Bank in CZK means the day when financial institutions are open to the public and when payment clearing is performed in Prague; for loans provided to Clients by the Bank in EUR it means the day when financial institutions are open to the public and when payment clearing is performed in Prague and when the TARGET 2 payment settlement system ("Trans-European Automated Real-Time Gross-Settlement Express Transfer") is open; for loans provided to Clients by the Bank in currency other than CZK and EUR, it means the day when financial institutions are open to the public in Prague, London, and New York at the same time.
- 5.2.4. Quotation day means the first day of the relevant period of interest for overdraft loans. For short-term, medium-term and long-term loans, the quotation day means, for the first period

of interest, the day preceding by two (2) banking days the date of the proposed loan drawing as specified in the relevant Client's application for the loan, and for the following periods of interest, the day preceding the first day of each relevant period of interest by two banking days.

- 5.2.5. The Bank shall have the right to change the interest rates and the exchange rates at any time, unilaterally, and without prior notice, if the change is based on the change in the reference rates or exchange rates. The change in the interest rates must be notified to the Client without undue delay in compliance with these General Business Terms and Conditions.
- 5.3. If a loan contract or credit limit contract is concluded with the Client, the "default interest" shall apply to current accounts of the Client in the relevant loan contract or credit limit contract or any other individual contract instead of the "debit balance", as provided in the Overview of Interest Rates, published by the Bank.

## 6. REPAYMENT OF LOANS, CHANGE OF CIRCUMSTANCES, AND INCREASE OF CREDIT COSTS

- 6.1. The Client is obliged to repay to the Bank the debts incurred in connection with any loan or other product provided by the Bank in accordance with and under the conditions agreed in the loan agreement or in another agreement on the basis of which the Bank provided the product to the Client on the specified due date (regardless of the fact that any of the due dates would not be the Banking Day), unless the loan agreement or another agreement concluded between the Bank and the Client provides otherwise.
- 6.2. The Bank's records are decisive for determining and proving the amount of the Bank's claims against the Client, unless the Client proves their inaccuracy. For these purposes, the Bank is entitled to keep (record) its claims against the Client in a special technical account, to which another follow-up special evidence account may be established for drawing and repayment of all debts of the Client arising due to drawdowns of credit or other products (hereinafter referred to as the **"Settlement Account"**). If the Bank establishes a Settlement Account for the Clients, it shall inform the Client of its establishment in a suitable and timely manner. In the event that the Client transfers to the Settlement Account funds exceeding the currently due repayment of the loan or other banking product, the Bank shall debit the Settlement Account, i.e. collects funds corresponding only to the amount of the actual due repayment. The Bank is not obliged to accept any excess funds on the Settlement Account for repayment of other debts of the Client and is not obliged to pay interest on them, unless the Bank agrees otherwise with the Client.
- 6.3. The Bank and the Client may agree that the repayment of debts from a loan or other banking product provided to the Client by the Bank may be realized by debiting the Client's account held with a third person other than the Bank, through the **"Direct debit"** service. In such a case, the Client is obliged to give this third party, with whom he will maintain an account for repayment, his consent to direct debit in favor of the Bank. In the case of repayment of the Client's debts through the "Direct debit" service, the Bank will always send five (5) Banking Days before the due date of the relevant loan instalment (or payment of any other banking product) (hereinafter the **"Notification**

**Period**”) to this third party information on the current amount of the payment, which shall be debited from the Client’s designated account in favor of the Bank on the relevant due date. In the event that the Client makes any new drawdown or repayment during the Notification Period, the payment shall always be made in the amount determined by the Bank in the manner specified in this paragraph and notified to the relevant third party. This does not affect the Bank’s right if during the Notification Period the current amount of the Client’s debt changes (especially due to further drawing) to notify this third party at any time of another amount to be repaid and to demand its immediate payment.

- 6.4. If the Bank sets a repayment plan of the term loan for the Client in advance and the Client does not draw the term loan in full, the repayment plan will be automatically adjusted so that the amount of all specified repayments is reduced correspondingly so that the sum of all newly specified repayments equals the actual amount of the drawn loan, while the original final maturity date will be maintained, unless otherwise agreed in the relevant loan agreement.
- 6.5. Any payments performed by the Client to the Bank related to any loan and/or to any other banking product shall be made in the currency of the product approved by the Bank, unless the relevant loan agreement provides otherwise, without deduction of any current or future tax or charges of any kind claimed, collected, deducted or charged by any relevant body, unless the deductions are legally defined. In such event, the Client shall pay to the Bank the extra amount which, once deducted, represents the amount that the Bank should receive if the duty of tax or deduction payment did not arise. The Client shall not be required to pay the extra amount pursuant to the previous sentence if the Bank has the tax duty owing to the other reason than it is the Lender under a relevant loan agreement or the Bank is entitled to receive the payment without deduction or levy if the exception were applied to the relevant tax body.
- 6.6. If the Bank fails to provide loan drawing under the conditions defined in the relevant agreement due to extraordinary circumstances on the banking and/or financial market, the Bank shall immediately inform the Client thereof. The drawing shall be postponed based on the Bank notification in writing sent to the Client. The Bank shall set the drawing date to the closest banking day when the Bank may provide the requested loan drawing.
- 6.7. If the Bank, owing to amendments to legal regulations or their interpretations or management decisions or decrees of the relevant central bank (including regulations concerning generation of obligatory reserves, bank’s liquidity, limitation and distribution of risk or any other regulation related to the banking sector or currency regulation) discovers the costs related to the entire loan or its part incurred or increased or payments provided by the Client upon the loan agreement in favour of the Bank decreased, the Bank shall immediately inform the Client about the relevant facts and about the amount of the increased costs or decreased repayment provided by the Client upon the loan agreement.
- 6.8. If possible with regard to the circumstances, the Bank shall inform the Client in advance on projected cost increase or payment decrease due to the facts mentioned in paragraph 6.3 above. In such case, the Client can decide within five (5) Bank-

ing Days after receiving the notification on projected cost increase whether he/she pays the increased costs or decreased payments at the time of their occurrence or whether he/she prematurely repays the loan or its part. If the Client fails to notify the Bank in writing within the period specified in the preceding sentence on his/her decision to prematurely repay the loan or its part or if the Client was not informed in advance on cost generation or increase or payment decrease, he/she shall pay the costs or the amount by which the payment was decreased under the relevant loan agreement within a reasonable period of time. The Client shall pay the costs increased in compliance with paragraph 6.3 above for the duration of the reason owing to which the cost increase arose.

- 6.9. If amendment to legal regulations or their interpretation occurs or the court or administrative body issues a decision owing to which the Bank cannot provide the loans any more, the Bank shall immediately inform the Client in writing thereof together with due justification. During the period of such impediments the Bank shall not be obliged to provide to the Client any other funds pursuant to the relevant loan agreement. The Bank shall invite the Client to negotiations on resolution of the situation. If the Bank and the Client do not agree on any resolution within thirty (30) calendar days from the date of the Bank’s invitation to negotiations, the Client shall repay the amount of the loan drawn down, including fees and charges due, within the period of the next sixty (60) calendar days at the latest. To exclude any doubts, the provisions of Article 2006(1), second clause (apart from the cases mentioned in paragraph 6.3 hereof), provisions of Article 2007, first clause, and Article 2008 of Act No. 89/2012 Coll. Civil Code, as amended (hereinafter referred to as the “**Civil Code**”), shall not apply.
- 6.10. If circumstances resulting in Client’s cost increase or termination of the loan or its part as per the above paragraphs of this Article 6 hereof arise, the Bank shall propose the Client reasonable and acceptable measures to mitigate the impacts of the unfavourable circumstances. In order to prevent any disputes, it is agreed the Bank shall not propose or take any measures if in the Bank’s opinion their performance could or might have unfavourable effects on its business, operations, financial situation or could cause substantial disadvantage to the Bank with respect to expenses, losses or tax duties.
- 6.11. While providing banking services, the Bank shall be entitled to require that its receivables in respect of the Client be secured with a reasonable security or additional security, and to do so even in the course of the provision of a given Banking Service, especially in the case of a significant deterioration of the Client’s financial situation or considerable change in his/her legal position. The failure to provide such security or additional security may be considered by the Bank as substantial violation of the Agreement by the Client. The Bank shall be entitled to realise the security under the terms and conditions set forth in the relevant agreement.

## 7. PAYMENT SERVICES AND PAYMENT SYSTEM

### Payment Services

- 7.1. The Bank shall provide the following cashless payment services to the Clients:

- a) Transfer of funds based on the Client's order (payment) or based on the impulse of the beneficiary on the basis of a consent granted by the Client to the Bank (hereinafter the "**direct debit**");
- b) Transfer of funds based on the Client's order meeting the requirements for SEPA payments;
- c) CORE and B2B SEPA types of SEPA direct debits on the side of beneficiary (creditor) as well as on the side of payer (debtor);
- d) Making of collection, by means of which a loan is granted to the Client;
- e) Making transfer of funds, where neither the Client, nor the beneficiary make use of the payment account at the bank;

this on the basis of an instruction for funds transfer if made within the framework of a payment service (hereinafter referred to as the "**payment transaction**") and under the conditions specified in the payment services agreement concluded between the Bank and the Client.

- 7.2. The Bank does not provide a payment service allowing the deposit of cash to the Client's payment account maintained by the Bank and a payment service allowing the withdrawal of cash from the Client's payment account maintained by the Bank (hereinafter the "**Cash Operations**"), unless the Bank and the Client agree otherwise in a special agreement (hereinafter the "**Special Agreement on Cash Payment Services**"). If the Bank enters into the Special Agreement on Cash Payment Services with the Client, the Bank shall allow the Client to execute Cash Transactions in CZK through a cooperating bank or other financial institution designated by the Bank (hereinafter the "**Cooperating Bank**"). The method for executing Cash Transactions is further specified in the applicable Special Agreement on Cash Payment Services.
- 7.3. For the avoidance of any doubt, without the conclusion of the relevant Special Agreement on Cash Payment Services allowing the execution of Cash Transactions through the Cooperating Bank, the Client is neither entitled to perform any Cash Transactions in the Bank, nor to request such services from the Bank. The Client who entered into the payment services agreement with the Bank before 31 December 2019 acknowledges that as of 31 December 2019 the Bank in accordance with the Payment Services Act and paragraph 7.44 of this General Terms and Conditions amends the payment services agreement including those General Terms and Conditions in such a way that it terminates provision of all cash transactions at the Bank. With respect to the termination of all cash transactions as of 31 December 2019, the Bank shall not be liable to the Client for any damage, loss or other harm that might arise to the Client in this respect.
- 7.4. SEPA payments and SEPA direct debits are governed by the Bank's and SEPA system rules. The accounts of the debtor and creditor must be kept within the SEPA area and the banks of the debtor and creditor must participate in the SEPA system and, in the case of a SEPA direct debit, also in the respective payment scheme for SEPA direct debits. If the transfers fail to meet all the conditions set by the respective rules, the payments may be processed as international payments within international payment traffic or they do not have to be processed at all. If an international payment order sent by the Client meets the

requisites for SEPA payments, it will be processed and charged by the Bank as SEPA payment.

## Payment order

- 7.5. An instruction to make a payment transaction (hereinafter the "**payment order**") may be submitted in writing using the Bank form intended for this purpose, while the Bank shall also accept other forms of payment orders, provided that the data on such payment order is completely identical to the data on the form issued by the Bank, or other agreed payment instruments, particularly by means of electronic banking. The Client is authorized to submit an instruction to the Bank to make a payment transaction by the means of fax and/or e-mail only on the basis of a special written agreement with the Bank.
- 7.6. A payment transaction may be executed, if the Bank is provided with the data necessary for properly executing the transaction. The mandatory particulars of a payment order include: payment transaction amount, payer's and beneficiary's bank accounts, i.e. data clearly identifying the account number and the bank code, and the name of the payer and beneficiary, if required for the transaction type being executed, as well as other data specified in paragraph 7.8 below. The payment order must be legible; when the payment order is filled out by hand, it must be filled out by blue pen and in block letters; when filled out by machine, by letters in black of at least 10 in size.

## Payment order receipt

- 7.7. The payment order is received as soon as it is delivered to the Bank. Should the payment transaction be executed at the moment when the set conditions are met or at the end of a certain period (hereinafter referred to as the "**deferred payment order due date**"), such moment shall be deemed the moment of the payment order receipt. Should the moment of the payment order receipt fall outside the Bank's opening hours or after the time limit set in the Rules of Payment Processing (hereinafter referred to as the "**moment close to the end of the working day**"), the payment order shall be considered received at the beginning of the next opening hours of the Bank. The opening hours of the Bank and the moment close to the end of the opening hours are specified in the Rules of Payment Processing. The Rules of Payment Processing are available at the Bank's website [www.vub.cz](http://www.vub.cz) and at the Bank branches.

## Payment order rejection

- 7.8. The Bank shall not receive the payment order, if the Bank justifiably rejects to execute the payment order. The Bank is not obliged to execute the transaction and may reject the payment order in particular when:
  - a) The payment order fails to contain all the mandatory items, in particular the following information:
    - (i.) Domestic payment order:
      - payer's account number;
      - beneficiary's account number;
      - amount to be transferred ;
      - currency;
      - due date;
      - quoting code if required by a special legal regulation;



(ii.) SEPA payment order:

- payer's account number in IBAN format;
- beneficiary's account number in IBAN format;
- amount to be transferred in EUR;
- due date;
- beneficiary's name, if available;

(iii.) Foreign payment order:

- payer's account number;
- payer's name;
- payer's address, payer's official identity document number, payer's customer identification number, or payer's date and place of birth;
- beneficiary's account number;
- beneficiary's name;
- country of the beneficiary's bank;
- amount to be transferred and currency;
- beneficiary's country code;
- due date;
- payment purpose if the payment exceeds EUR 15,000 (or corresponding amount in other currency);
- for payments to EEA countries in currencies of the EEA countries and USD, the number must be provided in formats IBAN and BIC code of beneficiary's bank (SWIFT address);
- for payments outside the EEA countries, unabridged name and address of the beneficiary's bank.

b) The signatures or other identification codes on the payment order do not correspond to the signatures in the specimen signature or to other identification codes that the Bank disposes of; or

c) In the event of an indirectly submitted payment order (see paragraph 7.12 below):

- (i.) The Bank has the suspicion of unauthorised or fraudulent use of the user's means of payment or personal security elements; or
- (ii.) The payment order was submitted indirectly by a person who is not authorised to provide the service of indirect submission of a payment order; or
- (iii.) The provider of the indirect submission of the payment order failed to prove their identity to the Bank; or
- (iv.) If any other condition under the Agreement with the Client, the General Business Terms and Conditions, special business terms and conditions or applicable legal regulation was met for rejecting the payment order; or

d) By executing the payment transaction, the respective legal regulations or contractual provisions agreed with the Client may be violated.

7.9. If there is not enough funds on the payment account, which the payment transaction is to be made from, on the payment order due date, the Bank shall try to execute the payment order within the period specified in the Rules of Payment Processing (cycle), whereas each next beginning of the Bank's opening hours during the payment order cycle shall be deemed a new moment of the payment order receipt. If the payment order cannot be executed during the payment order cycle due to the

lack of funds on the payment account, the Bank shall be authorised to reject the execution of the payment order.

7.10. Should the Bank reject a payment order, it shall notify the Client thereof not later than within the period for executing the payment transaction as per paragraphs 7.13 to 7.19 below and, if possible, inform the Client of the reasons of rejection and the procedure to correct the errors that became the reason for the rejection. If the Bank intends to reject an indirectly submitted payment order (see paragraph 7.12 below), it shall inform the Client of the reasons for rejection and, if not possible, inform the Client without undue delay after the rejection. The previous sentence shall not apply if it puts the payment system security under risk. The Client shall pay to the Bank a fee for receiving the information in line with the Bank's current Price List.

### Revoking a payment order

7.11. The Client may revoke a payment order

- a) before the payment order is received by the Bank (as per paragraph 7.7 above);
- b) in the case of a deferred due date of the payment order (as per paragraph 7.7, second sentence above), until expiry of the Bank's working time immediately preceding the day in which the payment order is received;
- c) in the case of a payment order submitted by the Client as payer through the beneficiary, until the Client hands it over to the beneficiary;
- d) in the case of an indirectly submitted payment order (as per paragraph 7.12 below), until the Client as payer hands it over to the provider of the indirect payment order submission service;

by means of a written notice of payment order revocation. Payment order revocation after expiry of the period as per letters a) to d) of this paragraph 7.11 is only possible based on an agreement between the Client and the Bank. In case the payment order is revoked after expiry of the period as per letters c) and d) of this paragraph 7.11, the payment beneficiary's consent shall also be required.

After expiry of the periods as per letters a) to d), the payment order may be revoked solely upon meeting the following conditions (whereas the respective rules for SEPA payments and SEPA direct debits shall be without prejudice to this provision):

- (i.) The Bank receives a written notice of revoking the Client's payment order before execution of the payment transaction;
- (ii.) The Client pays the fee for the payment order revocation as specified in the current Price List of the Bank;
- (iii.) The revocation of the payment order was agreed by the payment beneficiary in writing, if the direct debit is revoked after the end of the working day preceding the day agreed between the Client and the beneficiary for debiting the funds from the Client's payment account.

If the Client submitted payment orders for several transactions at a time, the conditions for revoking the payment order shall be considered separately for each payment transaction.

## **Indirect payment order submission**

- 7.12. Indirectly submitted payment order is a payment order for the transfer of funds from the Client's payment account, submitted on behalf of the Client by the provider of payment services other than the Bank, if such payment order is submitted through the internet. The Bank shall not be obliged to process indirectly submitted payment orders if the Client's payment account is not accessible through the internet. The provider of the indirect payment order submission service shall comply with the law, in particular: not to accept funds for executing the payment transaction; provide the personal security elements of the Client as the payer solely to the Client and to the Bank which issued them; provide information about the Client as the payer, except for their personal security elements, solely to the beneficiary and on upon explicit consent of the Client as the payer; not to keep sensitive data about the payments of the Client as the payer; in connection with the indirect payment service submission, not to request from the Client as the payer any other Client data than the data required for submitting the payment order and not to keep and process such data; and not to change the data indicated in the indirectly submitted payment order. Upon each indirect payment order submission, the provider of this service shall certify its identity to the Bank which keeps the Client's payment order accessible through the internet order submission.

## **Periods for executing payment transactions concerning funds transfer from the Client's account**

- 7.13. The Bank shall execute the payment transaction in the periods stated in paragraphs 7.14 to 7.19 below, except for cases when it is allowed to prolong the period on the basis of a legal regulation and except for Cash Transactions under paragraph 7.2 where the periods for execution of payment transactions are stated in the Special Agreement on Cash Payment Services. Should the moment of the payment order receipt by the Bank or the moment of crediting the payment transaction amount to the Bank's account fall outside of the opening hours of the Bank, the payment order shall be considered to be received or the funds shall be considered to be credited at the beginning of the following opening hours of the Bank.
- 7.14. Unless otherwise stipulated in paragraphs 7.15 to 7.18, in the case of money transfer from the Client's account the Bank shall ensure that the payment transaction amount is credited to the account of the beneficiary's bank not later than by the end of the next working day following the payment order receipt.
- 7.15. The Bank shall ensure that the payment transaction amount is credited to the account of the beneficiary's bank not later than the second (2nd) working day from the payment order receipt in the case of:
- a) payment transactions in EUR on the basis of a payment order in paper form, excluding currency exchange;
  - b) payment transactions in EUR on the basis of a payment order in paper form, including currency exchange between EUR and currencies of EEA Member States within the territory of which the currency exchange is executed; or
  - c) payment transactions in CZK executed exclusively within the Czech Republic, including currency exchange other than exchange between CZK and EUR currencies.

- 7.16. The Bank shall ensure that the payment transaction amount is credited to the account of the beneficiary's bank not later than the fourth (4th) working day from the payment order receipt in the case of:
- a) payment transactions in EUR, which includes currency exchange between EUR and currency other than the currency of the EEA Member State within the territory of which the currency exchange is executed;
  - b) payment transactions in CZK executed in a country other than the Czech Republic; or
  - c) payment transactions in the currency of another EEA Member State except for EUR currency.
- 7.17. The Bank shall ensure that the payment transaction amount is credited to the account of the beneficiary's bank not later than ten (10) working days from the payment order receipt in the case that:
- 7.17.1. the beneficiary's bank provides the payment service in a EEA Member State and the payment transaction is executed in a currency other than the currencies of EEA Member States; or
  - 7.17.2. the beneficiary's bank provides the payment service in a country other than the EEA Member States.
- 7.18. In the case of payment transactions within the bank in CZK within in the Czech Republic, the Bank shall credit the payment transaction amount to the beneficiary's payment account at the latest by the end of the day when the payment order was received. Should the payment transactions pursuant to the previous sentence include currency exchange, the Bank shall credit the payment transaction amount at the latest by the end of the working day following the day when the payment order was received.

## **Time limit for executing payment transactions concerning transfer of funds credited to the Client's payment account**

- 7.19. In case of a transfer of funds to the Client's payment account, the Bank shall ensure that the funds are credited to the Client's payment account immediately after the funds were credited to the account of the Bank, or if it is a payment transaction in a currency other than the EEA Member States, until the end of the working day following the day when the funds were credited to the account of the Bank.

## **Identification and check of Client upon payment transactions**

- 7.20. Should the amount of deposit carried out through the Cooperating Bank exceed the amount of EUR 1,000 (or its equivalent in CZK), the Client shall duly prove his identity to the Cooperating Bank in compliance with Article 10 below. In the case of cash withdrawal, the Client shall always duly prove his identity to the Cooperating Bank. The Cooperating Bank is entitled to hand over the data in respect to the Client's identification to the Bank. If Client's identity is not proved in compliance with these General Business Terms and Conditions, the Cooperating Bank or the Bank may reject the execution of the Cash Transaction.
- 7.21. If any transaction exceeds EUR 15,000 (or its equivalent in CZK), the Cooperating Bank or the Bank is authorised to request that the Client provides the Cooperating Bank or the Bank, in addition to the proof of identity, with the following information:

- a) purpose and intended nature of the deal and business relationship;
- b) ownership and management structure of the Client and its actual owner if the Client is a legal entity; the trust fund or other legal form without legal personality;
- c) information necessary to monitor the business relationship including examination of the deals concluded in the course of the business relationship in order to verify whether the deals are carried out in compliance with what the Bank knows about the Client and their business and risk profile;
- d) sources of funds; and
- e) origin of the Client's assets if the Client is a politically exposed person.

If the Client fails to do so, the Cooperating Bank or the Bank shall be authorised to proceed in line with the AML Act.

#### **Client's obligations related to the use of payment instruments**

- 7.22. The Client shall use the payment instrument in line with the Agreement on Payment Services. In particular, the Client shall take all adequate measures upon having received the payment instrument to protect their personalised security elements, and notify the Bank immediately upon having ascertained the loss, theft, misuse, or unauthorised use of the payment instrument.
- 7.23. If the Bank has issued a payment instrument in form of a payment card to the Client, the Client must accept at least the following measures to protect his/her personal security:
- a) to sign the payment card by his/her own signature pattern;
  - b) to use a secure PIN;
  - c) to protect the PIN (do not note it on the credit card, in wallet, telephone, etc., do not pass it on to third parties, change PIN permanently);
  - d) to set a reasonable limit for making payment transactions with a credit card;
  - e) to contact the Bank in case of suspected loss, theft, misuse or unauthorised use of the payment card without delay.
- 7.24. The Client can notify the Bank about the loss, theft, misuse, or unauthorised use of the payment instrument in any of the following manners:
- a) 24 hours daily through the Bank's phone line + 421 248 555 970;
  - b) in person at the Bank's branch; or
  - c) by means of Electronic Banking.

#### **Correction of unauthorised payment transactions**

- 7.25. The payment transaction is authorised once approved by the Client.
- 7.26. The Client shall bear the loss of the unauthorised payment transactions:
- (i.) up to the amount of EUR 50.00 if the Client is a Consumer, or in full extent if the Client is not a Consumer, if such loss occurred due to the use of lost or stolen payment instrument or misuse of the payment instrument; or
  - (ii.) in full extent if the loss was due to their fraudulent actions or by breaching any of the obligations stated in paragraph 7.22.

7.27. Paragraph 7.26 i. shall not apply if the Client did not act fraudulently and

- a) could not learn about the loss, theft or misuse of the payment instrument before executing the non-authorised transaction; or
- b) the loss, theft or misuse of the payment instrument was due to the Bank's action.

7.28. Paragraph 7.26 shall not apply if the Client did not act fraudulently and

- a) the loss incurred after the Client informed about the loss, theft or misuse of the payment instrument;
- b) the Bank failed to ensure that the Client has appropriate means to inform at any time about the loss, theft, misuse or unauthorised use of the payment instrument; or
- c) the Bank violated its obligation to request strong authentication of the Client.

7.29. The Client shall bear the loss of the unauthorised payment transaction with electronic money the nature of which does not allow the Bank to prevent any use of such money.

7.30. Should an unauthorised payment transaction be executed, the Bank shall immediately and at the latest by the end of the next working day after learning about the unauthorised payment transaction or after receiving the Client's notice take the following measures:

- a) bring the Client's payment account from which the payment transaction amount was debited into the state as if such debit did not occur; or
- b) return the payment transaction amount, the paid fee and lost interest to the Client, if the procedure under letter a) above is not applicable.

The provision of this paragraph 7.30 shall not apply if the loss of the unauthorised payment transaction is borne by the Client.

The Bank shall proceed pursuant to this paragraph 7.30 also in case the payment order to the unauthorised payment transaction from the Client's account was submitted indirectly.

#### **Remedying an incorrectly executed payment transaction**

7.31. The Bank shall remedy the incorrectly executed payment transaction for the Client who is a Consumer as the Payer, unless it proves to the Client and, where applicable, to the beneficiary's bank, that the amount from the incorrectly executed payment transaction has been credited to the account of the beneficiary's bank. In such case, the incorrectly executed payment transaction shall be remedied by beneficiary's bank against the beneficiary. Incorrectly executed payment transactions against the Client who is a Consumer also includes cases where the payment transaction order was submitted indirectly and the payment transaction was executed contrary to the payment order handed over by the Client to the provider of the indirect payment order service, even in case the payment transaction was executed in line with the received payment order. However, the Bank shall not be obliged to remedy the incorrectly executed payment transaction where the payment order was submitted by the beneficiary or the Client, regardless whether being a Consumer or not, through the beneficiary, if the beneficiary's bank failed to meet its obligation to hand over the payment order to the Bank.



7.32. Where the Bank is obliged to remedy an incorrectly executed payment transaction pursuant to paragraph 7.31, the Client who is a Consumer shall be informed thereof without undue delay, and:

- a) if the Client notifies the Bank within two (2) working days that s/he does not insist on executing the payment transaction, the Bank shall immediately
  - (i.) bring the Client's payment account into the state as if the amount of the incorrectly executed payment transaction was not debited; or
  - (ii.) return the amount of the incorrectly executed payment transaction, paid fee and lost interest to the Client, if the procedure pursuant to point (i) is not applicable; or
- b) if the Client fails to notify the Bank within two (2) working days that it does not insist on executing the payment transaction, the Bank shall immediately ensure the crediting of the amount of the incorrectly executed payment transaction to the beneficiary's bank account and:
  - (i.) bring the Client's payment account into the state as if the Bank executed the payment transaction correctly; or
  - (ii.) return the incorrectly paid payment and lost interest to the Client, if the procedure pursuant to paragraph (i) is not applicable.

#### **Common provisions on remedying unauthorised or incorrectly executed payment transactions**

7.33. The rights arising from unauthorised or incorrectly executed payment transactions do not exclude the right to compensation for damage or return of unjust enrichment. However, anything claimed from the Bank by exercising the right from unauthorised or incorrectly executed payment transaction cannot be claimed on other legal grounds.

7.34. The Client shall notify the Bank of the unauthorised or incorrectly executed payment transaction without undue delay after having learned about it, but not later than within thirteen (13) months, and in the case of the Client who is not a Consumer not later than within two (2) months from the day of debiting the funds from the Client's payment account or from the moment the payment transaction was otherwise submitted for execution. Should the Client fail to notify the Bank of the unauthorised or incorrectly executed payment transaction within the aforementioned time limit, even though the Bank has met its notification duty, the court or other competent authority shall not confer to the Client the right to remedy the unauthorised or incorrectly executed payment transaction.

#### **Refunding the amount of authorised payment transaction**

7.35. The Bank shall refund to the Client the amount of the authorised payment transaction pursuant to paragraph 7.36 below, if:

- a) the payment order for the authorised payment transaction was submitted by the beneficiary or by the Client through the beneficiary;
- b) the Client requested the refund of the amount of an authorised payment transaction within eight (8) weeks from the date the payment transaction was debited from the Client's payment account;

- c) at the moment of authorisation the exact payment transaction amount has not been specified; and
- d) the payment transaction amount exceeds the amount which could have been reasonably expected by the Client in view of all facts. However, the Client may not object to unexpected change in the exchange rate provided that the agreed referential exchange rate was used.

7.36. Provided that the conditions pursuant to paragraph 7.35 above have been complied with, the Bank shall, within ten (10) working days from the day the Client requested the refund:

- a) bring the payment account from which the payment transaction amount was debited into the state as if the debit did not occur; or
- b) refund the Client for the payment transaction amount, paid fees and lost interest, if the procedure pursuant to letter a) above is not applicable.

In the case of a SEPA direct debit, the Bank shall refund the amount of the authorised payment transaction pursuant to this paragraph 7.36, including in cases that the conditions pursuant to paragraph 7.35 c) and d) have not been complied with.

7.37. The Client shall not be entitled to the refund of the amount of the authorised payment transaction pursuant to paragraphs 7.35 and 7.36 above if it is not a Consumer or if the Client gave their consent to the payment transaction directly to the Bank and information on the exact payment transaction amount was communicated to the Client by the Bank, Beneficiary's bank, or by the beneficiary in writing at least four (4) weeks prior to the payment order receipt.

7.38. The Client shall provide all information and documents to the Bank being a proof of having met the conditions for the refund of the payment transaction amount pursuant to paragraph 7.35 d).

7.39. Should the Bank fail to refund the amount of the authorised payment transaction pursuant to paragraph 7.36, it shall notify the Client, not later than within ten (10) working days from the receipt of the Client's request, about the reasons for such rejection, including information on the way of the out-of-court settlement of disputes between the Client and the Bank and about the option of the Client to submit a complaint to the Supervising Authority.

#### **Payment Services Agreement**

7.40. If the Bank fails to clear the amount of the domestic payment transaction in CZK or if it fails to use the bank connection in line with the Client's payment order, thus causing an error in the clearing of the amount or in the bank connection, the Bank shall remedy such error by corrective clearing in line with the legal regulations. The Bank shall be authorised to correct the clearing immediately upon having identified the error in the clearing by debiting the amount of the unauthorised beneficiary account, however not later than within three (3) months from the error in the clearing (i.e. the date of the erroneous debiting of the amount from the Client's account). The Bank shall also be authorised to correct the clearing on the basis of a request from another bank, should the Client be an unauthorised beneficiary of the payment being cleared incorrectly by the requesting bank. In such case, the Bank shall be authorised, within three (3) months from identifying the error in the



clearing, to debit from the Client's account the amount corresponding to the correction in the clearing and to recount the interests as if the Client had never received the payment cleared incorrectly. In the case of correction of the Bank's own error in the clearing, the Bank shall pay the Client the loss corresponding to the interest which would have accrued on the basis of the funds on the account for the period which the Client did not have the funds at their disposal. The Bank, in compliance with legal regulations, shall not correct the clearing, if the error was caused by correct clearing of the payment order issued incorrectly by the Client.

7.41. The Bank shall conclude the Payment Services Agreement with the Client for an indefinite period of time, unless the Payment Services Agreement stipulates that it is concluded for a definite period of time, or unless it results from the relationship nature that it is an agreement on one-off payment transaction. The legal relationships resulting from the Payment Services Agreement between the Bank and the Client shall be governed by the legislation of the Czech Republic.

7.42. The Client shall be entitled to request from the Bank information related to the contents of the Payment Services Agreement concluded with the Bank, information about the Client's existing standing orders and direct debit approvals granted upon creating them, as well as other information under applicable legal regulations, in particular pursuant to the Sections 134 to 139 of the Payment Services Act, at any time during the term of the Payment Services Agreement. The Bank shall provide the Client with the requested information at the latest within ten (10) working days from delivery of the Client's written request to the Bank.

7.43. The Bank shall provide the Client, in regular intervals specified in the Payment Services Agreement concluded with the Client, in the form of account balance statements, with the following information:

a) With respect to outgoing payments from the Client's account:

1. Information enabling the Client to identify the payment transactions and, if possible, information about the beneficiaries;
2. Amounts of the payment transactions in the currency in which the respective amounts were debited from the Client's payment account or in the currency indicated in the payment order;
3. Information about the fees to be paid by the Client to the Bank for the execution of the payment transactions, including breakdown of these items if the fees consist of several independent elements;
4. Exchange rate used by the Bank and the payment transaction amount after the currency exchange, if applicable; and
5. Value date of the amounts debited from the Client's payment account or the date of receipt of the payment order;

b) With respect to previous payments to the Client's payment account:

1. Information enabling the Client to identify the payment transactions and, if possible, information about the beneficiaries and other information provided in connection with the payment transaction;

2. Amounts of the payment transactions in the currency in which the respective amounts were credited to the Client's payment account;
3. Information about the fees to be paid by the Client to the Bank for the execution of the payment transactions, including breakdown of those items if the fees consist of several independent elements;
4. Exchange rate used by the Bank and the payment transaction amount after the currency exchange, if applicable; and
5. Value date of the amounts credited to the Client's payment account.

7.44. The Bank shall have the right to amend the Payment Services Agreement and the General Business Terms and Conditions, in particular as to the validity and effectiveness of the General Business Terms and Conditions, rules for amending the General Business Terms and Conditions, identification and communication with the Client, establishment, change and termination of the contractual relationship, Price List change, interest rates on deposits (except for changes made by the Bank pursuant to paragraph 5.2.5), set-off, limitation, security and liability.

- (i.) The Bank shall present the wording of amendments to the Client on a permanent data carrier in definite and comprehensible form no later than two (2) months prior to the proposed date of effect of the amendments to the Payment Services Agreement and/or the General Business Terms and Conditions in the case of a Client who is a Consumer;
- (ii.) in the case of a Client who is not a Consumer, the Bank shall present the wording of amendments to the Client by publishing it on the website of the bank and by means of notification about the release sent to the client in writing or electronically, not later than 15 days prior to the proposed date of effect of such amendments to the Payment Services Agreement and/or General Business Terms and Conditions.

If the Client disagrees with the proposed amendments to the Payment Services Agreement and/or the General Business Terms and Conditions, the Client has the right to withdraw from the relevant commitment under the agreement free of charge and prior to the proposed date of effect of the amendment. If the Client does not withdraw from the relevant commitment under the Agreement prior to the proposed date of effect of the amendment to the Payment Services Agreement and/or the General Business Terms and Conditions under the previous sentence, the Client shall be considered to have accepted the amendment and the amendments shall become binding for the Bank and the Client.

7.45. The Client shall have the right to terminate the Payment Services Agreement at any time, including in case the Payment Services Agreement was concluded for a definite period of time; in such case, the Payment Services Agreement shall terminate upon expiry of the one-month notice period; the application of the sentence before semicolon is without prejudice to potential different rules for the termination of any agreement related to SEPA direct debit. The Bank shall have the right to terminate in writing the Payment Services Agreement concluded for an indefinite period of time, while in such case the Payment Ser-

vices Agreement shall terminate upon expiry of a two-month notice period in the case of the Client who is a Consumer or of a one-month period in the case of the Client who is not a Consumer.

### **Retrieving a payment transaction**

- 7.46. In the case that the payment transaction where the payment order was presented by the Client was executed incorrectly, the Bank shall, upon Client's request, make efforts as may be reasonably requested to retrieve the payment transaction and inform the Client about the result.

### **Incorrect unique identifier**

- 7.47. The payment transaction is executed correctly as to the beneficiary if it executed in accordance with its unique identifier. This shall apply also in case the payment order contains beneficiary data other than the data agreed between the Bank and the Client.
- 7.48. In case the Client provided an incorrect unique identifier of the beneficiary, the Bank shall make effort, as may be reasonably requested, to return the funds from the payment transaction to the Client. Upon Client's request, the Bank shall inform the Client of all and any data that it disposes of which is required by the Client to exercise their right to the refund of the funds against the beneficiary in court or another competent authority. The Bank shall be entitled to receive a fee for the procedure pursuant to Article 7.48 in accordance with the Bank's Price List.

### **Cheques**

- 7.49. The Bank shall accept the cheques from Clients solely for non-binding collections. Their value shall be cashed to the cheque owner only upon disbursement of the cheque by the foreign bank and it may be decreased by the fee of the corresponding foreign bank. The payment of cheque in foreign currency shall be converted by the Bank in accordance with the valid exchange rate of the Bank stated in the Foreign Exchange List. The Bank shall honour the cheques solely to their owners, provided that they can be verified as cheque owners. The cheque owner is a person the check is issued to or transferred to, and which sufficiently proves their identity. The Bank shall accept cheques for non-binding collections only from its Clients.
- 7.50. Use of a check to perform Cash Operations according to par. 7.2 et seq. the above is regulated in Special Arrangement on Cash Payment Services.

### **Blocking of payment instrument on Bank's initiative**

- 7.51. The Bank shall be authorised to block payment instruments issued to the Client for reasons of (i) security of the payment instruments, in particular upon suspicion of unauthorised or fraudulent use of the payment instruments; or (ii) in the case of a significantly increased risk that the Client will not be able to meet the financial obligations against the Bank in connection with the use of the payment instrument. The Bank shall notify Client of this matter by phone in accordance with the relevant law. If the payment instrument is blocked on the Client's or authorised persons' request, the Bank shall ensure the imme-

diately unblocking of the payment instrument after the reasons for blocking are no longer valid.

### **Blocking of funds**

- 7.52. With regard to card payment transactions for which the payment order is submitted by the beneficiary or by the Client through the beneficiary and the amount of which is not known at the time the Client gives consent thereto, the Bank may block the funds on the Client's account solely with the Client's consent. The Client's consent must be given in respect of an exact amount of the funds to be blocked.
- 7.53. The Bank shall cancel the funds blocking pursuant to paragraph 7.52 as soon as it receives information about the exact amount related to the card payment transactions and at the latest upon receipt of the payment order for the related payment transaction.

### **Unauthorised overdraft**

- 7.54. If the debit transactions on any of the Client's account exceed the available balance (Unauthorised Overdraft), the Client shall immediately settle the Unauthorised Overdraft and renew the positive balance on the relevant account. The Bank has the right to notify the Client via email or letter about the need to settle the Unauthorised Overdraft on the Client's account within a specified time limit and charge for these actions. The Bank shall be entitled to claim a default interest on the amount of the Unauthorised Overdraft and fees determined by the Bank, commencing as of the date of occurrence of the Unauthorised Overdraft under the applicable Price List and Interest Rate Review. Unless agreed otherwise, the default interest on Unauthorised Overdraft is due daily. If the Client fails to settle the Unauthorised Overdraft on the relevant account depending on where the Unauthorised Overdraft will be registered by the Bank (in particular it may be registered at the Client's current account maintained by the Bank, and/or the Settlement Account) within one (1) month at the latest from the date of occurrence of the Unauthorised Overdraft (i) the Bank's receivable from the Unauthorised Overdraft shall become immediately due; and (ii) the Bank shall become entitled to satisfy its receivable from agreed security; and (iii) the Bank shall have the right to withdraw from the agreement, in which case the withdrawal shall become effective when a withdrawal notice is served to the Client. The settlement of default interest on Unauthorised Overdraft shall not affect the Bank's right to claim compensation for damage from the Client in respect of any loss suffered by the Bank as a result of the Client's failure to settle any financial debt.

### **Deductions from payment transaction amounts**

- 7.55. In the case of payment transactions executed in the currency of a non-EEA country and payment transactions with regard to banks providing payment services in non-EEA countries, the obligation to transfer the full amount of the payment transaction without any deductions shall not apply (for example, the charges or fees of other banks can be deducted from the transferred payment transaction amount on a case-to-case basis). In the case of payment transactions credited to the Client's payment account, the Bank shall be authorised to deduct from the transferred amount the applicable fee prior to crediting the

funds to the Client's payment account or prior to paying out this amount to the Client.

### Confirmation of balance

- 7.56. Where the Bank is requested by another provider issuing card payment instruments for information whether the balance on the Client's payment account, including potential credit limit, reaches or not the amounts of the card payment transaction executed by such provider, the Bank shall provide such information solely if:
- a) the Client explicitly granted the power to the Bank to disclose such information to a specific provider;
  - b) the Client's payment account is accessible through the internet at the moment of the request;
  - c) the provider requesting the information verifies its identity upon raising the query concerning the balance.
- 7.57. The Client hereby gives the Bank their explicit consent that in case that the Bank issued a card payment instrument by means of which the Client submitted a payment order for a payment transaction it may request any other provider which keeps the Client's account for information whether the balance on the Client's payment account kept by such provider, including potential credit limit, attains or not the amount of the card payment transaction executed by the Bank.
- 7.58. Upon the Client's written request, the Bank shall inform the Client within ten (10) days from delivery of the request, the name of the provider which requested information pursuant to paragraph 7.56, as well as the information provided to the provider pursuant to paragraph 7.56.

### Exclusion from liability

- 7.59. Should the meeting of the obligation by the Client or by the Bank pursuant to paragraphs 7.5 to 7.19, 7.22 to 7.39, 7.46 to 7.48, 7.51 to 7.53 or 7.55 to 7.58 be prevented by a circumstance which is unusual, unanticipated, independent on the will of the due party and whose consequences could not have been averted by the obliged party, the due party shall not be held liable for failing to meet such an obligation.

### Payment account information service

- 7.60. The payment account information service is a service consisting in the provision of information about the Client's payment account through the internet by a provider keeping the respective payment account, other than the Bank. Where the Client granted their consent to the provision of information on the payment account, the Bank which keeps their account shall provide information about the Client's payment account to the provider of the payment account information service to the extent as available to the Client through the internet, provided that the account kept for the Client is accessible through the internet. The Bank may reject to provide information about the payment account to the provider of the payment account information service if:
- a) it has any suspicion of unauthorised or fraudulent use of the payment instrument or the Client's personal security elements;
  - b) the provider requesting such information is not authorised to provide the payment account information service; or

- c) the provider of the payment account information service failed to prove its identity in compliance with the law.

The provider of the payment account information service shall act in compliance with the law, in particular: provide the payment account information service with the Client's explicit consent; provide the Client's security elements solely to the Client and the to the Bank which issued them; prove its identity to the Bank which keeps the Client's payment account upon any request for information about the payment account; in connection with the payment account information service, gather and process solely information about the payment account designated by the Client; not to request from the Client any sensitive data on Client's payments; and, in connection with the payment account information service, not to request from the Client and not to keep and process information about the Client information or their payment account other than required for providing the payment account information service.

## 8. SEPA DIRECT DEBITS

- 8.1. SEPA direct debits are made solely in EUR currency, whereas the creditor's current account of (recipient of the collected amount) must be solely in EUR currency. The debtor's account of debtor can be in CZK or other currencies.
- 8.2. CORE SEPA direct debit can be made between parties pursuant to paragraph 1.11.11 a) above, whereas that type of SEPA direct debit does not stipulate strict application of frequency of SEPA direct debit recurrence. B2B SEPA direct debit may solely be made between parties pursuant to paragraph 1.1.11 b) above and that type of recurring SEPA direct debit stipulates strict application of frequency of SEPA direct debit (i.e. FrSt, RCUR, FNAL).
- 8.3. The Bank shall make SEPA direct debit on Client's account in the position of debtor solely upon the Client's consent/authorisation to the execution of SEPA direct debit; such consent/authorisation must be delivered to the Bank no later than (1) working day before the due date of SEPA direct debit. The requisites of the consent/authorisation to SEPA direct debit shall be specified by the Bank. In case the Client does not grant their consent/authorisation to SEPA direct debit, the account kept with the Bank shall be blocked against SEPA direct debit and the Bank in the position of debtor shall not make SEPA direct debit on Client's account. The condition required for SEPA direct debit of an entrepreneur/legal entity is setting up the consent/authorisation with SEPA direct debit for the given creditor of SEPA direct debit upon their request. The Client shall immediately inform the Bank in the event of cancellation or any changes in the mandate in a particular SEPA direct debit of CORE or B2B type. Otherwise, the Bank shall not be responsible for incorrect execution or non-execution of SEPA direct debit due to non-compliance of data in the mandate granted to the creditor and the respective consent/authorisation to SEPA direct debit setup on the Client's account.
- 8.4. Execution of one-off SEPA direct debit: the Bank shall inform the Client in advance of one-off SEPA direct debit by e-mail or telephone Unless the Client sets up their consent/authorisation to SEPA direct debit against the respective creditor one (1) working day before the due date of SEPA direct debit, CORE or



B2B type of SEPA direct debit shall not be made and shall be refused by the Bank on the due date.

- 8.5. Execution of recurring SEPA direct debit: If it is the first of recurring SEPA direct debit, the Bank shall inform the Client in advance of the SEPA direct debit by e-mail or telephone. If the Client grants consent to the SEPA direct debit not later than by the end of the working day preceding the due date, the SEPA direct debit shall be made. Notifications shall not be sent for the next of recurring SEPA direct debit. In the case of the next of recurring SEPA direct debit against the respective creditor, where the Client has not set the necessary authorisation (granted consent) to the SEPA direct debit, notifications shall not be sent to the Client and the SEPA direct debit will be automatically rejected on the due date.
- 8.6. If the Client is in the position of Consumer and the SEPA direct debit is made with an indication that it is the last SEPA direct debit, the Bank shall automatically cancel the respective set-up authorisation to the SEPA direct debit for the given creditor of the SEPA direct debit. The Bank shall not inform the Client thereof in the form of notification.
- 8.7. SEPA direct debits shall be settled on the account of the Client in the position of debtor within the opening of the respective Banking day which corresponds to the due date of the SEPA direct debit. SEPA direct debits are not recycled. With SEPA direct debits the Client shall be responsible for the arrangement of sufficient available funds on the respective account not later than by the end of the Banking day preceding the due date of the SEPA direct debit; otherwise, the SEPA direct debit shall be rejected on the due date after the beginning of the respective Banking day. The Client in the position of debtor shall be entitled to recall the SEPA direct debit not later than one working day before its due date.
- 8.8. Notifications shall be communicated to the Client not later than on the next working day after the collection of the SEPA direct debit in the case that it is the first of recurring SEPA direct debit or a one-off SEPA direct debit and the Client has not set up the respective SEPA direct debit authorisation on the account against the respective creditor.
- 8.9. The Client in the position of debtor of CORE SEPA direct debit shall be entitled to:
- a) provide instruction to the Bank to restrict the SEPA direct debit to a certain limit or, simultaneously, to restrict the SEPA direct debit only for a particular creditor, if the Client is a Consumer;
  - b) provide instruction to the Bank to block any SEPA direct debit from the Client's account; or
  - c) provide instruction to the Bank to allow a SEPA direct debit incoming from one or more specified creditors up to a defined limit (the limit may not be equal to zero) for that creditor, while indicating the mandate reference;
  - d) provide instruction to the Bank to allow a SEPA direct debit incoming from a particular creditor up to a defined limit without indicating the mandate reference;
  - e) provide instruction to the Bank to block a designated particular SEPA direct debit.
- 8.10. The Client in the position of debtor of a SEPA direct debit is entitled to request the return of payments debited from the Client's account via SEPA direct debit as follows:

- a) in the case of an authorised CORE SEPA direct debit, not later than eight (8) weeks from debiting the payment from the Client's account (unless the payment was returned to the Client's account), without giving reason;
- b) in the case of an unauthorised CORE SEPA direct debit, in the period from eight (8) weeks until thirteen (13) months from debiting the payment from the Client's account (unless the payment was returned to the Client's account). In such case, the Bank shall apply the complaint proceedings under the General Business Terms and Conditions and make correction in the event that an error is identified. The Bank shall not be responsible for the consequences incurred to the Client with regard to the creditor if the refund is made upon Client's request.

This paragraph 8.10 shall not apply to B2B type of SEPA direct debits; in the case of B2B type of SEPA direct debits, the Client shall not be entitled to receive any refund.

- 8.11. If the Client is in the position of creditor, s/he may initiate a SEPA direct debit to the benefit of the current account and shall inform the debtor of the SEPA direct debit of the executed SEPA direct debit not later than fourteen (14) days before its due date (unless otherwise agreed). The SEPA direct debit may be recalled by the Client in the position of creditor not later than by 12.00 o'clock on the last working day before its due date.
- 8.12. The Bank shall ensure that the SEPA direct debit is executed on the date from the account of the debtor of the SEPA direct debit kept with the Bank or another bank within the SEPA Member States upon Client's order for a SEPA direct debit submitted by the Bank, whereas the amount will be credited on the creditor's account on the due date at the end of the respective working day. The Bank reserves the right to modify the due date of the SEPA direct debit, if the due date does not correspond to the rules defined for SEPA direct debit due dates with respect to the cut off time set in the Bank for the calculation of the latest acceptable due date of SEPA direct debits. This right shall also apply to SEPA direct debits made from a standing order to SEPA direct debit, when a SEPA direct debit is generated in intervals defined by the Client; in this case, the due date is determined by the Bank.
- 8.13. The same cut off time as the one defined for determining the SEPA direct debit due date shall apply to CORE and B2B type of SEPA direct debits.
- 8.14. The Client may become the creditor in a SEPA direct debit only in case s/he has been assigned a creditor identifier for a SEPA direct debit (CID) from the Registry of SEPA Direct Debit Creditors in the Czech Republic (RIP), administered by the Czech National Bank, or from the respective register of SEPA direct debit creditors in another SEPA Member State and has entered into an agreement on execution of SEPA direct debits with the Bank. If the Client has not been assigned a CID yet and meets the conditions for creditors through the Bank, the Bank shall take steps to assign a CID upon Client's request sent on a special electronic form (Excel) to the Bank's branch.
- 8.15. For CORE SEPA direct debit orders received within the Bank's central system on day D-1 by 18.00 o'clock, the SEPA due date is accepted:



- a) five (5) working days, i.e. D + 5 (incl.) for one-off SEPA direct debits or for the first order within a recurring SEPA direct debit;
- b) not later than two (2) working days, i.e. D + 2 (incl.) for the second and next orders within a recurring SEPA direct debit.

For B2B SEPA direct debit orders received within the Bank's central system on day D-1 by 18.00 o'clock, the due date of the SEPA direct debit submitted to the Bank not later than on the first working day before the requested due date is accepted, i.e. D + 1 (incl.). If this cut-off time is not complied with, the Bank shall automatically postpone the SEPA direct due date.

- 8.16. For each SEPA direct debit to the Bank, the Client in the position of creditor in the SEPA direct debit order shall send information related to the mandate and the Bank shall forward the information to the debtor's bank with each SEPA direct debit. If the information is not included in the SEPA direct debit, the Client shall inform the Bank in advance about how s/he will indicate the mandate reference (marked as UMR – Unique Mandate Reference) while submitting SEPA direct debit orders. The Bank shall not be responsible for non-execution of payment on the basis of the SEPA direct debit order if such order is rejected by the debtor's bank or the debtor or if the Client in the position of creditor indicates wrong data.
- 8.17. The condition for executing a SEPA direct debit is the timely handover of required documents. In addition to the requisites indicated in paragraph 8.18, the SEPA direct debit order shall include or meet the following:
  - a) name of the payment service which the Client requires to make (e.g. order for SEPA direct debit);
  - b) consent to making a SEPA direct debit in the form of a signature according to the current Signature Specimen to the account (including seal) or electronic signature (for payments via MultiCash and InBiz);
  - c) place and date of order issuance related to the SEPA direct debit; the date shall not be later than the date of submission of the order in the Bank;
  - d) legible, correct and complete information;
  - e) purpose and category of direct debit purpose, where applicable; if they are filled in, they have to be included in the ISO code book, otherwise the SEPA direct debit will be rejected.
- 8.18. Mandatory items of SEPA direct debit order submitted by the Client in XML format:
  - a) CID (creditor's identifier);
  - b) mandate reference (indicated as UMR – Unique Mandate Reference) which was assigned by the creditor to the debtor and which will be used with each SEPA direct debit. Identical UMR cannot be used for the first SEPA direct debit (i.e. with FrSt frequency) if a one-off SEPA direct debit with this UMR was made before (i.e. with OOFF frequency);
  - c) creditor's name;
  - d) creditor's IBAN;
  - e) debtor's IBAN;
  - f) debtor's name, if available;
  - g) swift code-BIC of debtor's bank;
  - h) amount in EUR currency;
  - i) type of SEPA direct debit scheme (CORE / B2B);
  - j) frequency of SEPA direct debit (one-off – OOFF, for the first recurrence – FrSt, the second and next recurrence – RCUR,

for the last recurrence – FNAL). If the frequency is not indicated, the SEPA direct debit will be automatically considered RCUR;

- k) date of mandate signature; if this date is not indicated, the Bank will automatically fill in the current date;
  - l) due date of the SEPA direct debit. If the due date is not indicated or it is indicated incorrectly, the Bank will determine the due date in accordance with paragraph 8.15;
  - m) the original mandate reference, if the mandate is taken over by a new creditor (it is mandatory only if it is changed);
  - n) the original CID, if the mandate is taken over by a new creditor (it is mandatory only if it is changed);
  - o) information for debtor, if requested by the Client;
  - p) reference of creditor or symbols (VS, KS, SS).
- 8.19. The Bank shall inform the Client about the rejection of the SEPA direct debit along with the reason of rejection indicated by the ISO code. If the Client uses MultiCash or InBiz services, the Bank shall inform the Client about the SEPA direct debit rejection in electronic form or by e-mail. If the Client does not use MultiCash or InBiz, the Bank shall inform the Client about the SEPA direct debit rejection via a relationship manager by telephone/e-mail.
  - 8.20. The condition for executing a B2B SEPA direct debit is the existence of consent/authorisation for a SEPA direct debit on the debtor's account for a particular creditor.
  - 8.21. The condition for starting to use the SEPA direct debit is the opening of the "Castelletto" credit line which serves solely for SEPA direct debits. The creditor must have this credit line active for 56 days after the due date of the last CORE direct debit and 5 days after the due date of the last B2B direct debit. During this period, the Bank shall not allow the creditor to close the account. If a SEPA direct debit reverse is made on the side of the creditor, the drawing amount from the "Castelletto" credit line shall be reduced by the respective amount.
- ## 9. CONTRACTUAL RELATIONSHIPS BETWEEN THE CLIENT AND THE BANK
- 9.1. The Client is not allowed, without the Bank's explicit written consent, to offset their receivables against the Bank's receivables against the Client, regardless of the amount, maturity, currency or obligation from which the receivables may arise. The Bank may offset its receivables due from the Client regardless of whether they are due or overdue and regardless of the legal title to these receivables and their currency against any Client's receivables due against the Bank (regardless of whether they are due or overdue, including Client's receivables related to funds on the account maintained by the Bank, for which the due date does not have to arise). The Client agrees to this offsetting on the side of the Bank due from Client's receivables. Notwithstanding the provisions of Article 1985 of the Civil Code, the Bank is authorised to offset, as the party maintaining the account for the Client, the funds deposited on the account to settle any Bank's receivable against the Client.
  - 9.2. If the Bank's receivable against the Client and the Client's receivable against the Bank are in different currencies, the Bank may convert the amount from one currency to the other by the current exchange rate average specified in the Exchange Rate List. In the case of conversion from one foreign currency to another, the respective foreign currency shall first be converted

into CZK and then from CZK into the other foreign currency in line with Bank's current exchange rate listed in the Exchange Rate List.

- 9.3. By signing an agreement with the Bank subject to the General Business Terms and Conditions, the Client shall extend, pursuant to Article 630 (1) of the Civil Code, the limitation period for all the Bank's receivables against the Client to ten (10) years. The provisions of the relevant legal regulations shall apply to the commencement of the limitation period.
- 9.4. The Client agrees that all Bank's receivables against the Client, as well as the entire agreement concluded with the Client regardless of the status of obligations or the extent to which they are paid at the time of assignment, can be assigned to a third person by the Bank, unless otherwise agreed in the agreement concluded between the Bank and the Client. The Bank shall inform the Client about the assignment of the receivables or of the entire agreement. The Client shall not be entitled to refuse the Bank's release from their duties to the extent of the assignment; Article 1899 of the Civil Code shall not apply.
- 9.5. The outstanding balance on the Client's account maintained by the Bank and all the Bank's receivables against the Client are due upon termination of any agreement between the Bank and the Client, and if there are more agreements and the agreement on keeping the account was not been terminated before, upon termination of the business relationships between the Bank and the Client, on the day of termination of the relevant agreement.
- 9.6. The Bank may withdraw from any contractual relationship with the Client by notice of termination with a notice period of thirty (30) days, unless otherwise provided herein, in the agreement or relevant legal regulations. The Bank may withdraw, with immediate effect, from any agreement/covenant concluded with the Client in the event of a substantial breach of that agreement by the Client. The Bank may apply this right if:
- a) The Client misled the Bank by misrepresenting facts, false statement, failing to notify, neglecting duties or otherwise;
  - b) The Client misrepresented the facts regarding their her financial situation; or
- the Bank may withdraw, with immediate effect, from any agreement/covenant concluded with the Client, if the Client's financial situation deteriorates or is likely to deteriorate.
- 9.7. If the Client failed to pay the Bank the outstanding amount on the due date, he/she shall pay the default interest which will increase on all outstanding overdue amounts from the first day of default (including this date) until the date of total repayment of the outstanding amount to the Bank (the date of total repayment is not counted). Default interest is calculated on a daily basis. Unless otherwise agreed individually, default interest is payable daily. Default interest rate, unless otherwise agreed in a specific Agreement between the Bank and the Client, shall correspond to the basic interest rate specified for the referred contractual relationship between the Bank and the Client (reference rate) increased by the percentage interest rate defined in the Bank's Interest Rates, per annum. As of the date of issuance of the General Business Terms and Conditions, the default rate is defined as reference rate + 15% of the amount due unless the individual agreement concerning credit banking products provides otherwise. The same interest rate shall ap-

ply in the event of termination of any agreement between the Bank and the Client (including withdrawal from the Agreement) and if the Client fails to repay the Bank's receivable which became outstanding due to the termination. Under Article 1806 of the Civil Code, the Bank is also entitled to claim interest on interest from the Client, i.e. the Bank is entitled to claim interest (if so agreed) and/or default interest (or any other payment the nature and purpose of which corresponds to default interest) on the amount of charged interest and/or default interest. For the same purpose, the Bank is entitled to capitalise the relevant receivables corresponding to interest and/or default interest in the relevant principal and claim for interest (if so agreed) and/or default interest (or any other payment the nature and purpose of which corresponds to default interest) on the capitalised amount. Eventual capitalisation in terms of the previous sentence shall not affect the maturity of the amounts corresponding to the capitalised interest and/or default interest (or any other payment the nature and purpose of which corresponds to default interest).

- 9.8. If the Bank receives payments lower than the amount of all the Bank's outstanding receivables, the payments shall be utilised for repayment of the receivables in the following order: (i) default interests and contractual penalties; (ii) contractual interests and other fees and charges related to the receivables, and (iii) principal of the receivables and all the other outstanding amounts; unless otherwise specified by the Bank.
- 9.9. The Bank shall be entitled to dispose of the funds in the Client's account if so permitted by law or by the Agreement. The Client agrees that the Bank shall be entitled to debit funds from the Client's account including the Settlement Account for the execution of payments, if it was set up for the Client for the following purposes:
- a) Payment of due and payable interest;
  - b) Tax deduction as per applicable law;
  - c) Settlement adjustment resulting from an erroneous adjustment performed by the Bank itself or by another bank, as per applicable law;
  - d) Execution of a final and enforceable decision (ruling) of a competent authority or, as the case may be, in other cases provided for by the law;
  - e) Payment of all charges, fees and costs related to the provision of Banking Services;
  - f) Payment of Bank's receivables;
  - g) Payment of credited payments from abroad, unless the sending bank ensured the coverage/transfer of funds to the credit of the Bank;
  - h) Refunding pensions and other legitimate allowances (however, only up to the amount of the credit balance in the account) to which the Client is no longer entitled, if the payer expressly requests that the unjustified payment is returned;
  - i) Refunding a direct debit amount credited to the Client's account reclaimed by the payer pursuant to the Payments Act; and/or
  - j) Payment of any other due receivables of the Bank in respect of the Client.
- 9.10. All payments payable by the Client to the Bank, in particular payment of fees in accordance with the Price List, shall be paid by debiting the Client's current account (hereinafter referred to as the "**Current Account**") or by debiting the Settlement Account, if it has been set up for the Client, or by debiting the ac-

count maintained with a third party, if the Client gave the Bank consent to direct debit for the "Direct debit" service. The Client undertakes that there shall be sufficient funds in the Current Account or on the Settlement Account or on an account maintained with a third party, if the Client gave the Bank consent to direct debit for the "Direct debit" service as at the due date of any amount payable pursuant to this Agreement and the Bank shall be entitled to debit the Current Account or the Settlement Account or the account maintained with a third party, if the Client gave the Bank consent to direct debit for the "Direct debit" service by such funds as at the due date and to accept such debited funds. In the case of direct debit from the Client's account maintained with a third party, the Bank will usually send the direct debit order to this third party five (5) Banking Days in advance. In the event that, as at the due date of a payment to be made by the Client to the Bank, there are no sufficient funds in the relevant account, the Bank shall be entitled to debit by such funds to any other bank account of the Client maintained by the Bank including any other accounts for repayment, if they have been set up for the Client (such other accounts of the Client administered by the Bank shall be hereinafter referred to as the "**Bank Accounts**"), up to the amount due and payable.

- 9.11. For the purpose referred to in the last sentence of the above paragraph, the Bank shall also be entitled to convert the collected funds from Bank Accounts in a currency other than the currency of outstanding debt to the currency of the outstanding debt with the valid exchange rate of the Bank on the date of conversion. In case of a conversion from one foreign currency into another, the relevant foreign currency shall be first converted into CZK and, subsequently, from CZK into the currency of the outstanding debt. In the case of drawing a loan product in a currency other than the currency of the credit limit, the Bank shall use the middle exchange rate (kurz "deviza střed") set by the Czech National Bank current as of the date of drawing the product for the purposes of conversion into this currency.
- 9.12. The provisions of this Article 9.11 also apply to Customers who are Consumers.
- 9.13. The Bank may enter into contracts for the provision of financial services with Clients who are Consumers also by means of distance communication which allows the conclusion of a contract without a simultaneous physical presence of the parties. The Bank of the Client who is a Consumer, informs him/her that the Client has the right to withdraw from the contract without giving any reason and without any contractual penalty or sanction, within 14 days from the date of conclusion of the contract. Withdrawal must be made in writing and sent to Všeobecná úverová banka a.s., pobočka Prague, Purkyňova 2121/3, 110 00 Praha 1, Nové Město, or to another address specified in the contract. The withdrawal must indicate in particular the name and surname of the Client, the indication of his/her permanent residence and the number or other identification of the contract from which the Client wishes to withdraw. By accepting these Terms and Conditions, the Client agrees that the Bank will begin to fulfil its obligations under the distance contract before the expiration of the withdrawal period. Should the Client withdraw from the contract, the Bank may request an immediate payment of the price for the services already provided to the Client by that date. If the right of withdrawal is not exercised, the contract remains valid and effective.

## 10. VERIFICATION OF IDENTITY

- 10.1. The identity of a natural person shall be verified by presenting passport or ID card. If the natural person is an entrepreneur, their identity shall be verified by presenting passport or ID card or extract from the Register of Trades, or any other document confirming their trade license.
- 10.2. The identity of a legal entity shall be verified by the original or certified copy of the extract from the Companies Register or other similar register not older than 30 days and by verifying the identity of the natural person acting on behalf of the Client. If the person acting on behalf of the Client is not the statutory body of the Client, presentation of the Power of Attorney to act on behalf of the Client is required. In justified cases, the Bank shall require presentation of the current extract from the Companies Register or other similar register. The obligations of the Client and/or rights and obligations of the Bank pursuant to the AML Act are thereby unaffected.
- 10.3. The Bank may request presentation of additional documents proving the identity of the Client, if required by law or for performing planned business or for their security. The Bank may refuse provision of the requested services, if the Client failed to prove their identity in the specified manner.
- 10.4. The Client shall immediately inform the Bank on the loss of their ID card. The Bank shall not be responsible for potential abuse of the ID card.
- 10.5. If the Client acts as a custodian, the Client shall identify before the Bank the fund in custody in the account of which the Client acts, and present to the Bank the documents requested by the Bank

## 11. MUTUAL COMMUNICATION, PROVIDING INSTRUCTIONS

- 11.1. The Account Holder only and exclusively shall have the right to conclude agreements and amendments thereto or terminations, produce and modify signature specimens and perform other activities related to account maintenance. Any person other than the Account Holder shall dispose with the Account upon special Power of Attorney granted by the Account Holder with officially certified signature of the Account Holder. The Account Holder may also authorise another person, until cancellation, to dispose with funds on the Account on condition that he/she presents the Bank with fully and duly completed signature specimen of such person on the relevant Bank's form and confirms his/her identity in the manner referred to in Article 9 hereof. If the Bank has any doubts about due authorisation of the person acting on behalf of the Client, the Bank may refuse provision of the requested service or execution of orders and instructions.
- 11.2. Any obligatory communication between the Client and the Bank shall be in writing and in electronic form usually using the electronic address [infovub@vub.cz](mailto:infovub@vub.cz) (including an electronic mail box within Electronic Banking); and by phone if so provided in an individual agreement with the Client. The Client and the Bank may also agree to use other forms of communication. The written form is required for any agreements, covenants or instructions which establish or may establish rights and/or duties for the Client and/or the Bank unless the possibility of



binding instructions giving over the phone or electronically is agreed in an individual agreement with the Client.

- 11.3. If the Bank requires documents or deeds, the Client shall, unless otherwise stipulated by the individual Agreement concluded between the Client and the Bank, present the original or certified copies of the documents; for international certification the Client shall present them superlegalised or with an official seal, unless otherwise stipulated by an international treaty by which the Czech Republic is bound or current legislation.
- 11.4. Documents confirming facts for the Bank shall be presented in Czech or shall be accompanied by certified translation. Unless otherwise agreed, communication between the Bank and the Client shall be in English or Czech.
- 11.5. The instruction for the Bank must be signed in front of Bank's employee or must be officially certified. The payment order submitted to the Bank must be signed by the authorised person in compliance with the signature specimen. The signature specimen remains valid until the Bank receives Client's notification in writing regarding signature withhold or cancellation or until the Client presents a new signature specimen to the Bank. If the Bank plausibly discovers (primarily on the basis of the extract from the Companies Register) that the person authorised by the Client to dispose with the Account or funds on the Account does not execute activities based on which he/she was authorised to dispose with the Account or funds on the Account, the Bank shall refuse provision of required services or orders and instructions made by such person until the validity of the respective signature specimen is confirmed by the Client. The Client shall confirm their authenticity before execution of the instruction, if requested.
- 11.6. The Bank, for execution of Client's instructions, has the right to secure its services via third parties upon its discretion and with respect to Client's requirements and interests.
- 11.7. The Bank and the Client shall immediately notify each other of any events, facts, failures or faults that are important for their mutual relationship and reply to any queries arisen by the other party regarding the referred matter. The Client shall notify the Bank of their address, telephone and fax number for sending correspondence. The Client shall also notify the Bank of any change in the aforementioned information.
- 11.8. The Client shall notify the Bank in writing of any change in any data provided to the Bank before or upon conclusion of the contract and related documents or afterwards, without undue delay after the change arose; in particular, the Client shall notify the Bank without undue delay of any change in their business name, company or name, registered office or primary residence, change in the composition of their statutory body and persons authorised to act on behalf of the Client.
- 11.9. The Client shall immediately inform the Bank on any disagreement between their orders and confirmation in writing issued or sent to the Client by the Bank after execution of the Client's order. If the Client fails to notify the Bank on any disagreement between their order and Bank's confirmation within three (3) days after receiving the confirmation at the latest, the Bank shall not be liable for any damage arising or resulting from such disagreement regardless of whether it was or may have been even partially liable.

- 11.10. The Bank records selected phone calls. The purpose of phone calls recording is to improve services in the area of loan and treasury products. Phone calls may be recorded and processed not only by the Bank, but also by company Dial Telecom, a.s., business ID: 28 17 54 93, with registered office at 36a/237, Karlín, Prague 8, entered in the Companies Register of Municipal Court in Prague, section B, file no. 12529 within outsourcing. The Client agrees to the use of the so recorded, processed and stored recordings and records, to the extent necessary, to adjudicate disputes, as means of evidence in judicial or similar proceedings or administrative or criminal proceedings or when the Bank finds out that the use of the recordings and records is necessary to protect the Bank's justified interests. The use of the recordings and records in terms of the previous sentence shall not be considered to be a breach of the bank secret. Phone calls shall be recorded for the time period corresponding to the provision of banking services to the Client and shall be stored during one (1) year after the phone call. Consent to the phone call recording is granted voluntarily. The Client has the right to access the personal data collected by the phone calls recording. Recorded personal data is protected in accordance with the Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("GDPR Regulation").

## 12. ELECTRONIC BANKING

- 12.1. If the Bank concludes a special ad hoc agreement with the Client, banking services may be provided to the Client also in electronic form and the Client may make use of the option to present the payment orders in electronic form, as well. The Bank operates system MultiCash, system InBiz and system InBiz International (hereinafter referred to as "**Electronic Banking**").
- 12.2. Legal relationships between the Client and the Bank regarding Electronic Banking are governed by:
  - a) Special Agreement on Electronic Banking;
  - b) Special business terms and conditions for Electronic Banking;
  - c) these General Business Terms and Conditions.
- 12.3. Electronic Banking services are charged pursuant to the valid Price List of the Bank.

## 13. STRONG AUTHENTICATION OF CLIENT

- 13.1. The Bank shall apply strong authentication of the Client in the cases stipulated by legal regulations, in particular if the Client:
  - a) accesses their payment accounts through the internet;
  - b) presents payment orders for electronic payment transactions;
  - c) executes other actions related to the risk of fraud in the payment system, misuse of the means of payment or information on the payment account; or
  - d) requests information on a payment account through the payment account information service provider.
- 13.2. Strong authentication of the Client means authentication based on at least the following two elements:



- a) data known only to the Client;
- b) items under the Client's sole control;
- c) Client's biometric data.

#### **14. FEES AND CHARGES FOR BANKING SERVICES**

- 14.1. The Client shall pay charge fees and charges for banking services provided in line with the Price List valid on the day of providing the banking service. The Price List shall form an integral part of the agreement on banking services concluded between the Client and the Bank. The Bank shall be entitled to update the fees and charges specified in the Price List. The Client shall be notified of any update. The current Price List is available on the Bank's web website [www.vub.cz](http://www.vub.cz) and in the branch of the Bank. Fees and charges agreed individually with the Client have priority over the current Price List.
- 14.2. If the Client, after Bank's notification on the change of the Price List, accepts the services provided by the Bank it is assumed he/she accepted the change and the change of Price List shall become mandatory and take effect from the date defined in the amended Price List.
- 14.3. If the Client disagrees with the changes in the Price List and fails to agree with the Bank differently, the Bank shall be entitled to withdraw from any contracted relation affected by the change of the Price List.
- 14.4. The current Price List specifying the fees and charges for provided services forms an integral part of these General Business Terms and Conditions herein.
- 14.5. Fees and charges and other costs are payable in the currency in which the related account is kept. The Bank may collect the aforementioned fees and charges in CZK upon on its own consideration.

#### **15. COMPLAINTS. LIABILITY FOR DAMAGE, RESOLUTION OF DISPUTES**

- 15.1. The Client shall submit any complaints or claims in writing or personally in the relevant branch during opening hours of the Bank. Each complaint submitted personally in the respective branch shall be made in writing and presented to the Client for signing for the verification of its contents.
- 15.2. The Client may lodge a complaint concerning Bank's activity to the Supervising Authorities specified in paragraphs 1.3 and 1.4 above.
- 15.3. Unless otherwise provided herein or in the relevant agreement, the Bank shall be liable only for damage suffered as a result of wilful act or gross negligence; the Bank shall not be liable for lost profit except for the cases provided herein.
- 15.4. The Bank shall be held liable for damage caused by failure or undue execution of the Client's order only if the Client's order is made in compliance with the legal regulations and the agreement concluded with the Bank.
- 15.5. The Bank shall not be held liable for any damage or loss arising from Client's or related party's actions whether caused by performing or failing to perform. The Bank shall not be liable for any losses or damage arising from Client's orders or instructions.

- 15.6. The Bank shall not be liable for any damage or loss arising from interrupted operations due to force majeure, social unrest, war, natural disasters or any other circumstances produced by government authorities in the Czech Republic or abroad, which the Bank may not influence.
- 15.7. The Bank shall not be liable for damage suffered by illegal actions of the Client or third person. The Bank shall not be liable for damage suffered as a result of the Client's late notification of the Bank of the expiration of power of attorney granted to the Client's representative.
- 15.8. Notwithstanding the provisions of Article 2890 of the Civil Code, the Client undertakes to compensate the Bank for any damage or loss arising from Bank's activities based on Client's notifications or instructions submitted by the Client to the Bank.
- 15.9. In cases stipulated by law (e.g. disputes regarding payments or consumer loan) the Client can address the financial arbiter or another relevant person under the conditions set by a special legal regulation. The previous sentence shall be without prejudice to the right of the Client to resolve a possible dispute between the Client and the Bank in the courts in the Czech Republic.
- 15.10. The Bank shall reply to the Client's complaint or claim related to the provision of payment services not later than 15 working days after delivery of such complaint or claim. At the Client's request, the Bank shall provide the reply in certificated paper form. Should there be any obstacle preventing the Bank from replying to the complaint or claim, independent of its will, within 15 working days after delivery, the Bank shall inform the Client within 15 working days following the receipt of the complaint or claim about the obstacles that prevent the Bank from replying, and shall reply to the Client not later than 35 working days after delivery of the complaint or claim.

#### **16. BANK SECRET, PERSONAL DATA PROTECTION, INFORMATION PROTECTION**

- 16.1. The Bank shall disclose any information about the Client and Client's business either upon written consent of the Client or if is requested to do so in order to fulfil legal duties of the Bank.
- 16.2. The Bank is in accordance with the GDPR Regulation entitled to process Client's personal data as well as personal data of individuals acting on behalf of Clients for purposes of banking services provision, risk and operational management, internal control, and Bank's reporting until the end of the period specified in Article 16, paragraph 16.1 hereof. The Client hereby also authorises the Bank to provide their personal data to other entities, including foreign ones, for the purpose of offering deals and services. The Client is authorised to revoke the consent to personal data processing or amend or modify the extent of that consent.
- 16.3. Notwithstanding the preceding provisions, the Client authorized the Bank to disclose Client's information subject to personal data protection, bank secret or business secret to the members of the Všeobecná úverová banka group (i.e. Všeobecná úverová banka, a.s. and the parties directly/indirectly controlling VUB and/or parties directly/indirectly controlled by VUB and/or parties directly/indirectly controlled by an identical entity that indirectly/directly controls VUB), as well as the rep-

representatives, legal, tax and other advisors of the above parties. In addition, the Bank shall be entitled to disclose the classified information to third parties in connection with exercised rights stemming from the contractual relationships between the Client and the Bank and the assignment of the Bank's receivables vis-à-vis the Client or assignment of the agreement, as well as to other banks within the intrabanking information system.

- 16.4. Based on Client's order, the Bank shall execute Client's international payments through the Society for Worldwide Interbank Financial Telecommunication network (hereinafter referred to as the "SWIFT"), which is currently the only company offering worldwide services that allow the Bank to provide for its clients global payment services. In order to ensure smooth payment process, all data arising from financial transactions is temporarily and simultaneously saved in identical format on several servers in the SWIFT operating centers in Europe and the USA. The Client hereby acknowledges that pursuant to US legal regulations, their personal data indicated on the international payment transactions (name, address, account no., amount, payment purpose) may form part of the information disclosed by SWIFT to the US Finance Department for the purposes of fight against terrorism.
- 16.5. Pursuant to Article 504 of the Civil Code, any communication or information that the Bank may provide to the Client within mutual contractual relationships or other covenants is deemed business secret. The Client hereby undertakes not to disclose or use such information contrary to its purpose with a view of personal gains.
- 16.6. The Client shall satisfy Bank's request to provide documents, information or any other form of co-operation that may be important for the existing or future contractual relationships, except for cases where the Bank's request turns to be unjustified.

## 17. FINAL PROVISIONS

- 17.1. These General Business Terms and Conditions shall be effective also in the period from the expiry day of the Agreement entered into between the Bank and the Client/or their business relations until final settlement of all Bank's receivables and Client's debts, accounts, balances and disputes as may occur between the Bank and the Client.
- 17.2. The Bank shall be entitled to modify these General Business Terms and Conditions. The change in the General Business Terms and Conditions represents an amendment to the Agreement between the Client and the Bank, and therefore it shall be proceeded in compliance with paragraph 7.44 above. The current wording of the General Business Terms and Conditions,

Interest Rates Overview, List of Foreign Exchanges, and the Price List are available on the Bank's web site (currently at [www.vub.cz](http://www.vub.cz)) and at the branch of the Bank.

- 17.3. Should these General Business Terms and Conditions, Client's orders, or any other documents be issued in addition to Czech language also in a different language, the Czech version shall take precedence.
- 17.4. The Client and the Bank shall do their utmost to resolve their disputes by out of court settlement. In the cases stipulated by law (e.g. disputes concerning the marketing and provision of payment services, offering, providing or arranging consumer credits or other credits or similar consumer financial services, disputes arising in the course of foreign exchange transactions, operating an account other than a payment account or in other cases stipulated by Act No. 229/2002 Coll., on Financial Arbitrator, as amended), the Client who is a Consumer can turn to a financial arbiter under the conditions set by a special legal regulation to resolve the dispute. The previous sentence shall be without prejudice to the right of the Client to bring the dispute before the respective court in the Czech Republic.
- 17.5. The Client shall release the Bank, prior to the expiry of the contractual relationship, from any debts and obligations accepted on behalf of the Client or following from the Client's order; if such release is impossible to carry out, the Client shall provide a sufficient security to the Bank.
- 17.6. Unless otherwise agreed between the Bank and the Client, the provisions of Articles 1765, 1766, 1977 to 1979, 2002 to 2004 and 2050 of the Civil Code shall not apply to the relationship between the Bank and the Client in addition to the aforementioned excluded provisions.
- 17.7. If a court or any relevant state authority finds any provision of the General Business Terms and Conditions invalid or ineffective, the invalidity or ineffectiveness thereof shall not impair the validity of other General Business Terms and Conditions provisions and all remaining provisions, which such invalidity or ineffectiveness does not relate to, shall remain valid and effective to full extent.
- 17.8. These General Business Terms and Conditions shall enter into effect on **1 January 2021** and supersede the previous General Business Terms and Conditions.