

Payment Processing Rules of VÚB a. s., Prague Branch

Valid from **13 January 2018**

These Payment Processing Rules supplement the valid General Terms and Conditions of VÚB a. s., Prague Branch.

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1 Terms and Definitions

Due Date in the case of money transfer from the Client's payment account means the day when the payment transaction amount is debited from the Client's payment account.

EEA means Member States of the European Union and of the European Economic Area Agreement, namely: Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Finland, France, Croatia, Ireland, Iceland, Italy, Cyprus, Liechtenstein, Lithuania, Latvia, Luxembourg, Hungary, Malta, Germany, The Netherlands, Norway, Poland, Portugal, Austria, Romania, Greece, Slovakia, Slovenia, the United Kingdom of Great Britain and Northern Ireland, Spain, and Sweden.

IBAN is the International Bank Account Number – international standardised form of account number created in concurrence with the European Committee for Banking Standards, enabling clear identification of the account, country and bank institution of the payee.

Cut-Off Time means the time limit specified in these Payment Processing Rules within the Business Hours after the lapse of which incoming payment orders are considered received at the beginning of the next Business Hours.

Bank Branch means Všeobecná úverová banka a.s., Prague Branch, with registered seat at Pobřežní 3, 186 00 Prague 8, Czech Republic, company ID: 48 55 00 19, entered in the Companies Register of the Municipal Court in Prague, section A, file no. 7735.

Terms and Conditions mean the General Business Terms and Conditions of VÚB a. s., Prague Branch.

Business Hours mean the period during which the Client can submit payment orders and carry out cash transactions and other banking transactions at the Bank Branch. The Business Hours of the Bank Branch are published on the website of the Bank Branch www.vub.cz and in the Bank Branch premises. The Bank has the right to modify the standard Banking Hours in certain periods (e.g. during Christmas holiday). The Bank Branch will inform the Client about any such change through its website www.vub.cz.

VÚB Bratislava means **Všeobecná úverová banka, a.s.**, with registered seat at Mlynské nivy 1, 829 90 Bratislava, Slovak Republic, company ID: 31 32 01 55, entered in the Companies Register of District Court Bratislava I, section Sa, file no. 341/B.

All terms written with capital letters which are not specifically defined herein shall have the meaning attributed to them in the valid Terms and Conditions.

2 Payments between VUB CZ and VUB SK

Refer to **free of charge** payments between the Bank Branch and VÚB Bratislava. Payments can be entered by means of a paper order or in electronic form via InBiz or MultiCash electronic channels. Such payments can be entered as foreign payments or SEPA payments processed as foreign payments.

3 Domestic Payments

Domestic transfer means a payment transaction in Czech currency with no currency exchange between payment accounts kept by providers of payment services in the Czech Republic, on the basis of a clear Client's instruction in the form of a payment order in paper (with the possibility of using the Bank's web forms) or electronic form. The date of issue of the payment order must not be later than the date of submission of the payment order to the Bank.

In addition to meeting the mandatory requirements as per the Terms and Conditions (in particular Article 7.6 of the Terms and Conditions), the payment order must contain in the heading of the paper payment order the text "EXPRES" in the case of express payments or must be marked as express payment in the case of electronic orders.

Non-mandatory information in payment orders: symbols (variable, constant, specific) in the given structure and remittance information.

Where the payment order does not state the due date, the Bank shall execute the payment order as of the current date as the due date. If the payment order fails to meet the mandatory requirements, the Bank shall reject to execute the payment order and return it to the Client as non-executable. The conditions for refusing a payment order are detailed in the Terms and Conditions (in particular Article 7.6 and further of the Terms and Conditions). The Bank shall not be liable for any damage incurred to the Client or third parties by rejection of payment orders in compliance with the law and the Terms and Conditions, and for any damage incurred to the Client or third parties by incorrectly or insufficiently filled in or forged payment orders.

The Bank shall process non-cash payments involving currency exchange using the exchange rate according to the Exchange List valid at the moment of payment order processing. In the case of currency exchange in the value exceeding CZK 750,000.00 (or its equivalent in foreign currency), the Bank may process the payment on the basis of an individual exchange rate set by the Bank, or the Client may agree an individual exchange rate with the Bank (both for over-limit and below-limit payments involving currency exchange). When entering payment orders via MultiCash or InBiz electronic channels, the Client is required, in the case that an individual exchange rate was agreed with the Bank, to indicate one of the agreed code words FX OBCHOD (with a space), FXOBCHOD (without a space) or SPOT in the field "Purpose of payment" or "Remittance information". When entering payment orders by means of a paper payment order, the Client is required to use exclusively the standard form of VUB Prague – "Payment order in foreign currency" (printed form or web form – Payment order in foreign currency), in which the Client shall indicate the agreed word in the field "Purpose of payment". If the Client fails to indicate the code word, the below-limit payment shall be processed using the exchange rate according to the Exchange List valid at the moment of the payment order processing.

In the event of a lack of available funds on the Client's account, the due payment orders shall not be settled (recycling pursuant to Article 7.7 of the Terms and Conditions) and shall be executed within three working days from the date of receipt of the payment order, whereas this period does not include the date of including the

payment in recycling. If the payment order cannot be executed during the period of recycling of the payment order due to a lack of funds on the payment account, the Bank shall be authorised to reject to execute the payment order. The Bank may charge a fee according to the Price List for removing a payment order from processing due to the lack of funds on the account. Express payments and payments with currency exchange are not included in recycling and shall not be processed by the Bank.

The time limits for the execution of payments are stipulated in the Terms and Conditions (in particular Article 7.11 et seq.).

Standard domestic payments are executed by the Bank so that the funds are credited to the account of the payee's provider at the latest by the end of the day following the date of receipt or the Due Date of (whichever is later) of the payment order. In order to have a payment order executed, the payment order must be submitted or sent (in electronic form) within the set time limit (see Cut-Off Times below).

Express domestic payments are executed by the Bank so that the funds are credited to the account of the payee's provider on the day of receipt or as of the Due Date of the payment order. In this case, in addition to the standard fee, the Bank shall also charge an extra fee for express payment. In order to have an express payment order executed, the payment order must be submitted or sent (in electronic form) within the set time limit (see Cut-Off Times below).

4 Foreign Payments

Unless explicitly provided otherwise, the Rules for Domestic Non-Cash Payments shall apply mutatis mutandis to foreign payments.

4.1 SEPA Payments

SEPA Payment means cashless money transfer in euro currency within the SEPA area. The current list of SEPA countries is available at <http://www.ecb.europa.eu/paym/retpaym/html/index.en.html>. The mandatory requirements for SEPA payments are stipulated in the Terms and Conditions (in particular Article 7.6 of the Terms and Conditions).

Non-mandatory information in SEPA payments: BIC code of the payee's bank; E2E (*end to end*) reference; and information for payee.

SEPA payments can be entered on the basis of Client's instruction by means of a payment order in paper (printed or web form) or electronic form via InBiz or MultiCash electronic channels.

If the payment is entered electronically as a foreign payment and meets the conditions for a SEPA payment, it is processed by the Bank and charged in the same way as SEPA payments.

The time limits for the execution of payments (including SEPA Payments) are stipulated in the Terms and Conditions (in particular Article 7.11 et seq.). Provided that the time limit set by the Bank for the receipt of payment orders is complied with, the payment can be credited to the account of the payee's provider of payment services on the same working day (D+0), this not being the Bank's obligation.

4.2 Standard Foreign Payments

Foreign payment is a payment transaction which does not meet the requirements for a SEPA payment and is executed in a foreign currency or in CZK to or from abroad, or a payment transaction executed in a foreign currency within the Czech Republic.

The mandatory requirements for foreign payments are stipulated in the Terms and Conditions (in particular Article 7.6 of the Terms and Conditions).

In accordance with Regulation (EU) No. 260/2012 of the European Parliament and of the Council establishing technical and business requirements for credit transfers and direct debits in euro, the Bank requires the payee's account number used for payments in euro within the EEA be indicated in IBAN format. Failure to indicate the account number in this format shall result in rejection of the payment. If the Client sends a foreign payment order which meets the requirements for a SEPA payment, the payment order shall be processed by the Bank and charged as a SEPA payment. In the case of payments in all currencies within the EEA, the payee's account number must again be indicated in IBAN format.

If the client fails to indicate the SWIFT code – BIC of the payee's bank, the Client shall be charged a fee for manual processing in accordance with the Price List. If the client requests the cancellation of the payment order once the payment transaction has been executed, the Bank shall consider it a request for payment refund from abroad (or inland). In such case, unless otherwise stipulated in the Terms and Conditions, (i) the Bank shall contact the intermediary bank or the payee's bank and request the payment refund; (ii) inform the Client about the acceptance of the request for payment refund in full or reduced amount or about the rejection of the request by the foreign (or domestic) bank, and (iii) the Bank shall charge the Client a fee according to the Price List, including potential fees charged by the foreign or domestic bank.

In the event that the payment order cannot be executed due to an incorrect IBAN or BIC of the payee's bank, the Bank shall be authorised to immediately reject such payment order without charging the fee. The payment order processing is conditional upon available funds on the Client's account, i.e. funds covering the payment, the Bank fee, an extra fee in the case of an express payment, and fees charged by other banks in the case of OUR instruction.

The time limits for executing standard foreign payments are stipulated in the Terms and Conditions (in particular Article 7.11 et seq. of the Terms and Conditions).

In order to have a standard foreign payment executed, the payment order must be submitted within the set time limit before the Cut-Off Time (see Cut-Off Times below).

Express foreign payments are executed by the Bank so that the funds are credited to the account of the payee's provider or to the account of the intermediary bank on the day of receipt or as of the Due Date of the payment order (whichever occurs later). In this case, in addition to the standard fee the Bank shall also charge an extra fee for express payment. In order to have an express payment order executed, the payment order must be submitted or sent (in electronic form) within the set time limit (see Cut-Off Times below). The extra fee for express payment is debited from the Client's account. In order to have the express payment executed, the payment order must be submitted within the set time limit (see Cut-Off Times below).

In the case of a foreign standard payment, the Client can determine which side would pay the fees charged by the Bank and foreign banks by indicating one of the codes below on the payment order:

- a) **SHA/SHAR** – the Bank fees are paid by the payer; the fees of intermediaries/correspondent banks and of the payee's bank are paid by the payee; unless otherwise stipulated by law, the payment transaction amount can be reduced by the fees charged by the correspondent banks and the payee's bank.
- b) **OUR/DEBT** – the Bank fees, the fees of intermediaries/correspondent banks and of the payee's bank are paid by the payer. The fees pursuant to the previous sentence can be charged additionally. A payment order in CZK, EUR or other currency in which the Bank performs transfers within the EEA with the fee instruction OUR irrespective of the conversion on the payer's account will automatically change upon processing into a payment order with the fee instruction SHA.

- c) **BEN/CRED** – the Bank fees, the fees of intermediaries/correspondent banks and of the payee's bank are paid by the payee; the payment transaction amount can be reduced by the Bank fees, fees of correspondent banks and the payee's bank. A payment order in CZK, EUR or other currency in which the Bank performs transfers within the EEA with the fee instruction BEN irrespective of the conversion on the payer's account will automatically change upon processing into a payment order with the fee instruction SHA.

If the payment order does not indicate any fee instruction, the payment order shall be executed with the fee instruction SHA.

Depending on the fee policy of other banks involved in the execution of the payment transaction, the Client as the payer may be charged fees of other banks also in case the Client submits a payment order with SHA or BEN instruction. In addition, these banks may charge the Client as the payer fees for the impossibility to automatically process a non-SEPA payment entered by the Client due to incorrect or incomplete data. The amounts of such fees are determined by the respective bank.

5 Due Date

Unless otherwise determined by the Client upon entering a payment order, the Due Date of the payment transaction is upon receipt of the payment order by the Bank.

Where the Client determines upon entering the payment order that the Due Date is to arise at a certain moment (deferred maturity), such Due Date must be at the latest on the 30th day following the submission of the payment order. Should the Client set the Due Date contrary to the previous sentence, the Due Date shall be considered set as of the 30th day following the submission of the payment order. Should the Client set a Due Date which is before the date of submission of the payment order, the Due Date shall be considered set as of the date of submission of the payment order.

If the Due Date set by the Client is on a certain day (and at a certain time within the day) and:

- a) the Due Date is identical with the date of submission of the payment order, the Due Date shall be considered set as of the moment of delivery of the payment order to the Bank; or
- b) the Due Date is after the date of submission of the payment order, the Due Date shall be considered set as of the beginning of the next Business Hours.

If the Due Date falls on a day outside Business Hours, the payment order shall be considered received at the beginning of the next Business Hours.

6 Cut-Off Times

The cut-off times for the categories of payment orders listed below are as follows:

- **16.00 o'clock** for standard domestic payments entered electronically (**without the need to intervene manually in the payment**);
- **15.00 o'clock** for standard domestic payments entered by means of payment orders in paper form;
- **12.00 o'clock** for express domestic payments entered both electronically and by means of payment orders in paper form;
- **16.00 o'clock** for SEPA payments entered electronically (**without the need to intervene manually in the payment**);
- **15.00 o'clock** for SEPA payments entered by means of payment orders in paper form;
- **11.00 o'clock** for SEPA payments credited on the same day (D+0)
- **15.00 o'clock** for standard foreign payments entered by means of payment orders in paper form;
- **10.00 o'clock** for express foreign payments entered by means of payment orders in paper form;

- **16.00 o'clock** for standard foreign payments entered electronically (**without the need to intervene manually in the payment**);
- **10.00 o'clock** for express foreign payments entered electronically;
- **16.00 o'clock** for payments to the benefit of accounts kept in VUB Bratislava, entered electronically;
- **15.00 o'clock** for payments to the benefit of accounts kept in VUB Bratislava, entered by means of payment orders in paper form.

The Cut-Off Time is determined on the basis of Central European Time, with potential deviation pursuant to Act No. 54/1946 Coll. on Summer Time and on implementing government regulation.

Unless explicitly provided otherwise, the time limits shall apply both to payment orders delivered via a counter or electronically. If the Client enters a payment order during the Bank's Business Hours before the Cut-Off Time, the Bank shall debit the transaction amount from the Client's account and process the payment on the same day. If the Client enters the payment order during Business Hours after the Cut-Off Time, the payment orders shall be considered received at the beginning of the next Business Hours, i.e. the Bank shall process the payment and debit the transaction amount from the Client's account at the latest during the next Business Hours.