

---

**GENERAL BUSINESS**

---

**TERMS AND CONDITIONS**

---

**OF UNICREDIT BANK**

---

**CZECH REPUBLIC, A.S.**

---

---

## **PART ONE**

---

### **I. COMMON PROVISIONS**

---

1. APPLICABILITY OF THE GENERAL BUSINESS TERMS AND CONDITIONS
2. VALIDITY OF THE GENERAL TERMS AND CONDITIONS
3. CHANGES TO THE GENERAL TERMS AND CONDITIONS
4. BUSINESS TERMS AND CONDITIONS
5. CLIENTS
6. ACTS PERFORMED BY THE CLIENT
7. CREATION, CHANGES AND TERMINATION OF A CONTRACTUAL RELATIONSHIP
8. FEES FOR SERVICES AND REIMBURSEMENT FOR EXPENSES
9. PAYMENT OF THE BANK'S CLAIMS
10. COLLATERALS
11. BANK SECRECY AND PERSONAL DATA PROTECTION
12. LIABILITY
13. METHODS OF COMMUNICATION, DELIVERY AND CLAIMS SETTLEMENT
14. GOVERNING LAW AND JURISDICTION
15. BINDING EFFECT OF THE COMMON PROVISIONS

---

## **PART TWO – PAYMENT SERVICES**

---

### **II. CONDITIONS FOR OPENING, MAINTAINING AND CANCELLING ACCOUNTS**

---

16. ADDITIONAL PROVISIONS ON ESTABLISHING A CONTRACTUAL RELATIONSHIP AND OPENING AND MAINTAINING AN ACCOUNT
17. AUTHORISATION TO TRANSACT WITH THE FUNDS IN AN ACCOUNT, DELIVER ORDERS AND ACCEPT DOCUMENTS
18. TRANSACTING WITH THE FUNDS IN AN ACCOUNT
19. FOREIGN CURRENCY ACCOUNTS
20. INTEREST ON ACCOUNT CREDIT BALANCES
21. CLEARING OPERATIONS ON ACCOUNTS
22. INFORMATION ON PAYMENT TRANSACTIONS
23. OTHER PROVISIONS ON CANCELLING AN ACCOUNT AND TERMINATING AN ACCOUNT KEEPING CONTRACT

---

## **III. PAYMENT SYSTEM**

---

24. NONCASH PAYMENT SYSTEM
25. CASH PAYMENT SYSTEM
26. CONDUCTING PAYMENT OPERATIONS
27. SETTLING CLAIMS IN THE PAYMENT SYSTEM AND CORRECTING CLEARING ERRORS
28. OTHER PROVISIONS ON LIABILITY
29. AMENDING A PAYMENT SERVICES CONTRACT

---

## **PART THREE**

---

### **IV. TERM DEPOSITS**

---

30. TERM DEPOSITS

---

## **V. BILLS OF EXCHANGE AND CHEQUES**

---

31. BILLS OF EXCHANGE
32. CHEQUES

---

## **VI. PROVISION OF CREDIT**

---

33. BASIC PROVISIONS
34. DRAWING OF CREDIT
35. INTEREST ON CREDIT AND CREDIT-RELATED FEES
36. CREDIT REPAYMENT
37. EXTRAORDINARY CREDIT REPAYMENTS
38. CERTAIN OTHER DUTIES OF THE CLIENT AND CONTROL OF THE FULFILMENT OF CREDIT CONDITIONS
39. SERIOUS BREACH OF THE CREDIT CONTRACT AND OTHER SERIOUS MATTERS
40. CONSEQUENCES OF A SERIOUS BREACH OF THE CREDIT CONTRACT AND OF OTHER SERIOUS MATTERS
41. OTHER PROVISIONS
42. BANK GUARANTEES

---

## **PART FOUR**

---

### **VII. OTHER PROVISIONS**

---

43. LANGUAGE OF LEGAL INSTRUMENTS
44. CURRENCIES AND CERTAIN RELATED PROVISIONS

---

## **VIII. FINAL PROVISIONS**

---

45. FINAL PROVISIONS

---

## **PART ONE**

---

### **I. COMMON PROVISIONS**

---

#### **1. APPLICABILITY OF THE GENERAL BUSINESS TERMS AND CONDITIONS**

**1.1** The General Business Terms and Conditions of UniCredit Bank Czech Republic, a.s. (hereinafter referred to as the “General Terms and Conditions” and the “Bank”) shall apply to all contractual relationships concerning banking services or arising in relation thereto between the Bank, as one party, and natural persons, legal entities or any other legally recognised entities (hereinafter referred to as the “Client”), as the other, and are effective from the time that a given contract is concluded between the Bank and the Client, unless explicitly agreed otherwise in particular contractual arrangements. (In the English language version of this document, all references to the Client using male pronouns refer equally to a Client who is female or that is a legal entity).

#### **2. VALIDITY OF THE GENERAL TERMS AND CONDITIONS**

**2.1** The General Terms and Conditions shall apply, in the wording effective as of the time the contractual relationship has arisen, until all claims that have arisen between the Bank and the Client are completely settled, except as these General Terms and Conditions will be changed in accordance with Article 3.

#### **3. CHANGES TO THE GENERAL TERMS AND CONDITIONS**

**3.1** The Bank is entitled to periodically amend the General Terms and Conditions. The wording of changes and amendments, or the complete wording of the amended General Terms and Conditions, will be published by the Bank in an appropriate way at its business premises, which are regularly open to the Client. The Bank shall provide the Client a written notice about an amendment to the General Terms and Conditions and on the method of their publication at least 30 days before the effective date of the amended General Terms and Conditions. The Client is obliged to acquaint himself with the amended General Terms and Conditions. If the Client does not express his explicit disagreement with the amended General Terms and Conditions in writing within 30 days after delivery of the amendment notification and continues to use the services provided by the Bank, then the new wording of the General Terms and Conditions becomes binding on the concluded contractual relationship as a change in the originally agreed conditions of the contractual relationship, effective from the date stated in the given amendment to the General Terms and Conditions.

**3.2** Article 29 shall apply in the case of an amendment to the General Terms and Conditions in Part II.

#### **4. BUSINESS TERMS AND CONDITIONS**

**4.1** If the Bank deems it expedient to do so, it shall issue special business terms and conditions for individual banking products offered to Clients. Such business terms and conditions shall constitute a supplement to the terms stated in these General Business Terms and Conditions or shall regulate certain matters differently (hereinafter referred to as the “business terms and conditions”).

**4.2** The business terms and conditions shall apply until all claims that have arisen between the Bank and the Client under the pertinent contract are completely settled. They shall apply in the wording effective at the time that the contractual relationship has arisen, unless they are changed. Article 3 shall apply as appropriate to any changes in the business terms and conditions.

**4.3** In relation to a particular transaction or service, any special provision contained in the business terms and conditions, the Tariff of Fees for Providing Banking Services (hereinafter referred to as the “Tariff of Fees”), and the respective contract between the Bank and the Client will be applied in preference over a general provision contained in these General Terms and Conditions.

**4.4** Should any of the provisions of these General Terms and Conditions, the business terms and conditions, or a particular contract become invalid or unenforceable in any respect in accordance with existing law, this shall not prejudice or affect the validity, enforceability or legal correctness of the remaining provisions. In consequence of the aforementioned, the Client is obliged to enter into an agreement with the Bank without undue delay after receiving a notice from the Bank. Such agreement shall replace the invalid or unenforceable provision of the General Terms and Conditions, business terms and conditions, or the particular contract with a valid and enforceable provision having, as nearly as possible, the same sense and purpose as that of the original provision.

#### **5. CLIENTS**

**5.1** In the course of concluding a contract and at any time during the life of a contractual relationship with the Bank, the Client is obliged to submit to the Bank documentation and records certifying the Client's establishment and existence or, as the case may be, the Client's identity. The Client may also be required to present other documents and records as requested by the Bank. The Client is obliged always to present valid documents and records in the form determined by the Bank. Any extracts and copies of documents from relevant registers presented to the Bank must be less than 3 months old. If the Bank has any doubts as to the validity of the presented documents due to their age or for other reasons, the Bank may reject such documents. Upon the Bank's request, the Client shall arrange for the issuance of an Apostille certification (in accordance with the Haag convention from 1961 abolishing the requirement of legalisation for foreign

public documents) for a document that was issued or authenticated abroad. If necessary, the Client shall arrange the super-legalisation of that document. The Bank is not obliged to accept a document executed in any other language than the Czech language. Before entering into a contractual relationship on the basis of which there arises or could arise a Client's financial obligation to the Bank, and at any time during the life of such a contractual relationship, the Client is obliged, at the Bank's request, to present a statutory declaration of his incomes and obligations to the state or any other entity ensuing from compulsory payments under the law. Such declaration shall indicate whether the Client is in default on payment of taxes or levies, social security and health insurance payments, customs duties and other obligatory payments. The declaration shall also contain a document issued by the tax administrator, social security administrator or, as the case may be, some other relevant entity, to certify proper settlement of the Client's obligations due. The declarations and confirmations presented to the Bank may not be older than 30 days.

**5.2** A Client entering into a business relationship with the Bank is obliged to submit to client identification and inspection before concluding a bank transaction and whenever requested to do so by the Bank as long as the relationship lasts. Client identification and inspection is carried out in the Bank on the basis of the Banking Act and the Act on Certain Measures against Legalisation of Proceeds from Criminal Activity. Identification of the Client may also be carried out for the Bank by entities co-operating with the Bank that it has authorised in writing to do so in accordance with the law.

**5.3** A Client of the Bank may also be a minor, subject to the consent of his legal guardian or a person or entity in an equivalent position (hereinafter referred to as the "Legal Guardian") and a declaration of the latter on the capacity of the minor to perform legal acts corresponding to the offered banking service. The Legal Guardian generally negotiates with the Bank on behalf of the minor about entry into a contractual relationship, its changes and its termination. The minor is only entitled to perform such acts in the extent defined in writing by the minor's Legal Guardian. The Bank's Client may also be a minor aged 15 years or older in the case of the establishment and maintenance of a special product designated for persons in this age group, subject to the Bank's business terms and conditions for the respective product. Consent of this minor's Legal Guardian is not required for establishing this product.

**5.4** The Client is obliged to inform the Bank in writing, or in some other suitable form determined by the Bank, about such facts that link the Client with other entities forming an economically connected group, as defined by the applicable regulations of the financial market regulator, or that would mean that the Client is a person or entity having a special relationship with the Bank, pursuant to the applicable act.

**5.5** The Client is obliged to inform the Bank in writing, or in some other suitable form determined by the Bank, of any changes in the information submitted to the Bank in the course of concluding contractual documentation or securing the Bank's receivables or, as the case may be, in the information provided subsequently. The Client is required to do so without unreasonable delay after such a change occurs and is particularly obliged to immediately inform the Bank about any changes in his title or name, registered office or place of residence, any changes in the composition of a statutory body, and any changes in the persons authorised to act on behalf of the Client.

**5.6** A Client who is a small businessperson in accordance with the pertinent act is obliged to document this fact to the Bank at its request. If he does not document this fact in a reasonable time, the Client shall not be regarded as a small businessperson. In such case, the conditions for small businesspersons as defined by the pertinent act no longer apply to the Client starting upon the first day of the following month.

## **6. ACTS PERFORMED BY THE CLIENT**

**6.1** The Bank and the Client deal with each other in person, in writing, by telephone or electronically.

**6.2** If a representative under a power of attorney acts on behalf of the Client, the Bank is entitled to request that the Client's signature on the power of attorney be officially authenticated or be authenticated by some other means acceptable by the Bank for the specific case.

**6.3** If the Bank has any doubts as to who is entitled to act on behalf of the Client, the Bank may reject the Client's instructions or orders, as well as payments made on behalf of the Client, until the manner of representation in the Client's name is reliably established.

**6.4** Until a minor reaches full legal age, the minor's Legal Guardian is entitled to transact with the funds in the minor's account as well as with the account itself. In stipulated cases, such minors may transact directly with such funds, but such minor may do so only in the extent defined in writing by the minor's Legal Guardian. This paragraph does not apply to minors aged 15 years or older for whom the Bank maintains a special product designated for persons in this age group, subject to the Bank's business terms and conditions for the respective product, the maintenance of which does not require the consent of such minor's Legal Guardian.

**6.5** On the basis of an authorisation given to the Bank and a declaration of a Legal Guardian on the capacity of a minor to perform legal acts in the corresponding extent, the Bank may accept acts performed by a minor as acts performed in the name of the Client. The Legal Guardian bears responsibility for the content and truthfulness of his declaration as to the extent of the minor's capacity to

transact with funds or, as the case may be, to perform some other legal acts.

**6.6** The Bank is not obliged to accept acts performed in a manner justifiably giving rise to doubts about authorisation to perform such an act or the validity of such an act. The Bank may also refuse to carry out an instruction that does not contain all required particulars or whose contents are vague or whose implementation might, in the Bank's opinion, result in a breach of law.

## **7. CREATION, CHANGES AND TERMINATION OF A CONTRACTUAL RELATIONSHIP**

**7.1** The Bank is entitled to choose a written form as the obligatory form for creation, change and termination of a contractual relationship with the Client even in cases where the written form is not required by law.

**7.2** Before termination of a contractual relationship, the Client is obliged to relieve the Bank of all obligations assumed on the Client's behalf or instruction, including surety. If the release from obligations cannot be effected, then the Client is obliged to provide collateral in a form acceptable to the Bank.

**7.3** Unless these General Terms and Conditions specify otherwise or an agreement exists with the Client as to the duration or a different manner of terminating the contractual relationship, the Bank and the Client are entitled to terminate a contract in writing even without stating any reason, subject to a one-month notice period. All of the Bank's receivables not yet paid shall become due on the first banking day following the date upon which the notice period expires, unless specified otherwise by the Bank.

**7.4** The Bank is entitled to withdraw from a contract with immediate effect if the Client breaches his contractual or legal obligations. The Bank is also entitled to withdraw from a contract with the Client with immediate effect if it becomes aware of serious facts that could substantially jeopardise the Client's capacity to fulfil his obligations ensuing from the contractual relationship with the Bank (such as impending suspension of payment, bankruptcy, enforcement of a legal decision against the Client, etc.). The same also applies if continuation of the contractual relationship, in consideration of the Client's identity or the character of the transactions carried out by the Client, might, in the Bank's opinion, threaten or harm the Bank's reputation and good name or if the Client commits a serious act resulting in deterioration of trust between the Client and the Bank (for example, providing the Bank with untrue statements, lack of co-operation with the Bank, etc.). The notice of withdrawal from the contract must be made in writing or in another agreed form and must state the reason for withdrawal. Withdrawal from the contract becomes effective as of the date of delivery of such notice, unless the Bank specifies otherwise in the notice. All the Bank's unpaid claims shall become due no later than on the banking day following the date on which the notice

of withdrawal is delivered to the Client, unless the Bank specifies otherwise.

**7.5** The contractual relationship shall also terminate upon dissolution or death of the Client. This does not apply if this contractual relationship passes on to the Client's legal successor.

**7.6** The Bank is entitled to reject an application for a service and do so without stating a reason.

## **8. FEES FOR SERVICES AND REIMBURSEMENT FOR EXPENSES**

**8.1** Unless otherwise agreed with the Client, the fees or other amounts charged for the provision of services (hereinafter referred to as "fees") are governed by the currently valid Tariff of Fees.

**8.2** The Tariff of Fees consists of several sections, each of which regulates the applicable fees for the Bank's individual client segments. The classification of a Client into a particular segment is determined by the Bank.

**8.3** Should the respective section of the Tariff of Fees or the segment assigned to the Client be changed during the life of the contractual relationship between the Client and the Bank, the Bank shall notify the Client of such occurrence in writing, usually by means of an account statement or in another appropriate form, at least 30 days before the effective date of such change. The Client is obliged to acquaint himself with the amended Tariff of Fees. If the Client does not express his explicit disagreement with the change to the respective section of the Tariff of Fees or with the change in his client segment classification within 30 days after delivery of the notice and continues to use the services provided by the Bank, then the Bank shall charge the Client the newly valid fee, beginning on the effective date of the amended section of the Tariff of Fees, or, as the case may be, from the effective date of the change in his client segment classification.

**8.4** In addition to fees, the Client is also obliged to pay, at the Bank's request, costs related to providing the service, i.e. especially the fees or charges of other domestic and foreign banks and institutions as well as communication and postage costs (but no more than the actual price of procuring such service), except when the law does not so allow. The Bank is entitled to charge these costs to the Client in an aggregate sum or, as the case may be, as a flat amount according to the Tariff of Fees.

**8.5** Unless otherwise agreed, the fees or reimbursement of expenses incurred in relation to providing a service is payable as determined by the Bank.

**8.6** Fees debited to an account that is maintained in a currency different from the currency of the fee as specified in the Tariff of Fees shall be recalculated into the currency of that account using the Bank's spot exchange

rate for purchased foreign currency applicable on the day of the fee settlement. As regards a fee in the foreign payment system that is defined as a percentage of the nominal amount of the transaction, the equivalent nominal amount in the currency specified in the Tariff of Fees shall be calculated using the Bank's spot exchange rate for selling the foreign currency applicable on the day of the fee settlement.

**8.7** If the Client is the recipient of a payment transaction, the Bank is entitled to deduct its own fee, according to the Tariff of Fees, from the transferred sum prior to its crediting to the Client's account or payment.

## **9. PAYMENT OF THE BANK'S CLAIMS**

**9.1** For the purpose of paying his financial obligations to the Bank, a Client is obliged to ensure that funds will be in his current account or, as the case may be, in some other agreed account in sufficient amount and on time. The Bank is entitled to collect the appropriate sums from the Client's account for payment of obligations due.

**9.2** If the Bank maintains more than one account for a Client, it can set off all its receivables due from the Client against its own obligations to the Client and carry out the settlement on any of the Client's accounts or on multiple accounts. If the Bank maintains for a Client who is an individual accounts for both his private as well as business purposes, it can set off all its receivables due from the Client against its own obligations to the Client and carry out the settlement on any of those accounts or on multiple accounts. The Bank shall inform the Client in writing against which receivables and in what amount the set-offs were carried out.

**9.3** Collection from the Client's account is carried out by the Bank usually in the order determined by the due dates of the Client's obligations to the Bank. If the available balance in the account, along with other funds provided by the Client to the Bank, is not sufficient for payment of all amounts due, then the Bank shall determine the sequence of payments, regardless of due dates or relevant instructions of the Client. In that case, the Bank is not liable for damage incurred by the Client as a result of unexecuted payments.

**9.4** Until all of the Client's obligations are settled, the Bank is not obliged to execute the Client's payment orders or other payment operations, which the Bank would otherwise be obliged to execute under the contractual agreement.

**9.5** Should the Client fail to settle its obligations to the Bank in a due and timely manner, the Bank is entitled at any time to set off any financial receivables due from the Client against any money claims the Client has with regard to the Bank, regardless of their currency, due date and underlying legal relation. By accepting these General Terms and Conditions, the Client agrees that the Bank may set off

its financial claims due and which the Client failed to settle in a due and timely manner against the Client's claims, and even those not yet due, from any of the Client's accounts maintained by the Bank. The Client shall bear any relevant costs for early payment. The Bank shall inform the Client in writing against which receivables and in what amount the set-offs were carried out. If the available funds are not sufficient to fully settle the Bank's claims in relation to the Client, the Bank may debit the Client's current account with the difference between the amount of the available funds and the amount of the Bank's claims. The Client is obliged immediately to pay up this debit balance (i.e. the amount by which the obligation exceeds the account balance).

**9.6** The procedure under 9.5 shall also be applied if a contractual relationship between the Bank and the Client is being terminated or if there are serious grounds to believe the Client may be unable to fulfil all of his obligations in future.

**9.7** The procedure under 9.5 and 9.6 shall not affect the Bank's right to require that payment of a contractual penalty be made without undue delay, if such penalty has been agreed in the respective contractual documents concluded between the Bank and the Client and provided that the conditions for imposing the penalty have arisen. The Bank is entitled to collect the corresponding amount directly from the Client's account. Exercise of a right to payment of a contractual penalty defined in these General Terms and Conditions, business terms and conditions, or ensuing from any contractual relationship between the Bank and the Client does not prejudice the Bank's right to compensation for damage incurred by the Bank as a consequence of a breach of the obligation to which the contractual penalty relates.

**9.8** If a claim is not paid in the term established or agreed, the Bank is entitled to charge a penalty rate of interest, instead of the agreed rate of interest, beginning from the first day of the default until the day preceding that when the amount due is fully paid. Any unpaid interest becomes a part of the principal amount. The penalty rate of interest applicable to the Bank's receivables in Czech currency during the time of default is established as the amount five times the Lombard interest rate announced by the Czech National Bank (hereinafter just "CNB"). The penalty rate of interest applicable to the Bank's receivables in foreign currencies during the time of default is established as five times the interest rate announced by the central bank of the country of the given currency as the Lombard rate or a corresponding rate for the given currency. If, however, five times such aforementioned (Lombard or similar) interest rate is lower than 20% p.a., the Bank is entitled to charge the amount due with a fixed penalty rate of interest of 20% p.a. The interest is calculated based on a 360-day calendar year and the actual number of days that payment is in delay.

**9.9** In justified cases, the Bank is entitled to increase the penalty rate of interest above the established limit. The

Bank shall publish any extraordinary increase in the penalty rate of interest in its business premises, which are regularly open to the Client.

**9.10** The penalty rate of interest is payable daily. The Bank is entitled at any time to request payment in full of penalty interest for the entire default period.

**9.11** If the Client fails to pay up his financial obligations due to the Bank in a due and timely manner, the Bank in such cases shall be entitled to temporarily block the Client's payment cards and direct and electronic banking products. Moreover, the Client is obliged to pay the Bank, upon the Bank's request, the owed amount and its appurtenances, including reimbursement for the costs incurred by the Bank in connection with recovery of its receivable (for example, reimbursement for the costs of legal representation, out-of-court recovery processes, legal proceedings, etc.).

**9.12** In relation to the Bank's rights that are governed by these General Terms and Conditions, the Client, by concluding a banking business contract, gives his consent to extension of the limitation period during which the Bank shall be entitled to assert its claims against the Client arising from the contracts with the Bank and from these General Terms and Conditions to a total of ten years.

## **10. COLLATERALS**

**10.1** If by the nature of a banking service provided a financial obligation of the Client to the Bank could arise, the Bank is entitled, at any time during the life of the relationship of obligation, to request collateral or, as the case may be, additional collateral for the Client's current, future and contingent obligations. The Client is obliged to provide collateral or, as the case may be, additional collateral in such form, quality and value as determined by the Bank. The Bank is entitled to request collateral for any pertinent future or contingent obligations of the Client to the Bank as a condition for acting on behalf of the Client.

**10.2** At the Bank's request, the Client is obliged to provide the Bank, at the Client's own expense and without undue delay, with an appraisal of the subject of collateral produced by an expert approved by the Bank. The appraisal may also be made by the Bank. If the Client does not so act, the Bank shall be entitled to produce an appraisal or to have the appraisal produced at the Client's expense. In justified cases, the Bank is entitled to procure verified appraisal of the collateral at the Client's expense. If the appraisal of the collateral is carried out by the Bank or if the appraisal is verified by the Bank, the Client shall be required to reimburse the Bank for the costs associated with conducting or verifying the appraisal.

**10.3** All costs incurred in connection with creating, administering or realising collaterals (such as storage fees, safekeeping fees, insurance premiums, brokerage, costs of legal proceedings) shall be paid by the Client.

## **11. BANK SECRECY AND PERSONAL DATA PROTECTION**

**11.1** The Bank guarantees observance of bank secrecy and protection of lawfully protected data pursuant to current law and the contract with the Client during the contractual relationship as well as after its termination. By accepting the General Terms and Conditions, the Client acknowledges the Bank's entitlement and obligation to disclose information to such extent and on such conditions as established by generally binding legal regulations. Other than thus established, the Bank is authorised to provide information in accordance with these General Terms and Conditions. The Bank is also authorised to provide third parties, upon their request, with such banking information within the conditions agreed with the Client and with the Client's further approval.

**11.2** By accepting the General Terms and Conditions, the Client acknowledges and agrees that information concerning the Client (including the Client's full identification) and which is subject to bank secrecy, personal data protection or other legal protection, may be made accessible to persons who by virtue of their proprietary rights are participating in the management and commercial or methodological running of the Bank; the Bank's employees; persons co-operating with the Bank in fulfilment of its obligations, including execution of rights and responsibilities ensuing from the contracts concluded with the Client concerning individual banking transactions; persons or entities processing the personal data or their employees; persons entitled under other legal regulations (for example, supervisory bodies, including those in the countries of the registered offices incorporated in the UniCredit Group); the Bank's shareholders; entities included in the UniCredit Group and persons or entities maintaining the interbank information systems in the countries of the registered offices of the Bank's shareholders, and especially for purposes of fulfilling the contract with the Client, protecting the Bank and UniCredit Group against risks, rendering of accounts, auditing, internal audits, etc. As the case may be, this information may also be disclosed to other persons and entities, subject to special consent from the Client.

**11.3** By accepting the General Terms and Conditions, the Client also authorises the Bank to disclose information that relates to the Client and is subject to bank secrecy or other legal protection during negotiations about assigning its receivables from the Client or any part thereof; about a syndicated loan or, as the case may be, some other similar business cases concerning the Client; or in case of an information exchange between the Bank and an entity that intermediated establishing the contractual relationship between the Bank and the Client.

**11.4** By accepting the General Terms and Conditions, the Client also agrees to the use of any possible recordings of communication between the Client and the Bank in an extent limited by law as evidence in any proceedings before

courts or administrative bodies or whenever the Bank deems it necessary for protecting its rightful interests. The use of recordings in accordance with this provision shall not be regarded as a breach of bank secrecy.

**11.5** By accepting the General Terms and Conditions, the Client permits the Bank to disclose the Client's bank account data and identification information to other banks for the purpose of the payment system.

**11.6** Unless the Client disapproves, the Bank is entitled to process information, including the Client's name, surname, address and other contact information, which the Bank may obtain in connection with its activities, for the purpose of offering products or services to the Client. Disapproval of such processing must be communicated in writing.

**11.7** The Bank processes the Client's personal data to an extent corresponding to the information provided by the Client for various products. The Bank may process personal data relating to the Client's creditworthiness and trustworthiness, to an extent that is in accordance with the law or the Client's respective consent, that is received from the interbank, credit or other registers.

**11.8** The Bank shall process the Client's personal data automatically as well as manually and does so on its own or through processing companies with which the Bank has entered into contracts for processing of personal data in accordance with the Act on Personal Data Protection.

**11.9** The provision of personal data by the Client is voluntary. Such provision, to the extent in which the Bank is obliged to ascertain, process and keep the Client's personal data under the Banking Act and Act on Certain Measures against Legalisation of Proceeds from Criminal Activity, is a condition for the provision of the Bank's services.

**11.10** Should the Client ask the Bank for information about processing of his personal data, the Bank is obliged to provide such information without undue delay. Pursuant to the Act on Personal Data Protection, the information so provided will always include: (i) the purpose of personal data processing; (ii) personal data or personal data categories that are subject to processing, including all available information about their sources; (iii) the nature of the automatic processing relating to its use for decision-making, if such processing is a basis for actions or decisions that infringe upon the rights and legitimate interests of the subject of the data; and (iv) the recipient or categories of recipients. The Bank is entitled to require compensation for the provision of information that is adequate but that does not exceed the costs of providing such information. The Bank's obligation to provide such information may be fulfilled by the entity responsible for processing that information. A Client who discovers or believes that the processing of his personal information performed by the Bank, or by a specific processing company that processes personal data for the Bank based

upon a contract with the Bank, is inconsistent with the protection of the Client's private and personal life or with the law, and especially if the personal data is inaccurate in consideration of the purpose of its processing, may request that the Bank or the specific processing company explain and remedy such situation. In particular, this may include blocking, correcting, amending or deleting the personal data. If the Client's request is legitimate, the Bank or the specific processing company shall remedy the defective situation without delay. If the Bank or the processing company does not satisfy the Client's request, the Client is entitled to contact the Office for Personal Data Protection directly. The specified procedure does not preclude the Client's directly addressing the mentioned authority. If the Client incurs damage, other than injury to property, due to personal data processing, the procedure for making claims under the respective law shall apply.

**11.11** Whenever requested by the Bank, the Client is obliged to prove the verity of the information provided to the Bank in the required form. By providing the Bank with any legally relevant information concerning an existing contractual relationship or one that is being established with the Bank, the Client also permits the Bank to verify that provided information in a suitable manner.

**11.12** If the Client authorises a third party to use direct or electronic banking products, he gives the Bank his agreement that the Bank may disclose to such party through these products any information that otherwise would be subject to bank secrecy.

## **12. LIABILITY**

**12.1** Unless stipulated otherwise by law, the General Terms and Conditions, the business terms and conditions, or a specific contractual agreement, the Bank is only liable for damage arising due to a breach of its obligations.

**12.2** If no special agreements exist, the Bank does not assume obligations other than those that are stated in the General Terms and Conditions, business terms and conditions, or a specific contractual agreement or that ensue from generally binding law.

**12.3** Unless caused by the Bank, the Bank is not liable for any damage arising from an error in delivery or in telephonic, telegraphic, telex or other communication with the Client.

**12.4** In the case of services provided through public communication networks of telecommunication companies, postal services or some other entity that is not controlled by the Bank, the Bank is not liable for any damage arising as a consequence of misuse of the transmitted information, faulty procedures, technical defects, system failures, illegal activities or any other shortcomings and mistakes arising on the part of these entities.

**12.5** The Bank is not liable for damage or loss incurred by the Client due to an obstruction that occurred independently of the Bank's will and that prevented the Bank from fulfilling its obligation, unless it can be reasonably presumed that the Bank could have averted or overcome that obstruction or its consequences and that it could have foreseen such obstruction at the origin of the obligation.

**12.6** The Bank is not liable for any damage caused by unlawful dealings of the Client or any third party (for example, if a counterfeit document was presented to the Bank or if the Bank was misled in some other way), except for damage resulting from gross negligence on the part of the Bank.

**12.7** The Bank is not responsible for the consequences of the Client's decisions and actions, even if these were taken based upon the Bank's opinion, unless the law establishes otherwise. The Bank is not responsible for the Client's business activities or the purpose for which funds are used.

**12.8** The Bank is not liable for any damage resulting from failure to carry out an instruction given in a way that justifiably raised doubts about its legitimacy or validity, which did not contain all the required particulars, or whose execution could in the opinion of the Bank have resulted in a breach of law.

**12.9** The Bank is not liable for any damage resulting from the fact that it had not been informed in a timely manner about the expiration of an authorised person's right to transact with the funds in the account as defined in Article 17.3 of the General Terms and Conditions.

**12.10** The Bank is not liable for any damage resulting from the fact that it had not been informed in a timely manner about the Client's loss of legal capacity or about some other restrictions on the entitlement of the Client to act in relation to other parties.

**12.11** Unless the Bank is required otherwise by law, another legal regulation, or a binding standard, the Bank is not obliged to inform the Client about currency risk, about any other possible consequences of the financial operations or other banking transactions carried out by the Client, or about the value of the items handed over to the Bank for safekeeping. Nor in these cases does the Bank bear responsibility for consequences of the Client's decisions and chosen courses of action.

**12.12** The Bank is entitled for good reasons to limit or shut down its operations for a necessary period of time and is not liable for possible damage thereby incurred by the Client.

## **13. METHODS OF COMMUNICATION, DELIVERY AND CLAIMS SETTLEMENT**

**13.1** Mutual and legally binding communication between the Client and the Bank is governed by the obligation that this be in written form, unless communication in some other form is required due to the nature of the banking service being provided, the nature of the matter in question, or an explicit agreement.

**13.2** All written materials, orders and other parcels suitable for postal delivery (hereinafter referred to as "postal communications") may be delivered between the Bank and the Client by post, courier service, electronic data cache or another similar method, as appropriate. The Bank may choose methods of delivery other than stated in this Article 13.

**13.3** If the Bank is to be informed about a situation in advance, the Client is obliged to provide the Bank with the corresponding information at least 30 days prior to the event, if this is possible under the given circumstances. Otherwise, the Client is obliged to provide such information without unreasonable delay after learning that such situation will arise. If the Bank is to be notified subsequently, then it is necessary to provide the information without any delay after learning the pertinent facts.

**13.4** The Bank is entitled, according to its best discretion, to send valuables by methods usual in the banking business, insured or uninsured, by registered post or with indication of a lower value, unless the Client has instructed otherwise. Cheques to be cashed are usually sent by post as a regular postal communication. Other uninsured cheques and bills are sent by registered post. The risks associated with possible loss, destruction or misuse of a postal communication are borne by the Client.

**13.5** The Bank sends postal communications to the address stated in the contract as the Client's registered office (place of residence), unless the Client provides a contact address for delivery of all correspondence.

**13.6** The Bank's written communications sent by post are deemed to have been delivered on the 10th banking day after their dispatch, if they were sent to the last address that was notified to the Bank or that is otherwise known to the Bank, even if a third party is authorised to receive such communications.

**13.7** Communications sent by the Bank using communication means (e.g. telefax), in an electronic form, or in any other similar way are deemed to have been delivered on the date on which they were sent.

**13.8** Documents deposited on the basis of an agreement with the Client for him at the Bank's respective premises are deemed to have been delivered on the date when they are collected. Otherwise, they are deemed to have

been delivered on the 10th banking day following the day on which they were deposited for the Client at the Bank's respective premises.

**13.9** Upon delivery of a document in relation to which a claim shall ensue, or after having received that communication in some other form, the Client is obliged to file his claim, in writing or in another form accepted by the Bank, relating to any possible defect that was discovered. The Client must do so without undue delay and in no case later than 3 months after the defect occurred. If the Client does not file a claim about any defects within the established period, it shall be deemed that the Client agrees with the data as communicated.

**13.10** The Client agrees that communication taking place between the Client and the Bank concerning banking services provided can be recorded on magnetic tape, optical disk or some other medium that enables recording, keeping and reproducing that communication.

**13.11** If authentication of the identity of a person or, as the case may be, official authentication of the person's signature is required pursuant to a specific contract between the Bank and the Client or pursuant to these General Terms and Conditions, the Bank may itself authenticate the identity of that person or, instead of official authentication of the person's signature, the Bank may allow some other authentication to be carried out by such persons and in such form as is accepted by the Bank.

**13.12** Unless stipulated otherwise by these General Terms and Conditions in specific cases, the Bank discloses to the Client information, including the currently valid wording of these General Terms and Conditions, within the statutory time limitations at its internet address.

#### **14. GOVERNING LAW AND JURISDICTION**

**14.1** By accepting the General Terms and Conditions within the meaning of Section 262 of the Commercial Code, Act No. 513/1991 Coll., the Client agrees that the provisions of the Commercial Code will also be valid for those relationships between the Client and the Bank that are not subject to the Commercial Code.

**14.2** Unless otherwise agreed in a specific contractual arrangement with a foreign Client, the Czech legal order shall govern the contractual relationships. Any possible disputes in relation thereto shall fall under the jurisdiction of the appropriate Czech courts.

**14.3** For resolving disputes between the Bank and Client, and unless stipulated otherwise by law, the appropriate court shall be the general court where the Bank is located.

**14.4** If a dispute between the Client and the Bank ensues from the execution of fund transfers, and such dispute so arising cannot be resolved by amicable settlement, the

Client is entitled to appeal to the financial arbitrator with a petition for resolving the dispute.

#### **15. BINDING EFFECT OF THE COMMON PROVISIONS**

**15.1** Unless explicitly agreed otherwise, these Common Provisions of the General Terms and Conditions are binding for all types of services provided by the Bank.

---

## **PART TWO – PAYMENT SERVICES**

---

### **II. CONDITIONS FOR OPENING, MAINTAINING AND CANCELLING ACCOUNTS**

---

#### **16. ADDITIONAL PROVISIONS ON ESTABLISHING A CONTRACTUAL RELATIONSHIP AND OPENING AND MAINTAINING AN ACCOUNT**

**16.1** The Bank maintains accounts in the Czech currency or a foreign currency. The Bank opens an account based upon a written contract concluded with the Client (hereinafter also referred to as the "account owner"). The contract constitutes an obligation of the Bank to open and maintain an account for the Client and an obligation of the Client to pay the agreed fees for the services provided by the Bank.

**16.2** An agreement between the parties on an amendment to or termination of the contract on the basis of which the Bank maintains an account for the Client must be in writing.

**16.3** When opening an account, the Client is obliged to provide to the Bank, and appropriately to verify, data that the Bank needs in order to meet its obligations to the tax administrator, and in particular information that is essential for determining the tax treatment (i.e. information on the Client's tax residence), and including a declaration regarding ownership of income and a declaration of whether or not the account being opened shall be used for business activities. The Client is obliged to respect the special purpose designation of the account throughout its existence. The Bank reserves the right to deduct tax from the account at any time if the Client does not submit the required documents. If any change occurs on the part of the Client that could affect the tax treatment applied, the Client is obliged to inform the Bank about such a change immediately upon its occurrence and to substantiate this change with the necessary documents. If the Client does not inform the Bank of such changes in a timely manner, the Bank is obliged to recover the uncollected tax from the Client, even retroactively. The Client is obliged to document the facts relevant to determining the tax treatment upon the Bank's request at any time throughout the existence of the account as well as after its termination.

**16.4** The Client is obliged to properly complete the signature specimen form pertaining to the account and to sign documents in accordance with the signature specimen in his written contact with the Bank, unless the Bank accepts otherwise in a specific case.

**16.5** When an account is being opened and a signature specimen being made, unless the Client signs the respective documents directly in the presence of an appropriate Bank employee or another person specifically charged with ensuring the identification for the Bank, the Client's signature must be officially authenticated, and a public record of the Client's identification must be drawn up in accordance with the legal regulations.

**16.6** The Bank is entitled to establish minimal limits for the amount of a deposit, balance, average balance or turnover of the accounts kept by the Bank. The Bank shall notify the Client of the decision to establish such a limit. The Client is obliged to adhere to the limits set by the Bank during the entire duration of the account maintenance agreement.

**16.7** Deposits in the accounts, including their interest, are insured under the conditions defined by the Banking Act. The amount and method of payment of compensation, as well as other conditions, are defined by law.

**16.8** The fee for account maintenance and reimbursement of expenses are generally due on a monthly basis in arrears and always at the last banking day of the relevant calendar month (or, as the case may be, of a month, quarter, half-year or year). The Bank is also entitled, however, to collect the specified fee and reimbursement of expenses at any time during the relevant period in which the fee is charged or reimbursement of expenses requested. On such established dates, the amounts representing the sum of fees and expenses of the Bank for the given period shall be collected directly from the Client's account.

**16.9** In justified cases, and upon a prior written notice having been sent to the Client, the Bank is entitled to change any of the Client's account numbers.

## **17. AUTHORISATION TO TRANSACT WITH THE FUNDS IN AN ACCOUNT, DELIVER ORDERS AND ACCEPT DOCUMENTS**

**17.1** On the signature specimen, the account owner may authorise other persons to transact with the funds in an account. The signatures of such persons must also be affixed to the signature specimen. Unless they are limited by the account owner in transacting with the funds in the account, authorised persons are entitled to carry out all transactions with these funds, including all transactions relating to documentary credits. Authorised persons are not entitled to transact with the account itself (in particular, to cancel it or to change instructions relating to its maintenance) and neither are they entitled to grant further authorisation to transact with funds in the account, with the exception of a notice of withdrawal from a savings account.

Authorised persons do not receive information about payment transactions or any other correspondence, except when sending specific documents to the attention of an authorised person has been explicitly agreed.

**17.2** If the account owner is a legal entity, the entitlements of authorised persons to transact with the funds in the account granted through a duly completed signature specimen remain in effect regardless of any changes in the rights and obligations of those persons toward the account owner or in the manner of acting on his behalf until such time as these entitlements are changed or revoked or otherwise cease to exist in accordance with the generally binding legal regulations.

**17.3** The right of an authorised person to transact with the funds in the account expires by the account owner's revocation of that right or by the authorised person's giving notice of renouncing that right. The right of an authorised person to transact with the funds in an account also ceases to exist upon the death of the authorised person or upon the death or dissolution of the account owner. The account owner or the authorised person is obliged to inform the Bank of the expiration of the right to transact with the funds in the account and the legal reasons for such expiration without unreasonable delay after such expiration occurs and to reliably document such fact. The account owner or, as the case may be, the authorised person is responsible for duly providing the Bank with the information described in this provision. In case of a change in the persons authorised to transact with the funds or, as the case may be, a change in the manner of signing, the said facts shall become binding for the Bank beginning from the banking day following after the date upon which the Bank received the changed signature specimen. In justified cases, however, the Bank may proceed according to the changed signature specimen as early as upon the date of receipt thereof, if the Bank and the Client agree on such procedure.

**17.4** Authorisation to transact with the funds for each banking product is fully governed by the Bank's business terms and conditions for the specific banking product.

## **18. TRANSACTING WITH THE FUNDS IN AN ACCOUNT**

**18.1** Unless dictated otherwise by the nature of the banking service provided, the Client is obliged to give all instructions concerning the funds in an account through a written order signed in accordance with the valid signature specimen. All orders must be submitted with the required information on properly completed and signed forms, as specified by the Bank. In exceptional cases, the Bank may accept an order in the form of some other written instruction that contains all particulars required by the Bank.

**18.2** Submitting orders to transact with the funds in the account through transmission media and remote data

transmission is only possible under a special agreement, which the Client shall conclude with the Bank in writing.

**18.3** The Client is entitled to transact with the funds in an account by using clearing orders, using payment instruments pursuant to articles 24 and 25 of these General Terms and Conditions, or, as the case may be, through other means of payment pursuant to a special contract.

**18.4** The Bank is entitled to block an agreed amount in an account for a specifically defined purpose for a specified period of time.

**18.5** The Bank does not examine the ownership rights to the funds deposited in an account and does not bear any responsibility for any violation of a third party's rights caused in connection with the funds in the Client's account and transactions therewith. Unless a court or another authorised body orders otherwise, the Bank shall not allow transactions with the funds by persons who are not authorised according to these General Terms and Conditions.

## **19. FOREIGN CURRENCY ACCOUNTS**

**19.1** The Bank determines the foreign currencies in which accounts are maintained and, as the case may be, minimum amounts of initial deposits or balances for accounts in individual currencies.

**19.2** The Bank is authorised to convert all amounts paid into an account in a foreign currency into the currency in which the account is maintained. The Bank is entitled to charge a fee for such conversion according to the valid Tariff of Fees.

**19.3** The Bank is authorised to convert all payments in Czech currency received from abroad into the currency in which the account is maintained. The Bank is entitled to charge a fee for such conversion according to the valid Tariff of Fees.

**19.4** Should a payment be sent in Czech currency to a foreign currency account from within the Czech Republic, the Bank is entitled to return the payment to the payer unless otherwise agreed with the Client. The Bank shall credit this payment to the foreign currency account provided that the account owner has authorised the Bank to do so (in accordance with a one-time or standing authorisation). In case of a corrective settlement carried out by the payer's bank, the Client bears the risk for the possible exchange-rate difference. The Bank is entitled to charge fees for such conversion according to the valid Tariff of Fees.

## **20. INTEREST ON ACCOUNT CREDIT BALANCES**

**20.1** Account balances earn interest only if so agreed between the Bank and Client. Funds begin to bear interest on the date of their crediting to the account and stop

earning interest on the date preceding the date of their debiting.

**20.2** Interest calculation for an account's credit balance is based on the actual number of days in the calendar year and the actual number of days that the funds are on the deposit. The interest rate as a standard practice applies to the entire credit balance. The account's credit balance can be divided into individual ranges for which the Bank can establish individual interest rates. The Bank uses the rate applicable to the part of the credit balance in the given range to calculate the interest, unless otherwise agreed.

**20.3** Unless otherwise agreed, the Bank shall always credit interest to an account at the end of the following periods:

- a calendar year for non-business accounts;
- a calendar month or, as the case may be, a quarter for business accounts.

Nevertheless, the Bank is always obliged to credit interest as of the date of cancelling an account.

**20.4** The Bank shall credit interest to the Client's account on the date representing the end of the reference period and shall inform the Client about the crediting by the same means as for other payment transactions on the account, unless agreed otherwise.

**20.5** Should the interest rate become negative due to a change in market rates, account balances do not earn interest during the corresponding period.

## **21. CLEARING OPERATIONS ON ACCOUNTS**

**21.1** The Bank deducts funds from an account on the basis of the Client's written order. Without the Client's order, the Bank is entitled to deduct funds from the Client's account in the following cases:

- a)** to set off reciprocal receivables and payables before cancelling the account;
- b)** to settle a claim of the Bank's that is due from the Client;
- c)** to pay fees for banking services provided, to pay costs and interest;
- d)** to execute a collection order authorised by the Client;
- e)** to make a correction in the Bank's own incorrect clearing or such a correction at the request of some other local bank;
- f)** based upon an enforceable decision of a competent body;
- g)** when paying the tax on interest earned in accordance with the valid regulations;
- h)** based upon a request from a pension or disability benefits payer for return of a pension or disability benefits paid after expiry of the right to such benefits; and
- i)** in other cases foreseen by the law, these General Terms and Conditions, business terms and conditions, or a specific contract with the Bank.

**21.2** Should the Bank receive a decision from a court or another competent body concerning an account

maintained by the Bank, or a warrant of execution, the Bank will block the funds on the Client's account up to the required amount.

**21.3** The Bank is not obliged to make partial payments of amounts, except for cases defined by law or, as the case may be, by agreement between the Bank and the Client.

**21.4** In case of doubt, and especially as to the authenticity or correctness of a clearing order, the Bank is entitled to verify such order with the account owner or the authorised person. The decision relating to the means of verification is solely up to the discretion of the Bank.

## **22. INFORMATION ON PAYMENT TRANSACTIONS**

**22.1** In accordance with law, the Bank discloses to the Client free of charge all requested information about payment transactions executed within direct or electronic banking products. The Bank discloses this information to Clients who do not have such a product free of charge at its branches. Upon agreement with the Client, the Bank can disclose or provide to the Client an account statement for a period of no longer than one month. If the statement contains other data in addition to that required by law, then the Bank is entitled to a fee pursuant to the currently valid Tariff of Fees. No account statement will be disclosed or provided if during the relevant period no movement occurred in the account.

**22.2** If the Bank sends the Client an account statement by post to the address agreed with the Bank and that correspondence is returned repeatedly (three times or more) as undelivered (i.e. in particular, if the addressee is not known at the agreed address or if the addressee has moved away without notifying the Bank of a change of address), the Bank is entitled to no longer send the Client the information on payment transactions.

**22.3** An account statement is produced by the Bank for the Client in writing within agreed periods of time. If the Bank does not produce for the Client an account statement containing specification of transactions on an account as at the last day of a calendar year, the Bank shall send to the Client information about his account balance as at this day.

**22.4** If personal collection of the information relating to the account has been agreed, the Bank is entitled only to give these to the Client or to a person who proves his identity by presenting an adequate document in accordance with rules established by the Bank or by an agreement of the Client with the Bank. The Bank is entitled, however, to send to the Client's address stated in the contract urgent notices of the Bank.

**22.5** The Client is obliged to file a claim with the Bank in writing, or in another form acceptable to the Bank in a specific case, concerning any inaccuracies identified in relation to information relating to payment transactions,

and to do so within the time established by the Claims Procedure after the Bank has provided or disclosed the relevant information to him. If the Bank receives no claim from the Client within the stated time, then the operations carried out and the account balance shall be deemed approved.

**22.6** If personal collection of the information relating to the account has been agreed, the Bank is entitled to shred uncollected account statements that the Client has not personally taken over after a period of 6 months.

## **23. OTHER PROVISIONS ON CANCELLING AN ACCOUNT AND TERMINATING AN ACCOUNT KEEPING CONTRACT**

**23.1** The Bank will cancel an account if an account keeping contract has been terminated:

- a)** due to lapse of the period for which the contract was concluded;
- b)** based upon an agreement between the Client and the Bank;
- c)** based upon a written notice from either the Client or the Bank; or
- d)** by withdrawal with immediate effect, in accordance with the General Terms and Conditions.

**23.2** If it is not in violation of generally binding legal regulations, the Client is entitled at anytime to withdraw from the account keeping contract, unless otherwise agreed. The notice period is one month from the day following the day of delivering the cancellation notice to the Bank, or on a later date specified in the notification.

**23.3** The Bank may terminate the agreement on account administration without stating its reasons, with effect from the end of the second calendar month following the month in which the termination notice was delivered to the Client.

**23.4** Before cancellation of the account, the Bank and the Client are obliged to settle any reciprocal payables and receivables pertaining to the given account, and the Client is obliged to return all payment instruments to the Bank, if any were issued to the account. Before cancellation of the account, the Bank will terminate the authority of the Client and authorised persons to dispose with funds in the account through various types of transactions according to various contracts made with the Bank, if such contracts had been concluded. On the day of cancelling the account, the Bank will calculate and settle the proportional part of the interest and the entirety of the banking fees and expenses. The Bank shall deal with any credit balance in the account according to the Client's written instructions. The Bank is not obliged to inform the Client of the cancellation of the account nor of the date upon which the account will be or was terminated.

**23.5** On the day of cancelling the account, any payment orders not cancelled are terminated.

**23.6** After cancellation of the account, the Bank shall dispose with any credit balance from the cancelled account in accordance with the Client's written instructions. If the Client does not specify what should be done with the balance, the Bank shall keep a record of that balance, which shall not accrue interest, until the statute of limitations for that account has lapsed.

**23.7** A notice for termination of an agreement on account administration to which other products (term accounts, loans, etc.) are connected, or for which obligations between the Client and Bank are recorded, and unless expressly agreed otherwise in a specific case, is regarded as a notice for termination of an agreement on payment services pursuant to the applicable law. Such notice does not affect the existence of the connected products. The Bank will continue to keep the relevant account for the Client, but it will not be a payment account as defined by the applicable law.

---

### III. PAYMENT SYSTEM

---

#### 24. NONCASH PAYMENT SYSTEM

**24.1** The domestic payment system is understood to be payment operations in Czech currency within the territory of the Czech Republic. In the case of outgoing payments, the account of the Client (as payer) is kept in the Czech currency, and in the case of incoming payments, the account of the Client (as beneficiary) also is kept in the Czech currency (hereinafter "domestic payment system").

**24.2** The foreign payment system is understood to be payment operations not fitting the conditions stated in Article 24.1. Foreign payment can include:

- a)** cross-border transfers (Cross-border transfers [so-called Europayments] are understood to be transfers in EUR within countries of the European Union and European Economic Area [EEA] up to amounts established by the pertinent regulations.),
- b)** SEPA payments (payments within countries of the European Union and EEA), and
- c)** SEPA collections.

If, however, not all conditions are satisfied for these transfers, the payments will be processed as standard payments in the foreign payment system or will not be processed at all.

**24.3** The Bank executes noncash payments according to the Client's instructions by transferring funds from one account to another account, through payment orders (letters a) – e) below) or through payment instruments (letters f) and g) below):

- a)** a one-time payment order, which occurs only once:
  - (i)** individual,
  - (ii)** multiple.
- b)** a standing payment order, by means of which recurring payments to the same beneficiary, payable as of a certain date, are executed for a defined period of time

or until cancellation of the order:

- (i)** as regular transfers of fixed amounts, or
  - (ii)** transfers in excess of an established account balance limit or, as the case may be, transfers of the entire account balance.
- c)** a one-time collection order;  
For a one-time collection order, the Client, as the recipient of the payment, instructs the Bank to intermediate the crediting of the Client's account and debiting of the payer's account in the appropriate amount. The Bank does not inquire into the authorisation to use collection in relation to a specific payer. A one-time collection order is used to transfer amounts:
    - (i)** for which this method of payment is established by law,
    - (ii)** for which this method of payment was agreed between the Client and payer.
  - d)** domestic debit authorisation;  
By means of a domestic debit authorisation, the Client gives his permission for a domestic collection from his account in behalf of a specific beneficiary's account or accounts. The Client expressly agrees that the maximum authorised limit shall constitute the amount that the Client expects as the maximum amount of the payment transaction. If the Client has not established a limit, he gives his consent for the Bank to establish this limit for this purpose.
  - e)** SEPA debit authorisation;  
Through a SEPA debit authorisation, the Client gives his permission for a SEPA collection from his account in behalf of:
    - (i)** a specific account,
    - (ii)** a specific beneficiary's accounts, or
    - (iii)** any beneficiary's accounts.Without a SEPA debit authorisation, the Bank will not execute any SEPA collection request for debiting the Client's account.
  - f)** cheque to be cleared;
  - g)** payment card.

**24.4** The Client presents the orders in writing at the Bank's place of business that keeps the Client's account, or to one of the Bank's other offices, as the case may be, subject to the conditions established by the Bank. An order may be submitted by some other method (such as electronically) solely under the conditions established by a written agreement.

**24.5** Upon a request for a change in an as yet unexecuted order, the Client must always withdraw the original order and make out a new order.

**24.6** The Client is entitled to withdraw an as yet unexecuted order in the noncash payment system no later than before the end of the business day preceding the day designated for executing the order in accordance with these General Terms and Conditions and/or a specific contract, unless otherwise agreed with the Client. If it is technically possible to do so, withdrawal of an order must be carried out in the same way in which the order was

issued. The Client is obliged to clearly identify the order to be withdrawn by stating all of the information defined by these General Terms and Conditions for an order and to state the date upon which the order was delivered to the Bank. Specification of the order to be withdrawn can be executed by presenting a copy of the relevant order concerned and indicating the date the order was accepted by the Bank.

**24.7** A one-time order is issued for payments to be made by means of a bill of exchange or cheque.

**24.8** If a payment order or collection order has the form of a multiple order, it can only contain orders with an identical due date.

**24.9** A payment order must contain the following information:

- a)** payer's bank contact;
- b)** currency of the payer's account;
- c)** beneficiary's bank contact;
- d)** amount to be transferred, including the currency designation (code);
- e)** date of presenting the order;
- f)** signature of an authorised person conforming with the signature specimen or, as the case may be, any differentiating designation of a legal entity (seal) that is the ordering party if such is stated in the signature specimen as a part of the signature;
- g)** for orders given on technical data carriers or by remote data transmission, a signature created using the method agreed with the Bank (e.g. a security code or some other confirmation of the Client's identity and the given order's legitimacy).

**24.10** In the domestic payment system, the bank contact mentioned in letters a) and c) of Article 24.9 is understood to be the account number and bank identification code. In the foreign payment system, the bank contact mentioned in letters a) and c) of Article 24.9 is understood to be the account number in IBAN format and the bank's SWIFT code in BIC format (where it is relevant).

**24.11** In the foreign payment system, in addition to the information described in Article 24.9, the Client is also obliged to provide the:

- a)** name of the payer;
- b)** name and address of the beneficiary;
- c)** information on whether the payer is a foreigner or a resident;
- d)** full name of the recipient's bank, including SWIFT address;
- e)** country code of the beneficiary;
- f)** assignment of payment order charges; and
- g)** identification or birth number, if the Client does not have an account maintained at the Bank.

If the payment is subject to CNB notification, the Client performs that obligation.

**24.12** In the case of cross-border transfers, SEPA payments and SEPA debits, in addition to the information described in Article 24.9, the Client is also obliged to provide:

- a)** the recipient's account number in IBAN format, as well as his title and address (in the case of cross-border transfers and SEPA payments);
- b)** the payer's account number in IBAN format, as well as his title and address (in the case of SEPA debits);
- c)** SWIFT code of the beneficiary's bank in BIC format (in the case of cross-border transfers and SEPA payments);
- d)** SWIFT code of the payer's bank in BIC format (in the case of SEPA debits);
- e)** assignment of the payment order charges in the form "SHA" (payer and beneficiary pay charges in their own banks).

The field for special bank instructions must not contain any information except for code words established by the Bank.

**24.13** The Client may state additional information on payment orders, such as:

- a)** the payment date (i.e. the date when the funds are to be transferred from the account);
- b)** names of payer's and beneficiary's accounts,
- c)** variable code;
- d)** specific code;
- e)** authorised constant code; and
- f)** payment title (textual and numeric identification);
- g)** additional information for the purposes of the payer or the recipient.

**24.14** The Bank is entitled to refuse to execute payment orders that do not contain the mandatory particulars defined in the previous provisions or which contain manifestly incorrect or inaccurate data. If the Bank refuses to execute a payment order, it shall provide or disclose to the Client information about that fact by the agreed method at the earliest opportunity and, if possible, notify him of the reasons for refusal and the procedure for correcting the errors that were the reason for refusal. The Bank is entitled to a fee from the Client pursuant to the Tariff of Fees for processing and sending the information to the Client in connection with such transaction.

**24.15** In addition to the information described in 24.9, 24.11, 24.12 and 24.13, the Client is obliged to provide any other information on a payment order in accordance with the provided service. Upon the Client's request, the Bank shall provide the Client with the necessary information or explanations concerning individual particulars required on payment orders. Upon the Bank's request, the Client is obliged to present to the Bank such documents as are necessary for judging the correctness of the stated information concerning the purpose of the payment.

**24.16** The Bank shall provide the Client – natural person co-operation in effecting the necessary steps in case the

Client wishes to change his bank. The Client expressly agrees that the Bank will share with the other bank information necessary to carry out all steps in changing banks, including the Client's personal information and data protected by bank secrecy.

## **25. CASH PAYMENT SYSTEM**

**25.1** Generally, a cash payment is made at the Bank's place of business where the account is kept or, as the case may be, in one of the Bank's other offices and subject to conditions established by the Bank.

**25.2** Cash payments are principally carried out through the Bank by means of:

- a)** a cash deposit;
- b)** a cash withdrawal; or
- c)** issuance and writing of cheques.

**25.3** The Client can deposit cash for his own account or, as the case may be, for an account kept by the Bank for another client that is a payment beneficiary at the Bank's cash desk during its hours of operation. This is done using the Bank's deposit slip document or, possibly, by another arranged method. The Bank is entitled to require that the depositor provide documentation as to the origin of the cash deposited by him in the account.

**25.4** Documents designated for use in the case of a cash withdrawal from the Client's account in the Bank's place of business must be signed in accordance with these General Terms and Conditions, the relevant contract, and the signature specimen (if a differentiating designation of a legal entity or seal is stated in the signature specimen, it must always be on the document adjoining the relevant signature). The Bank is entitled to demand proof of identity of the person handling funds for the account when withdrawing or depositing cash. This person is also obliged to confirm receipt or deposit of the amount through his signature on the relevant document. Other conditions of conducting cash payments using payment cards are defined in the Bank's Business Terms and Conditions for Issue and Use of Payment Cards.

**25.5** The Bank is entitled to set limits on the amounts of cash withdrawals by individual currencies, and the Client is obliged to give prior notice of an over-limit cash withdrawal by the deadline set by the Bank. Should the Client not withdraw cash that was ordered on the day designated for the cash withdrawal, then the obligation of the Bank to provide the ordered cash for the Client shall expire.

**25.6** The Bank is obliged upon cancellation of an account kept in a foreign currency, as well as in other cases of executing cash payments in foreign currency, to pay out the funds in banknotes of the appropriate foreign currency, so long as it is possible as a standard practice to make payments in banknotes of that foreign currency. For funds in foreign currency that would need to be paid

in coins of the foreign currency, the Bank is entitled to provide these in Czech currency.

**25.7** Furthermore, the Bank is entitled to determine the denominations of banknotes and coins paid out for withdrawn funds.

## **26. CONDUCTING PAYMENT OPERATIONS**

**26.1** In conducting payment operations, the Bank always proceeds in accordance with generally binding legal regulations, business conventions and practices of banks in the Czech Republic, and the rules established by the CNB.

**26.2** Within the payment system, the Bank shall debit the funds from the Client's account on the payment day specified by the Client, if it is technically possible to do so and if the order was presented to the Bank within the period that is designated by the end of the Bank's operating period for this activity.

**26.3** If the time of accepting the funds from the Client in cash or the time of crediting the payment transaction for the Client to the Bank's account occurs at a time that is not the Bank's operating period for this activity, then the acceptance or crediting shall be regarded as having occurred at the start of the following banking day.

**26.4** Information about the Bank's operating period for specific activities in the payment system, i.e. about deadlines under the articles above, are:

- a)** located in the Bank's publicly accessible premises,
- b)** published on the Bank's internet pages, or, as the case may be,
- c)** stated in the relevant business conditions.

The Bank reserves the right to change these deadlines as is possible by law, with any changes being published by one of the means mentioned above. If the Client did not observe the deadline for presenting a payment order or did not specify a payment date, the Bank shall, unless agreed otherwise with the Client, debit the funds from the Client's account no later than the banking day following the date upon which the payment order was received.

**26.5** If the date specified by the Client's order for the debit of funds from an account is not a banking day, the Bank will perform an executable one-time payment order on the following banking day. The same also applies in the case of a standing order, unless otherwise agreed for a specific standing order.

**26.6** For the crediting of funds, the following payment system deadlines apply:

- a)** If the currency of a payment and the currency of the beneficiary's account is the Czech currency or the currency of a European Union and EEA member state and the payment currency is identical with the currency of the beneficiary's account, then the Bank will credit the funds received to the Client's account on the day

the funds were credited to the Bank's account or on the day of receiving the documents for their settlement, whichever occurs later;

- b)** If the currency of a payment and the currency of the beneficiary's account is the Czech currency or the currency of a European Union and EEA member state and the payment currency is different than the currency of the beneficiary's account, then the Bank will credit the funds received to the Client's account no later than the first banking day following the day of receiving the funds or following the day of receiving the documents necessary for their debit from the payer's bank, whichever occurs later;
- c)** If the currency of a payment or the currency of the beneficiary's account is other than the Czech currency or the currency of a European Union and EEA member state and the payment currency is identical with the currency of the beneficiary's account, then the Bank will credit the funds received to the Client's account no later than the first banking day following the day of receiving the funds or following the day of receiving the documents necessary for their debit from the payer's bank, whichever occurs later;
- d)** If the currency of a payment or the currency of the beneficiary's account is other than the Czech currency or the currency of a European Union and EEA member state and the payment currency is different than the currency of the beneficiary's account, then the Bank will credit the funds received to the Client's account no later than the second banking day following the day of receiving the funds or following the day of receiving the documents necessary for their debit from the payer's bank, whichever occurs later.

**26.7** For standard payment orders, the following payment system deadlines apply:

- a)** If the payer's account is kept in the Czech currency or in euro and the currency of an outgoing payment is the Czech currency while the beneficiary's account is kept in the Czech Republic, then the Bank shall send the funds no later than one banking day after the payer's account has been debited for the funds;
- b)** If the payer's account is kept in the Czech currency and the currency of an outgoing payment is the euro while the beneficiary's account is kept in the European Union or EEA, then the Bank shall send the funds no later than one banking day after the payer's account has been debited for the funds;
- c)** If the currency of the payer's account is identical to the currency of an outgoing payment, and such case as is given in letter a) above is not concerned, then the Bank shall send the funds no later than one banking day after the payer's account has been debited for the funds;
- d)** If the currency of an outgoing payment is different from the currency of the payer's account and such case as is given in letters a) and b) above is not concerned, then the Bank shall send the funds at latest within two banking days following the day of debiting the payer's account.

**26.8** For payment orders and crediting of funds within the Bank, the Bank shall credit the beneficiary's account with the funds on the day the payer's account is debited.

**26.9** The Client acknowledges that the Bank is not liable to the Client for damage if the completion of a foreign payment transaction is prevented by an obstruction occurring in the legal order of the state through which the payment transaction is processed (e.g. international sanction, embargo, etc.).

**26.10** A payment transaction is always authorised before executing the transaction by the payer's agreement. The following are considered to constitute agreement:

- a)** the Client's signature on a paper order;
  - b)** for orders given on technical data carriers or by remote data transmission, agreement is given by a signature created using the method agreed with the Bank;
  - c)** domestic or SEPA debit authorisation;
- for a payment transaction made using a payment instrument:
- d)** provision of the agreed authorisation code;
  - e)** signature on a receipt, or some other act specified in the business conditions.

**26.11** Unless otherwise agreed, the Bank is not obliged to execute a clearing order if insufficient funds are available in the account. The Bank is also entitled not to execute a multiple payment order or to execute only a part of a multiple payment order if an amount sufficient for clearing of all items stated therein is not available on the given account. The Bank is entitled to determine the sequence of the payments. The instructions that were not executed due to insufficient funds being available in the account do not cease to exist by not being executed and remain valid. Their validity shall expire on the 8th calendar day after they were due, unless the Bank determines otherwise. The validity of a standing order ceases to exist if the payments were not made due to insufficient funds being available in an account during three consecutive periods in which such standing order was supposed to be executed. If the Bank nevertheless executes instructions for which the available funds on the respective account are insufficient and the consequence of its so doing is a debit account balance, the Client is obliged to settle that debit on the day following that upon which such debit arose. The relationship arising between the Bank and the Client in connection with execution of an uncovered payment order is governed by these General Terms and Conditions, and a penalty rate of interest shall apply to the debit account balance for its entire duration.

**26.12** If there are multiple clearing orders, and including collection orders, that are payable on the same date and that cannot be executed due to insufficient funds in the given account, then the Bank shall determine the sequence of payments. The Bank is not liable for damages incurred by the Client as a result of determining the sequence of payments.

**26.13** The debiting of funds from the Client's account and crediting of funds to an account are regarded as separate accounting operations.

## **27. SETTLING CLAIMS IN THE PAYMENT SYSTEM AND CORRECTING CLEARING ERRORS**

**27.1** The Claims Procedure contains the method and time limits for reporting an unauthorised or incorrectly executed payment transaction, information about the Bank's responsibility for an unauthorised payment transaction, information about the Bank's responsibility for not executing or incorrectly executing a payment transaction, and information about the conditions for returning an authorised payment transaction executed at the request or by means of the beneficiary.

**27.2** Clearing errors are corrected solely for payments in the Czech currency within the Czech Republic. When correcting clearing errors and settling claims, the Bank proceeds according to the generally binding legal regulations, in particular, the Banking Act and rules of practice of the respective regulator (hereinafter just "clearing correction").

**27.3** After receiving a report concerning the account movements, account balance and cleared payments, the Client is obliged to check whether the movement, cleared payments, account balance and payments made are correct, then to notify the Bank without delay about any clearing errors that would be discovered.

**27.4** The Client is obliged to report any clearing errors and to request the Bank to correct these without unreasonable delay after discovering them but not later than within the period under the generally binding legal regulations and beginning on the day of an error's occurrence. A claim must be lodged in writing or in another form acceptable to the Bank. The Bank shall examine the Client's request and shall eliminate errors which the Bank itself caused. If another bank is to blame for incorrect clearance, the Bank shall request such other bank, based upon the Client's instruction, to correct the clearing errors. The date of an error's occurrence means the date upon which an amount was incorrectly debited from a payer's account or, as the case may be, incorrectly credited to a beneficiary's account.

**27.5** If the Client provided a non-existing bank account in a payment order or the Client's payment was not cleared in the beneficiary's bank for any other reason, the Bank shall credit the returned funds to the Client's account on such terms and within such time limits as defined in Article 26 of these General Terms and Conditions. Even in this case, however, the Client is obliged to pay the Bank the fees specified in the Tariff of Fees as if this were a case of a normal payment (i.e. debited as well as credited payment).

**27.6** In correcting clearing errors, the Bank is entitled to debit an amount credited to the Client's account as a consequence of incorrect clearance to the Client's account without the Client's consent in the period under the generally binding legal regulations beginning on the day of the clearing error's occurrence and to recalculate and debit the interest on the funds in such a way so that the account reflects such balance as if the Client had not received the incorrectly cleared payment.

**27.7** If the amount of funds available on the Client's account is not sufficient to correct a clearing error as described in paragraph 27.6, the Bank is entitled to block the funds in the account until the available balance of the account attains the amount necessary for correcting the clearing error. Nevertheless, the Bank may do so only in the period specified in the generally binding legal regulations concerning clearing correction. As soon as the available balance of the account attains the amount necessary for correcting the clearing error, the Bank shall debit the account with the given amount. The Bank is entitled continually to debit the account for available amounts as they become available and up to the amount necessary to correct the clearing error.

**27.8** If the Bank is to blame for a clearing error, it shall also pay to the Client's account any interest to which the Client is entitled while correcting the clearing error.

**27.9** If the Bank caused a clearing error, it is obliged without delay to notify the Client involved in the clearing correction about the correcting of the clearing error. The Bank is also obliged to inform such Client about a clearing correction executed on the initiative of any other bank that caused such clearing error. The Bank shall notify the Client about the clearing correction in writing.

**27.10** The Client is entitled to request the return of a SEPA collection without stating a reason for a period of eight weeks after the funds have been debited from his account. The Client also is entitled to return of a SEPA collection if the Bank acknowledges the SEPA collection as unauthorised, i.e. the beneficiary has not submitted to the Bank a valid SEPA debit authorisation signed by the Client, within thirteen months after the funds have been debited from the Client's account. This does not apply in the case of a SEPA debit executed on the basis of SEPA debit authorisation between business entities.

**27.11** A payment transaction is properly executed as to the entity of the beneficiary if it is executed in accordance with its unique identifier (i.e. the beneficiary's bank contact). This applies even if the Client also provides information about the beneficiary other than that which is presented in the agreement between himself and the Bank.

**27.12** If the Client provided an incorrect unique identifier of the beneficiary, the Bank shall make every reasonable effort such that funds from the incorrectly executed

payment transaction will be returned to the Client. The Bank is entitled to request payment for returning the funds.

## **28. OTHER PROVISIONS ON LIABILITY**

**28.1** The Bank is not liable for any damage resulting from failure to execute a clearing order that has occurred as a consequence of the order's incompleteness or incorrectness or due to a lack of available funds in the account.

**28.2** The Bank is liable for damage arising as a result of executing an order issued by an unauthorised person, but only in the case that the signature on the order does not visibly correspond to the signature shown in the signature specimen.

**28.3** The Bank is not responsible for the quality and speed of correspondent banks in the foreign payment system outside the European Union and EEA by means of which it arranges the Client's transactions, nor is it responsible for the timely execution of a payment order directed abroad.

**28.4** In case that the Bank is responsible within the payment system and in keeping the account, the Client acknowledges that the Bank can expect that the Client will incur injury at a maximum in an amount corresponding to the interest on the funds in the account for the period during which the Client could not transact with those funds.

**28.5** The supervisory authority for the Bank's activities in providing payment services is the Czech National Bank, Na Příkopě 28, Prague 1.

## **29. AMENDING A PAYMENT SERVICES CONTRACT**

**29.1** If the Bank proposes to the Client a change in the contractual conditions that represent a change of a framework agreement in accordance with the relevant act (hereinafter just "change of framework agreement"), it must do so on a stable data carrier absolutely and comprehensibly in the official language of the state in which the payment service is being provided, or in the language agreed by the parties, no later than 2 months before the day that the change of framework agreement is intended to take effect according to the proposal.

**29.2** The change of framework agreement shall be regarded as accepted by the Client if:

- a)** the Bank proposed the change of framework agreement no later than 2 months before the day that the change is intended to take effect;
- b)** the Client did not reject the proposal for the change of framework agreement in writing;
- c)** the Bank informed the Client of this effect in the proposal for the change of framework agreement;
- d)** the Bank informed the Client in the proposal for

the change of framework agreement of his right to withdraw from the framework agreement in accordance with paragraph 29.3.

**29.3** If the Client rejects the proposal for the change of framework agreement in the case presented in paragraph 29.2, he has the right to withdraw from the framework agreement without charge and with immediate effect before the day that the change is intended to take effect.

**29.4** The Bank is entitled to change an agreement between the parties with regard to interest rates and exchange rates at any time unilaterally and without prior notification if such change is based on a change of the reference interest and exchange rates.

---

## **PART THREE**

---

### **IV. TERM DEPOSITS**

---

#### **30. TERM DEPOSITS**

**30.1** The Bank opens and maintains term deposits in Czech crowns and in foreign currency (hereinafter referred to as "term deposits"). By submitting a request to open a term deposit, the Client provides the Bank with the funds for an agreed period and the Bank is obliged to pay an agreed rate of interest on the funds in the term deposit.

**30.2** The Bank may open an unlimited number of term deposits for one account in the currency of the respective account.

**30.3** The Client is not entitled to transact with the funds of the term deposit before the lapse of the maturity agreed for the term deposit, unless otherwise agreed between the Bank and the Client for a specific case.

**30.4** The Bank is entitled to determine the currencies in which it maintains term deposits. Furthermore, the Bank is entitled to determine minimum or fixed amounts for the term deposits for each currency and fixed periods for their maturities. Based upon an agreement between the Bank and Client, the Bank may open a particular term deposit on conditions different from the standard conditions set by the Bank. Nevertheless, the Client has no legal entitlement to conclude such an agreement.

**30.5** The Bank opens a term deposit on the basis of a request given by an authorised person in accordance with the signature specimen to the account or an instruction for other products that enable the opening of a term deposit. The authorised person may independently request to establish a term deposit, unless otherwise stated in the business conditions or in an agreement.

**30.6** The request to open the term deposit may be made in any of the following manners:

- a)** in writing through the Bank's form;

**b)** by telephone on condition that the Client identifies himself by the password established for the specific account or in some other another way required by the Bank;

**c)** by means of direct banking products; or

**d)** in another agreed manner.

These procedures shall also apply reasonably to requests for changing or cancelling a term deposit if technical possibilities so allow.

**30.7** The conditions to open and maintain the term deposit are agreed upon by submitting a request. The Bank shall confirm the opening of a term deposit, including its agreed amount, currency, interest rate, maturity and the account number under which the term deposit is to be established, in writing in the frequency requested by the Client, or by sending a so-called confirmation of the term deposit (hereinafter just the "confirmation"). The schedule for producing confirmations may be agreed by the Client with the Bank.

**30.8** A request to open a term deposit must be delivered to the Bank at latest 2 banking days prior to the desired beginning date for the term deposit. If the beginning day of the term deposit's effectiveness is not stated at all, the Bank shall open the term deposit with the beginning date of its effectiveness being at latest the second banking day following the delivery of an executable request, unless otherwise agreed.

**30.9** In case that the Client receives a confirmation that is not in accordance with the conditions of the term deposit as agreed under paragraph 30.7, the Client is obliged to inform the Bank immediately of such discrepancy. Unless the Client expresses his explicit disagreement with the conditions and content of the confirmation within 7 days of its delivery, the conditions and content thereof become binding upon the Bank and the Client.

**30.10** If on the first day of the term deposit's intended effectiveness the available funds in the account are insufficient, or if the amount and maturity are not specified in accordance with the rules under paragraph 30.4, the Bank will not open the term deposit, unless otherwise agreed in writing.

**30.11** Except for the confirmation, the Bank will not produce additional statements or confirmations relating to the term deposits.

**30.12** The Bank can open:

**a)** a one-time term deposit: as at the opening day of the term deposit, the principal (the amount of the deposit) is deducted from the account. The principal and the interest are credited back to that account as at the maturity date of the term deposit;

**b)** a rollover term deposit: as at the maturity date of the term deposit, a new term deposit (or partial term deposit) is automatically and repeatedly opened with the

same maturity as the Client had originally designated when opening the original term deposit.

**30.13** Types of a rollover term deposit:

**a)** unchanging term deposit – the principal of the term deposit being opened is fixed for the entire rollover period. The interest is credited on the maturity date of the term deposit to the Client's account that had been debited for the principal amount paid into the respective term deposit;

**b)** capitalised term deposit – the principal of the term deposit being opened is composed of the principal component paid into the term deposit and the accumulated interest that is credited to the principal component of the term deposit, reduced by the withholding tax under paragraph 30.31;

**c)** savings term deposit – the principal of the term deposit being opened is composed of the principal component paid into the term deposit, the accumulated interest that is credited to the principal component of the term deposit and reduced by the withholding tax under paragraph 30.21, and an agreed fixed amount of savings that is debited from the respective account;

**d)** balance term deposit – the principal of the term deposit being opened is derived from the available balance in the account on the day that the term deposit is opened. The available account balance is reduced by a fixed amount agreed in advance that will remain in the account. If the account has a credit limit that is agreed between the Bank and the Client, then that is not included in the available balance on the current account for the purpose of establishing the balance term deposit, while: i) the balance available on the respective account for opening the term deposit is determined according to the account balance existing as at the rollover date of the partial term deposit; ii) if the term deposit balance drops below the specified minimum limit as a result of determining the available balance, then the term deposit terminates, unless otherwise agreed. Only one balance term deposit can be opened per account;

**e)** another type of rollover term deposit that may be agreed, but only upon a prior written agreement with the Bank.

**30.14** Unless the Client precluded rollover of the term deposit in the request at the time of its opening and, moreover, unless the Bank receives a different instruction from the Client at least 2 banking days before the maturity of the partial term deposit, the Bank is entitled to roll over the term deposit for the period established by the Client for the original term deposit (hereinafter just the "rollover frequency").

**30.15** If the request for opening the rollover term deposit does not specify the Client's preference as to the rollover type, the Bank shall establish a one-time term deposit. Should it be impossible to fulfil the Client's request under paragraph 30.13 letter c) due to insufficient funds being available in the account from which the funds are to be transferred, a new term deposit will be opened with its

principal component being determined as under paragraph 30.13 letter b).

**30.16** Term deposits earn a fixed annual rate of interest that does not change during the entire term of the term deposit, or partial term deposit, as the case may be, unless otherwise agreed. The Bank shall establish the interest rate in consideration of the currency, principal amount and maturity term of the term deposit.

**30.17** In calculating interest on the term deposit, a calendar year of 365 days is assumed and the actual number of days of the term deposit's maturity term is used.

**30.18** Unless otherwise agreed between the Bank and the Client, the agreed interest rate shall apply from the first day until the day preceding the maturity date (inclusive) of the term deposit.

**30.19** For a rollover term deposit, an interest rate applicable on the day of opening the rollover term deposit is agreed. The interest rate established for the rollover term deposit shall apply from the first day until the day preceding the end of the first rollover period (inclusive).

**30.20** Applicable interest rates for term deposits are published by the Bank at its business premises and on its web site.

**30.21** Interest paid on a term deposit is reduced by the withholding tax in accordance with relevant legal regulations and is payable on the term deposit's maturity date, unless otherwise agreed.

**30.22** The Bank transfers the interest payable to the respective account from which the term deposit's principal was originally taken, unless otherwise agreed.

**30.23** In case of rollover term deposits, the interest is always paid on the maturity date of each partial term deposit.

**30.24** A term deposit terminates:

- a) upon the agreed maturity date (end of the agreed maturity term);
- b) by terminating the automatic rollover procedure;
- c) by reducing the principal below the minimum amount of the term deposit specified under paragraph 30.4; or
- d) in another manner established in the General Terms and Conditions.

**30.25** The Bank and the Client are entitled to terminate the automatic rollover procedure without stating reasons. The Client must submit a request to terminate the automatic rollover procedure to the Bank at least two banking days before the day specified for the term deposit's automatic rollover. If the Bank receives the executable Client's request in a due and timely manner, the term deposit shall terminate on the earliest day specified as the rollover day following upon delivery of the request. The account owner

will be informed by the Bank in writing and without undue delay of the termination of the rollover term deposit.

**30.26** The Bank is entitled unilaterally to terminate a term deposit in cases where it is entitled under the General Terms and Conditions to withdraw from a contract concluded with the Client. If the principal of the rollover term deposit does not equal or exceed the minimum term deposit balance on the rollover day, the Bank will not renew the rollover term deposit. In such case, the rollover term deposit will not be opened again without the Client's written request, unless otherwise agreed.

**30.27** On the term deposit's maturity date, the funds of the term deposit are transferred to the respective account from which the principal of that term deposit was taken.

**30.28** Unless otherwise agreed, upon termination of the term deposit, the Bank shall pay the deposit and the interest reduced by the tax withheld under the pertinent legal regulations.

**30.29** Should the maturity date of a one-time term deposit fall upon other than a banking day, such deposit is payable on the first subsequent banking day.

**30.30** Should the maturity date of the partial rollover term deposit fall on other than a banking day, such deposit is payable on the first subsequent banking day. The maturity of the subsequently established partial term deposit shall be established by the Bank to correspond with the originally agreed day, unless such day is again other than a banking day.

**30.31** Early withdrawal of term deposit funds is understood to mean payment of those funds as at any day preceding the date in which the term deposit is to terminate in any of the ways specified in paragraph 30.24. The Bank is not obliged to permit early withdrawal of a term deposit.

**30.32** The Client may request in writing an early withdrawal of all or a part of the funds in a term deposit. If the Bank and the Client agree on early withdrawal of the term deposit in its entirety or in part, the early withdrawal thereof shall be made on the following conditions:

- a) The early withdrawal of the term deposit or its part shall be made exclusively as specified under paragraph 30.27;
- b) If an early withdrawal of a part of the term deposit is agreed and if the remaining part of the term deposit is not less than the minimum limit set by the Bank for term deposits in the respective currency, then the Bank shall establish for the Client a new term deposit with the effective date identical to the date of early payment of the part of the original term deposit for the period until the end of the originally agreed maturity term of the term deposit. The interest rate on the new term deposit shall be the same as the interest rate specified for the original term deposit;

- c) In case of an early withdrawal of funds from a term deposit, the Client is entitled to be paid interest for the actual period during which the term deposit existed;
- d) The Bank shall pay to the Client the funds of the term deposit including the interest payable under paragraph 30.21 on the banking day as agreed by the parties. The original term deposit terminates upon making the early withdrawal.

**30.33** In case of an early withdrawal of all or a part of the term deposit, the Client is obliged to pay the fee for early withdrawal that is specified in the Tariff of Fees.

**30.34** The option to request early withdrawal of funds from a term deposit may be limited by a contractual agreement between the Bank and the Client.

---

## V. BILLS OF EXCHANGE AND CHEQUES

---

### 31. BILLS OF EXCHANGE

**31.1** The relationship arising between the Bank and the Client from transactions in bills of exchange are governed in particular by the Bills of Exchange and Cheques Act, Commercial Code, Uniform Rules for Collections issued by the International Chamber of Commerce in Paris, General Business Terms and Conditions Establishing Rules for Maintaining Client Accounts at Banks and Executing Payments between Banks and Settlement on These Accounts published in the Bulletin of the Czech National Bank, and by these General Terms and Conditions and, as the case may be, business terms and conditions, all of these as amended.

**31.2** The Client is responsible for the formal correctness of the issuance of a bill of exchange that is presented, the authenticity and binding effect of the signatures on the bill of exchange, and for the bill of exchange's having been acquired legally and in good faith.

**31.3** For bills of exchange domiciled with the Bank and which are payable sooner than the fifth banking day from their delivery date to the Bank for collection, the Bank is not responsible for on-time presentation of the bill of exchange to the obligor under the bill of exchange. For bills of exchange domiciled with any other bank in the Czech Republic and which are payable sooner than the eighth banking day from their delivery date to the Bank for collection, the Bank is not responsible for on-time submission to the domicile holder. For bills of exchange domiciled abroad and which are payable sooner than the tenth banking day from their delivery date to the Bank, the Bank is not responsible for their on-time delivery to the domicile holder. The Bank does not bear responsibility for any consequences from raising or arranging of a protest even if it had been requested to raise or arrange a protest.

If a bill of exchange is not domiciled with the Bank, the Bank does not bear responsibility for presenting the bill of exchange for collection to the obligor liable to the domicile holder, for obtaining confirmation on default in payment, or for carrying out any other instructions given by the domicile holder.

**31.4** The Bank may refuse to receive a bill of exchange for collection or for arranging its acceptance if such bill of exchange is not accompanied with an endorsement empowering the Bank.

**31.5** The Bank is not obliged to pay the value of the bill of exchange to the owner of a bill of exchange if it is not provided with a special one-time payment order submitted by the Client who is the obligor under the bill of exchange, where the payment order is designated as a payment for collection of the bill of exchange and states the reference number of the Bank relating to the given collection of the bill of exchange. The Bank is not obliged to do so even in case that the Bank is stated as the domicile holder on the bill of exchange and there are sufficient available funds on the Client's account.

**31.6** The Client is obliged to pay to the Bank a fee in accordance with the Tariff of Fees or in accordance with an agreement between the Client and the Bank, as applicable, and the costs incurred in connection with executing the Client's order, including the fees of other (including foreign) banks.

### 32. CHEQUES

**32.1** The Bank enables making payments using cheques within the limits defined by the Bills of Exchange and Cheques Act, Commercial Code, Uniform Rules for Collection issued by the International Chamber of Commerce in Paris and special regulations issued by the Czech National Bank, all as amended.

**32.2** The Bank decides on the terms of acceptance of a cheque for collection and on the manner of collection of a cheque. The Bank is entitled to refuse a cheque for collection without stating any reason.

**32.3** The Bank accepts cheques for collection (i) subject to cancellation, or (ii) on the basis of a non-binding collection, provided that:

- a) the presenter of the cheque is the rightful owner of the cheque;
- b) the presenter of the cheque duly proves his identity;
- c) when presenting the cheque, the presenter of the cheque states the purpose of the payment along with the appropriate code of a payment title (textual and numerical identification); and
- d) the presented cheque is valid, has no formal defects and contains all the material particulars required by law. The subject to cancellation clause indicates the obligation of the recipient of the payment of a cheque to return the equivalent value of the honoured cheque at any time

in future so long as the payer of the cheque is entitled under law or the practice of the domicile of the cheque to cancel payment of the cheque or request that the payment be returned in case that the cheque is proved to be false, modified in any legal particulars or bearing false endorsement. If a cheque is not paid by the payer, the Bank is entitled to debit the Client's account with the already credited cheque amount without prior notice as at the day of crediting the payment.

**32.4** The Bank pays a cheque immediately only if it is a bank cheque naming the Bank as the drawee of the cheque.

**32.5** Although the Bank proceeds with professional care when arranging the collection of a cheque, it is not liable as to whether the collection will be executed.

**32.6** In case that cheques sent by the Bank for collection are lost in transit and the Bank does not receive any payments for these cheques, the Bank shall apply an alternative procedure aimed at settling the lost cheques with the drawee. However, the Bank is not liable for loss, destruction or damage of the sent cheques.

**32.7** If the Client requires the Bank to send a bank cheque issued by registered post, registered post with a confirmation, by means of valuable consignment or by a courier, the Client is obliged to pay the postage and other related fees.

---

## **VI. PROVISION OF CREDIT**

---

### **33. BASIC PROVISIONS**

**33.1** The Bank provides the Clients with credits in Czech as well as foreign currencies on a contractual basis. The Bank may agree with the Client on providing several interconnected banking products in a form of a so-called credit line or a so-called multi-purpose line, or in another form under conditions established in a particular contract. The Bank is entitled to reject an application for credit without stating a reason.

**33.2** The provisions of this article shall be applied in an appropriate extent to the relationships arising from other banking business transactions (as distinct from loans) between the Bank and the Client included in the Bank's credit exposure, such as bank guarantees.

### **34. DRAWING OF CREDIT**

**34.1** Conditions for drawing a credit are defined in a credit contract. The Bank is entitled to assess whether the conditions are met, while the Client is obliged to provide the Bank with the co-operation required by the Bank in order to examine the correctness of all submitted documents evidencing the fulfilment of conditions for drawing a credit.

**34.2** Should the Client fail to prove the fulfilment of conditions for drawing a credit in a due and timely manner (at latest by the last day of the period for fulfilment of conditions for drawing a credit) or if the Client does not draw a credit for another reason, the Client is obliged to pay all his unsettled obligations related to the credit.

**34.3** If the Client fails to meet the conditions for drawing a credit in a due and timely manner or the Client does not draw the entire credit amount for another reason, and unless a revolving type of drawing is agreed, the Bank is entitled to charge a fee established by the Bank (hereinafter just "compensation fee") and to impose all contractual penalties agreed for such case in the contract. Unless the amount of the compensation fee can be determined from the Tariff of Fees, the Bank establishes the amount of the compensation fee according to its rules, which are consistent with general banking practice in countries of the European Union and depending on the situation on the financial markets where the Bank refinances.

**34.4** If the Client is provided with an overdraft debit, i.e. a credit facility in connection with a current account, the funds are drawn repeatedly from the current account by the so-called revolving drawing method in a manner agreed for transacting with funds on that account.

**34.5** The Client is not entitled to draw again parts of a loan that already have been repaid, unless the revolving method of drawing credit is expressly agreed.

**34.6** If it is agreed that a credit is to be drawn for a specific purpose, such funds may not be used for other than the agreed purpose. The Bank is entitled to examine at any time during the term of the credit relationship whether the credit is used for the agreed purpose and the Client is obliged to submit to the Bank at its request and at any time documents evidencing that the credit funds were used solely for the agreed purpose.

### **35. INTEREST ON CREDIT AND CREDIT-RELATED FEES**

**35.1** The Client is obliged to pay interest on the drawn credit funds for the period from the first day of drawing until the day that the credit is fully repaid. The interest is charged in the currency of the credit.

**35.2** The type of interest rate is specified in the contract.

**35.3** If a variable interest rate is agreed, the Bank is entitled to establish its amount and to increase or decrease it unilaterally according to the Bank's rules, and in particular depending on the situation on the financial markets where the Bank refinances. The Bank always notifies the Client in an appropriate and transparent way of any change to the variable interest rate. If the Client does not accept the changed interest rate, he is obliged to report that to the Bank in writing within three banking days from receiving the Bank's notification of the change. If the Client does

not provide the Bank with his written disagreement within this period, it is deemed that the Client has accepted the changed interest rate. In case that the Client expresses his disagreement, he is obliged to repay the entire credit, including the appurtenances, within ten days from giving notice of his disagreement, unless otherwise agreed.

**35.4** The Bank establishes the interest rate on a so-called rollover basis in accordance with a credit contract. The credit contract specifies especially the length of the interest rate's validity period (hereinafter just "period") or the method for determining the period and method for calculating the interest rate for each period. The principle for determining the length of the period is that the first day of a period is the last day of the preceding period. If the actual length of the period does not equal the period for which the interest rate is quoted on the respective financial market, the Bank shall use the interest rate quoted for a period of an approximately corresponding length. The Bank is entitled to establish a particular period of irregular length or, as appropriate, to adjust unilaterally the agreed length of a particular period depending on the drawing day of a credit or its part, day of termination of drawing the credit, and due day of the first repayment instalment or due to technical problems of establishing the interest rate in relation to a quotation on the respective financial market, and the like. The Bank is obliged to inform the Client in writing of the procedure used. Typically, the Bank specifies the interest rate for each period two banking days before the period begins and notifies the Client in an appropriate and transparent way. The interest rate always applies from the first day of a period until one day before the period ends (inclusive).

**35.5** If a fixed interest rate is agreed, the Bank establishes its amount in accordance with the credit contract. The credit contract specifies in particular the length of the validity period and the fixed interest rate or else the method and conditions for establishing these. Unless the contract specifies another method for determining the fixed interest rate, the Bank shall offer the Client for the following period an interest rate determined according to the Bank's rules, and in particular depending on the length of its validity period, the unpaid amount of the credit, and the situation on the financial markets where the Bank refinances. Unless another manner for determining the length of the validity period of the interest rate is agreed, the Client is obliged to agree with the Bank on the length of the following validity period and the amount of the interest rate at latest five banking days before the end of the current period. The principle for determining the length of the validity period of the fixed interest rate is that the first day of a period is the last day of the preceding period. The interest rate always applies from the first day of a period until one day before the period ends (inclusive). If an agreement on the amount of the interest rate and the length of the following validity period is not reached in the specified term, then the Client is obliged to repay the credit that was provided, including its appurtenances, by the last day of the validity period for the current fixed interest rate, unless otherwise agreed.

**35.6** The Client is obliged to pay continuously the interest on credit for the period specified in the credit contract (hereinafter just the "interest period"). Depending on the drawing of credit, the first interest period may be established as an irregular period; the first day of the first interest period is the day of drawing the credit. Depending on the credit's due date, the last interest period may be specified as an irregular period but always ending on the credit's due date. The principle for determining the length of the interest period is that the first day of a period is the last day of the preceding period.

**35.7** Interest accrued for the interest period from the first day until one day before the interest period ends (inclusive) is payable on the last day of the respective interest period.

**35.8** Interest on the credit is calculated based on a calendar year consisting of 360 days and the actual number of days of the interest period.

**35.9** PRIBOR, EURIBOR and LIBOR interest rates mean:

- a) PRIBOR (Prague Interbank Offered Rate) is a reference value of interest rates on the interbank deposit market in CZK fixed each banking day at 11 a.m. (Prague time) from the reference banks' quotations for the respective period. This interest rate is generally valid from the second banking day following the fixing day. PRIBOR is fixed by a calculation agent for CNB and the Czech Forex Club. The PRBO page of the Reuters information system will be used as the priority information source;
- b) EURIBOR (Euro Interbank Offered Rate) is a reference value of interest rates on the interbank deposit market in EUR fixed each banking day at 11 a.m. (CET) from the quotations of the reference banks for the respective period. This interest rate is generally valid from the second banking day following the fixing day. EURIBOR is published by the European Banking Federation. The EURIBOR page of the Reuters information system will be used as the priority information source;
- c) LIBOR (London Interbank Offered Rate) is a reference value of interest rates on the interbank deposit market in the respective currency (USD, GBP, JPY, CHF, EUR, AUD, CAD, DKK, SEK, NZD) fixed each banking day at 11 a.m. (London time) from the quotations of the reference banks for the respective period. This interest rate is generally valid from the second banking day following the fixing day. LIBOR is published by the British Banking Association. The LIBOR01 and LIBOR02 pages of the Reuters information system will be used as the priority information source.

**35.10** If the interest rate for a loan should be established based on PRIBOR, EURIBOR or LIBOR and such situation occurs on the interbank market that

- a) the Bank's costs for obtaining refinance sources for a respective period exceed the relevant PRIBOR, EURIBOR or LIBOR interest rate quoted for the given period, or
- b) refinance sources cannot be obtained on the interbank market for the respective period, or

c) the relevant PRIBOR, EURIBOR or LIBOR rate will not be published,

then the interest rate for the loan will be established based on the Bank's actual costs from any sources it selects for financing the loan, and the Bank will endeavour in all circumstances to select sources for financing the loan such that it does not burden the Client more than is absolutely necessary. The Bank shall notify the Client in an appropriate and transparent way of any change in the method of establishing the interest rate and the start of such change's effectiveness.

**35.11** The Client is also obliged to pay fees and commissions or other charges agreed in the credit contract or specified in the applicable Tariff of Fees.

## **36. CREDIT REPAYMENT**

**36.1** The Client is obliged to repay the credit in the currency in which the credit is maintained.

**36.2** Repayment of credit and payment of interest and other charges payable under the credit contract are made by debiting the Client's account specified in the credit contract. By concluding the credit contract, the Client agrees with debiting of the account and undertakes not to terminate the contract for the particular account until the obligations from the credit are fully paid.

**36.3** In case that the available balance on the Client's relevant account is insufficient to cover the receivable due as at the established day, the Bank is entitled to debit any of the Client's accounts kept at the Bank and containing the Client's funds with the amount of the receivable due. By concluding the credit contract, the Client agrees with such debiting of any of his accounts.

**36.4** The amount and terms of repayment instalments are established by the credit contract, or, as applicable, by the schedule of instalments established by the Bank in accordance with the credit contract. An overdraft debit is repaid continuously and is payable to the current account from which it was drawn.

**36.5** In case of a change to any fact decisive for determining the amount of an annuity payment, the Bank is entitled to adjust the schedule of instalments or other conditions of repayment relative to such change. The Bank will notify the Client in writing.

**36.6** The fact that the Client did not draw a credit amount in its entirety or that the amount drawn from credit decreased for other reasons shall not affect the Client's duty to pay instalments until the entire credit is repaid in the originally agreed terms and amounts while applying the decreased repayment period for the credit, with the exception of credits repaid by annuity instalments. For such credits, the Bank shall change the amount of the regular annuity instalments while maintaining their number and the

final term of the credit as originally agreed, unless otherwise agreed.

**36.7** If a due date of any payment under a credit contract falls upon other than a banking day, the Client's account is debited with the corresponding amount on the following banking day. Nevertheless, this shall not affect the Client's duty to have sufficient available funds on the respective account as at the due date. The aforementioned rule for debiting does not apply in cases where the account would be debited in a calendar month following the specified due date; in such case the Client's account is debited on the preceding banking day and the Client is obliged to provide sufficient available funds on the account as early as that day. The difference between the date of debiting the account and the due date under this provision shall not affect the length of the interest period.

## **37. EXTRAORDINARY CREDIT REPAYMENTS**

**37.1** Credit repayments may only be made in the terms and amounts agreed in the credit contract. Any other repayments of the credit or its part may only be made upon the Bank's prior consent and on conditions agreed with the Bank and established in this section.

**37.2** The Bank will permit the Client to make an extraordinary repayment if the Client submits a written request at least twenty-one days before the requested payment date. The Bank is entitled to deny the extraordinary repayment or to adjust its amount, or, in some cases, to request in connection with it the payment of a compensation fee. The Client is obliged to make the agreed extraordinary repayment and to pay the relating charges due on the specified day.

**37.3** After making the extraordinary repayment, the Client is obliged, unless otherwise agreed, to continue paying instalments with no interruption in the terms and amounts originally agreed in the credit contract. The repayment made of the credit's principal will be set off against the farthest credit instalments and the total term of the credit and the amount of the last instalment will be reduced accordingly.

**37.4** If the credit is repaid using annuity instalments and the Client makes an extraordinary payment, the Bank shall change the amount of the regular annuity instalments while maintaining their agreed number and final due date of the credit, unless otherwise agreed.

## **38. CERTAIN OTHER DUTIES OF THE CLIENT AND CONTROL OF THE FULFILMENT OF CREDIT CONDITIONS**

**38.1** The Client is obliged to inform the Bank without undue delay of any changes in the relevant facts provided to the Bank during negotiations on concluding the credit contract or later in the life of the credit relationship. In this connection, the Client is obliged to submit to the Bank the

necessary documents as well as other documents required by the Bank. The Client is obliged to inform the Bank at its request of his accounts maintained at other banks.

**38.2** By concluding the credit contract, the Client undertakes to inform the Bank reasonably in advance of his intention to:

- a) transfer a substantial part of his property to a third party or burden it with a right in rem or pledge right or to otherwise substantially devalue in fact or in terms of law, even temporarily, his property;
- b) transfer to a third party, to lease or to dispose through any other legal act of a part of his business (enterprise) that is relevant in terms of volume or revenues, or to otherwise substantially devalue the enterprise or its profitability in fact or in terms of law, even temporarily;
- c) draw a credit or enter with another financial institution into another contractual relationship that could give rise to his having a pecuniary obligation;
- d) provide a credit, to assume a guarantor's obligation or any other obligation to secure the fulfilment of a receivable of a third party or parties or to enter in another manner outside customary business practice into any other contractual relationship that could give rise to his having a pecuniary obligation;
- e) enter into a business relationship or to participate in a business transaction that could involve business risk for the Client greater than is usual in his field of business; or
- f) take any other action that could adversely affect the repayment or security of the credit. If it will be the Bank's opinion that carrying out the Client's intention could threaten the Client's ability to meet his obligations or otherwise threaten the repayment of funds from the credit, the Bank is entitled to express its disagreement. By concluding the credit contract, the Client undertakes to respect the Bank's disagreement expressed in writing and to refrain from carrying out the intention.

**38.3** The Client is obliged to duly care for his property and, in particular, for the things of value acquired using the funds provided by the Bank or using funds for which the Bank guarantees their repayment. The Client is obliged to duly insure his property, or, if required by the Bank, to arrange liability insurance for consequences of his activities, and to provide the Bank with the required information and documents relating to the insurance contract.

**38.4** The Bank is entitled to control and assess the fulfilment of conditions established in these General Terms and Conditions, the credit contract and related contracts in terms and manners determined by the Bank. The Bank is entitled to verify the Client's creditworthiness as well as other facts that could jeopardise repayment of the credit.

**38.5** The Client is obliged to provide the Bank with his co-operation as required and needed by the Bank in executing its control and verification rights. For that purpose, the Client is especially obliged to create conditions at his own expense so that the Bank may enforce its entitlements

to control fulfilment of the agreed conditions, including to allow the Bank to enter the Client's buildings or premises that are owned by the Client or used to carry out the Client's business activities, to make available all accounting and other documents and materials, to ensure the co-operation of the relevant experts, etc.

## **39. SERIOUS BREACH OF THE CREDIT CONTRACT AND OTHER SERIOUS MATTERS**

**39.1** A serious breach of the credit contract and other serious matters, regardless of the cause of their origin, are considered, in particular, to be the following:

- a) the Client did not provide the Bank with true or complete information that is essential in order to decide on provision of the credit or that is required during the term of the credit relationship or the Client's declarations made to the Bank do not correspond, in part or in their entirety, to the reality;
- b) the Client is in delay with payment of credit instalments, interest or any other amount that the Client is obliged to pay to the Bank;
- c) the Client fails to provide the agreed security for his obligations to the Bank or the additional security required by the Bank in the amount, quality and manner determined by the Bank, or, despite the Bank's explicit request for co-operation, the Client prevents the due origin of security by his inactivity, or the Client does not meet the specified conditions of security in any other manner;
- d) the security of the Client's fulfilment of obligations is devalued, ceases to exist or becomes ineffective or unenforceable;
- e) the Client does not use the funds from the credit for the agreed purpose;
- f) the Client or the person providing the Bank with security was judged bankrupt, is under judicial discovery procedure, execution procedure, or administrative execution procedure;
- g) the Client terminates its business activities or substantially changes their orientation or scope, the relevant body decides on winding-up of the Client or on its extinction in any other way, the Client's business or a part thereof is transferred, the Client loses his business licence or a part thereof, or the Client's employment or any other income-generating activity is changed or terminated, and in the Bank's opinion, any of the aforementioned incidents could have negative impact on the Client's ability to fulfil his obligations to the Bank;
- h) the financial or property situation of the Client or of the person providing the Bank with the security deteriorates, their capital assets decrease or their indebtedness increases;
- i) in contradiction of these conditions, the Client transfers a substantial part of his assets in any way or burdens it with a right in rem or pledge right, or the Client otherwise substantially devalues his assets in fact or in terms of law, even temporarily;
- j) a statutory lien or lien ensuing from a decision of a state authority is imposed on any part of the Client's property

or assets that are used to secure the Client's obligations to the Bank;

- k) the Client does not co-operate with the Bank in executing its control and verification rights;
- l) the Client breaches the information obligation to the Bank defined in these General Terms and Conditions or in the credit contract;
- m) the Client breaches any other obligation of a nonfinancial character that arises from these General Terms and Conditions, the credit contract, legal documents relating to the security of a credit or other related provisions, or another condition defined in these legal documents for any other reason, and the Client does not remedy this breach of a legal obligation or a default to the Bank's satisfaction and in the period specified by the Bank;
- n) a person who secures the Client's obligations from the credit to the Bank, for example, pledgor, guarantor or a backer of a bill, breaches any of his obligations or fails to meet any of the conditions agreed in the respective legal document for securing the credit, and such default will not be remedied to the Bank's satisfaction and in the period defined by the Bank;
- o) any other incident occurs that could negatively affect the volume and state of the assets or the financial and business situation of the Client, if such incident may in the Bank's opinion negatively affect the Client's ability and possibility to meet his obligations under the credit contract.

#### **40. CONSEQUENCES OF A SERIOUS BREACH OF THE CREDIT CONTRACT AND OF OTHER SERIOUS MATTERS**

**40.1** In case of a serious breach of the credit contract or another serious matter under Article 39, the Bank is entitled to do the following, giving consideration to the level of seriousness:

- a) to require that additional security for the obligations be provided in a manner and amount specified by the Bank;
- b) to suspend drawing of a loan and to require a one-time repayment of the withdrawn credit amount, including appurtenances, and reimbursement of costs incurred by the Bank due to enforcing this extraordinary measure;
- c) to terminate the credit contract and order that all outstanding amounts be paid immediately, or declare entire or certain outstanding amounts to be payable immediately without terminating the credit contract;
- d) to realise any collateral that was provided to the Bank, if the preconditions that are defined in the legal documents and that relate to the security of the credit are met;
- e) to increase the interest rate on the credit or other repeating payments agreed by the credit contract.

**40.2** Should the credit or its part be declared due based on the Bank's decision, the Client is obliged to repay the credit or its payable part, including its appurtenances, in the specified period. If the Client fails to do so, the Bank is also entitled to charge a penalty rate of interest.

**40.3** Should the credit or its part be declared due based on the Bank's decision and the due date falls to other than the day when the agreed period or the validity period of the fixed interest rate ends, the Client is also obliged to charge a compensation fee.

**40.4** Unless explicitly otherwise agreed or established by the Bank, the execution of the aforementioned measures does not in any way affect the Client's duty to meet the obligations specified in these Terms and Conditions and in the credit contract. All the Client's obligations and liabilities to the Bank remain valid until such time as the Client fully pays all outstanding amounts.

#### **41. OTHER PROVISIONS**

**41.1** To diversify the risk, optimise its share capital and refinance its assets, the Bank is entitled to enable other financial institutions to participate in the credit provided to the Client. The Bank is entitled to assign its receivables from the Client and arising from the credit contract to third parties.

**41.2** If the legal regulations or their generally acknowledged interpretation in practice change or some other unforeseeable event occurs after the credit contract has been signed and as a result of this by continuing the credit relationship the Bank's refinancing costs for the particular credit or the particular credit category increase and the Bank's capital adequacy, liquidity or credit exposure are negatively affected, then the Bank is entitled to request the Client compensate those costs in a form of additional payments and the Client shall be obliged to make such payments. If required by the generally binding regulations or the regulations binding upon the Bank (in particular, directives and measures issued by CNB), the Client is also obliged to co-operate with the Bank in harmonising the credit relationship with these regulations.

#### **42. BANK GUARANTEES**

**42.1** The Bank provides clients on a contractual basis with bank guarantees or with letters of undertaking to provide bank guarantees. The Client is obliged to submit to the Bank documents evidencing the existence of the underlying transaction related to a bank guarantee to be provided.

**42.2** A bank guarantee will be issued either by the Bank (direct guarantee) or the Bank will authorise another bank to issue the guarantee based on the Bank's counter-guarantee (indirect guarantee). An indirect guarantee will be issued by the Bank in the form and with the particulars, including the period of its validity, as required in the beneficiary's country.

**42.3** If the instructions provided by the Client are incomplete, the Bank may issue an indirect guarantee if the Bank deems it necessary due to the particular circumstances and to protect the Client's interests. If the

Client does not specify the bank that should issue the guarantee, the Bank is entitled to select it. The Bank is not liable for delays, mutilation or other errors that were caused by the other bank, and neither does the Bank assume any liability or responsibility if the instructions that the Bank provided to the other bank were not executed by that bank.

**42.4** The Client is obliged to pay fees and commissions agreed for the provision of a bank guarantee or a letter of undertaking to provide a bank guarantee. Calculation of the guarantee commission is based on a calendar year consisting of 360 days with regard to the duration of the bank guarantee issued or letter of undertaking to provide a bank guarantee issued and their current amounts. The due date for the guarantee commission is established by the relevant contract; if, however, the due date falls on other than a banking day, the commission is debited from the Client's account on the preceding banking day.

**42.5** The Client is also obliged to pay to the Bank all costs incurred by the Bank in connection with the Client's request to provide a bank guarantee or a letter of undertaking to provide a bank guarantee, including the costs of court or out-of-court proceedings, in the Czech Republic or abroad, or costs ensuing from foreign legal regulation and international practice. These costs are payable in accordance with the third party's instructions.

**42.6** If the Bank is invited to make payment based on the bank guarantee, the Bank shall immediately inform the Client. Furthermore, the Bank shall verify whether all documents that are required in the letter of guarantee are duly submitted (including the request for payment from the bank guarantee), correspond on their face to the conditions required in the letter of guarantee and are not on their face in mutual contradiction. If the documents are submitted through an authenticated or coded data transfer, not in originals, these shall be considered by the Bank as originals.

**42.7** The Bank is obliged to make payment if the request for payment from the bank guarantee submitted by the beneficiary/other bank meets the conditions of the bank guarantee and is delivered to the Bank before termination of the validity of the bank guarantee.

**42.8** The Bank reserves the right according to its discretion to reject the beneficiary's request for extension of the validity period of the bank guarantee as an alternative to requesting payment from the bank guarantee.

**42.9** The Client undertakes to provide the Bank for the entire valid term of each bank guarantee or letter of undertaking to provide a bank guarantee with the required co-operation in providing documents, deeds and information relating to the bank guarantees or letters of undertaking to provide bank guarantees provided and to provide on time any instructions concerning bank guarantees or letters of undertaking to provide bank

guarantees issued. Furthermore, the Client undertakes to make required effort in relation to extinguishing the Bank's obligation to make payments from the bank guarantee. If the Client and the Bank agree that the Client will take over the letter of guarantee or letter of undertaking to provide a bank guarantee from the Bank, then the Client is obliged duly to hand over this document to the beneficiary and to inform the Bank in case that it is not handed over.

---

## **PART FOUR**

---

### **VII. OTHER PROVISIONS**

---

#### **43. LANGUAGE OF LEGAL INSTRUMENTS**

**43.1** The General Terms and Conditions and other legal instruments concerning the banking services provided by the Bank to the Client may be translated into foreign languages. Unless otherwise agreed in a specific case, the Czech language is the governing language and the legal instrument in the Czech language prevails. If a Czech version of a legal instrument has not been executed, the Bank shall determine the governing language.

**43.2** If a legal instrument in other than the Czech language is to be executed upon the Client's request, the Client is obliged to procure at the Bank's request an authenticated translation of the legal instrument into the Czech language at his own expense and without unreasonable delay.

#### **44. CURRENCIES AND CERTAIN RELATED PROVISIONS**

**44.1** If there are any references to any limits in the Czech currency in a contract, business terms and conditions or these General Terms and Conditions, and unless there ensues otherwise from their context, the established limits apply by analogy to foreign currencies, and the equivalent amount shall be converted into a foreign currency by using the middle exchange rate of the Bank valid on the date of execution of the given transaction or on the date as of which the Bank judges a reaching of the established limit.

**44.2** If the Czech currency is the currency of the business case, then a banking day means the day on which banks are open to the public in the Czech Republic. If other than the Czech currency is the currency of the business case, then a banking day means the day on which banks in the Czech Republic and banks in the country of the given foreign currency are concurrently open to the public, or, in case of the euro being the currency, a day on which the TARGET system (Trans-European Automated Real-time Gross settlement Express Transfer) is available.

**44.3** Introduction of the euro in the Czech Republic and the related changes in the reference rates quoted on the financial markets shall not result in extinction of the Client's obligation to fulfil his obligations to the Bank due to impossibility to perform a contract, nor shall such changes

entitle the Client to make a unilateral change in the contractual relationship or to terminate such relationship.

**44.4** Unless otherwise agreed, the Bank shall convert the funds for the Client as follows:

- a)** if the Bank converts from a foreign currency into the Czech currency, it shall use the Bank's "FX purchase" spot exchange rate (for noncash conversion) or, as the case may be, "foreign cash purchase" exchange rate (the "cash desk" exchange rate for depositing of cash in a foreign currency on an account kept in the Czech currency or for exchange office operations with a foreign currency);
- b)** if the Bank converts from the Czech currency into a foreign currency, it shall use the Bank's "FX sale" spot exchange rate (for noncash conversion) or, as the case may be, "foreign cash sale" exchange rate (for withdrawal of cash in a foreign-currency from an account kept in another currency or for exchange office operations with a foreign currency);
- c)** if the Bank converts funds from one foreign currency into another (purchase or, as the case may be, sale of noncash FX/foreign cash), it shall use the spot cross rate for the currencies fixed by the Bank on the basis of the exchange rates defined in Article 44.4, letters a) and b);
- d)** a spot exchange rate is the exchange rate stated on the Bank's table of exchange rates valid on the date of effectiveness of the transfer order or at the time of executing the transaction.

**44.5** The table of exchange rates is published on the Bank's web pages and at the business premises of its branches.

---

## **VIII. FINAL PROVISIONS**

---

### **45. FINAL PROVISIONS**

**45.1** These General Terms and Conditions take effect on 1 November 2009.

**45.2** These General Terms and Conditions invalidate and fully replace the General Business Terms and Conditions of UniCredit Bank Czech Republic, a.s. effective from 5 November 2007.

