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**BUSINESS TERMS AND  
CONDITIONS FOR  
ISSUE AND USE OF DEBIT  
CARDS**

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**UNICREDIT BANK  
CZECH REPUBLIC, A.S.**

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## 1. INTRODUCTORY PROVISIONS

**1.1** UniCredit Bank Czech Republic, a.s., having its registered office at Želetavská 1525/1, 140 92 Prague 4–Michle, Company ID No. 64948242, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 3608 (hereinafter referred to as the “Bank”), is a bank in accordance with Section 1(1) of Act No. 21/1992 Coll. on Banks, as amended, and is authorised in accordance with the relevant provisions of the stated Act to issue debit cards.

**1.2** The Bank issues debit cards of the international card association Visa International ([www.visa.com](http://www.visa.com)) and the association MasterCard International ([www.mastercard.com](http://www.mastercard.com)) to current accounts maintained by the Bank in the Czech or a foreign currency and/or in a combination of one account in the Czech currency and another in a foreign currency in accordance with generally binding legal provisions of the Czech Republic, the General Business Terms and Conditions of UniCredit Bank Czech Republic, a.s. (hereinafter referred to as the “General Terms and Conditions”), and these Business Terms and Conditions for Issue and Use of Debit Cards of UniCredit Bank Czech Republic, a.s. (hereinafter referred to as the “Business Terms and Conditions”). The General Terms and Conditions and these Business Terms and Conditions are integral parts of the contractual relationship concluded between the debit cardholder and the Bank. They are binding for the debit cardholder from conclusion of the contract on issuance of a debit card until full settlement of the mutual claims of the Bank and the debit cardholder resulting from the contractual relationship.

**1.3** By completing and signing the Debit Card Application/Contract on Issuance of a Debit Card (hereinafter referred to as the “Application/Contract”, or just “Application” or “Contract”), the applicant confirms that he/she has familiarised himself/herself in detail with the General Terms and Conditions, the Business Terms and Conditions, the list of Parameters of Payment Card Services, the Cardholder Handbook, and the Price List and agrees with their wording. The account owner is fully responsible for familiarising each holder of a card issued to his/her account with all terms and conditions relating to debit cards as part of the contractual relationship with the Bank and for each cardholder’s adherence to those terms and conditions.

## 2. DEFINITION OF TERMS

**2.1** A 3D Secure password is used to confirm transactions for merchants using the internet payment portal with security of the 3D Secure standard. The cardholder is informed of the initialisation password through the Client Line upon the first request for setting up transaction authorisation without the presence of the card. The cardholder shall immediately change this password to his/her own password.

**2.2** Authorisation of a transaction – a payment transaction made via the card is authorised if the cardholder gave his/her approval by:

- a)** presenting the card to a merchant and signing a receipt;
- b)** presenting the card to a merchant and entering the PIN;

- c)** applying the card to a data reader;
- d)** submitting identification details of the card and entering the CVV/CVC code and, as the case may be, the 3D Secure password for executing e-commerce transactions.

**2.3** An automated teller machine (ATM) is a self-service electronic device for making cash withdrawals/deposits via the card. If an ATM offers other services, the cardholder may use them.

**2.4** A security code serves for verifying the identification of the cardholder when communicating with the Bank. The initial security code is assigned by the Bank, and, upon the first communication with the Bank, the cardholder is asked to change this code. If a voice-activated computerised system shall be used for identifying the cardholder, the user number assigned by the Bank for communication with the Bank must be used.

**2.5** A security token is a security device that, on the basis of advanced encryption technologies, ensures authentication of the cardholder, i.e. verification of his/her identification and his/her secure communication with the Bank.

**2.6** Card blocking is a measure consisting in preventing the possibility of executing transactions via the card.

**2.7** A debit card (hereinafter referred to as the “Card”) is an electronic payment instrument by means of which cash and noncash payment transactions are debited to the holder’s account. The Card is fitted with identification data facilitating visual, mechanical and electronic identification of the cardholder and its issuer, i.e. the Bank. The Card is furnished with its own number (identifier), the cardholder’s name, and security features such as a hologram, chip, magnetic strip, signature strip, etc. The chip technology is automatically preferred to the magnetic strip when using the card. The Card is non-transferable, and its holder is exclusively authorised to use it.

**2.8** The debit cardholder (hereinafter referred to as the “Cardholder” or “Holder”) is always the individual to whom the Card was issued on the basis of the Application/Contract with the Bank, after fulfilling all prerequisites and conditions established by the Bank. The Cardholder’s first and last names must be indicated on the Card. If an individual holds or uses the Card illegally, he/she is engaging in unlawful conduct. The Cardholder is understood to be the account owner and any person authorised by the account owner (hereinafter referred to as the “Authorised Person”) to transact with the funds in the account via the Card, unless the given context indicates that a particular provision cannot apply to such person. The Authorised Person is an individual over 18 years of age who is presented in the signature specimen to the account and is authorised by the account owner to transact with the funds in the account in accordance with the current account conditions, or, as the case may be, a person aged 10 or older who is not presented in the signature specimen to the account but was given consent by his/her legal guardian.

**2.9** The password indicated in the Application/Contract serves for the first communication of the Cardholder with the Bank, i.e. for activating the Card.

**2.10** The password for secondary identification serves for subsequent telephone communication of the Cardholder with the Bank in the case that the Holder does not use a security code and/or security token. The password is a figure of 6–10 alphanumerical characters (including diacritical marks).

**2.11** An imprinter is a mechanical reader designed for taking impressions from embossed Cards and the merchant's identification label for a sales document in executing a non-cash payment.

**2.12** The IAPA card and Priority Pass card enable the Cardholder to take advantage of above-standard benefits and discounts of the world-wide programme provided by international associations under the conditions and rules they establish. International associations reserve the right to determine the type of Card for providing their programme. Services are charged according to the valid Price List. More information about services can be found at [www.iapa.com](http://www.iapa.com) and at [www.prioritypass.com](http://www.prioritypass.com).

**2.13** The Golf Package Card enables the Cardholder to take advantage of the benefits and discounts provided by the Bank's contractual partners. The Bank reserves the right to determine the type of Card for providing the golf service. The service is charged according to the valid Price List. More information about the service is presented on the Bank's website.

**2.14** The Client Line serves for telephone communication between the Bank and the Cardholder.

**2.15** The limit is the value determining the volume and number of transactions that can be executed via the Card during a specified period. The Bank is entitled to modify this limit unilaterally and to notify the Holder.

**2.16** The account owner is the individual and/or legal entity and/or entrepreneur in whose name the account is maintained by the Bank.

**2.17** The medium is the letter in which the Card is delivered and which contains especially information on the Card activation procedure, telephone lines for Card blocking, and the Card's limit.

**2.18** The PIN is the personal identification number established and provided by the Bank to the Cardholder for the purpose of identifying the Cardholder and demonstrating the Cardholder's authorisation to execute payment transactions via the Card. The Cardholder may subsequently change the PIN code.

**2.19** The reference exchange rate is the exchange rate that is used as the basis for currency conversion and which comes from a publicly accessible source, or the rate of the Visa

and/or MasterCard card association, and was made accessible by the provider, or indicated in the transaction details in an account statement. The Bank uses the foreign exchange rate from the exchange rate list on the day the transaction is settled. More detailed specifications are presented in the Cardholder Handbook.

**2.20** The user number is a unique number assigned to the Cardholder by the Bank for the purposes of communication with the Bank.

**2.21** The applicant is the individual who requested the Bank to issue the Card.

### **3. CARD ISSUANCE – ESTABLISHING A CONTRACTUAL RELATIONSHIP, CARD LIMIT**

**3.1** The Bank issues the Card after all the prerequisites necessary for its issuance are fulfilled on the basis of a duly completed and signed Application/Contract on Card Issuance. Delivery of the properly completed and signed Application by the applicant is regarded as a proposal for concluding the Contract. The applicant is responsible for the veracity of the information given in the Application and undertakes to notify the Bank of any substantial change in that information without undue delay. The Bank shall notify the applicant of the Application's approval in writing. The Application/Contract on Card Issuance automatically terminates if the Bank does not, on the basis of the Application/Contract, issue the Card within 3 months from the day of the Bank's receiving the Application, and/or if the Card is not collected by the Cardholder within the indicated period and in the manner stipulated by the Bank.

**3.2** Once the Card is delivered to the applicant, the contractual relationship is considered to be concluded. No legal entitlement to receive the Card exists. In the case of a negative evaluation of the prerequisites, the Bank is not obliged to disclose the reason for rejecting the Application.

**3.3** Issuance of the Card may be requested by an account owner or jointly by all holders of a joint account. The applicant is responsible for the veracity of the information given in the Application and undertakes to notify the Bank of any substantial change in that information without undue delay. By signing the Application, the applicant expressly agrees with all provisions of these Business Terms and Conditions, the relevant provisions of the General Terms and Conditions, the Tariff of Fees for Providing Banking Services issued by the Bank and other relevant contractual documents that also become integral parts of the contractual relationship between the Bank and the Cardholder. If the applicant applies for additional services offered by the Bank, he/she agrees with the terms and conditions under which these services are provided, whether the additional services were concluded at the time of signing the Application or post factum in writing or by telephone through the Bank's Client Line.

**3.4** The account owner also may request the Bank to issue the Card to his/her account to a person whom the account owner specifically has designated in the Application as a

person authorised to transact with the funds in the account via the Card. The Application for Card Issuance for an Authorised Person must be signed both by this person and by the applicant.

**3.5** A separate contract must be concluded for the issuance of each Card.

**3.6** The Bank may, in certain cases, condition issuing the Card with the fulfilment of certain conditions, such as a minimum deposit amount, minimum average balance or minimum turnover on the Cardholder's or account owner's account, demonstration of creditworthiness and payment reliability, and the like. The Bank may further condition issuing the Card on the provision of collateral for the Bank's receivables from the Cardholder or, as the case may be, the account owner that the Bank may incur in connection with the execution of payment transactions via the Card. The account owner acknowledges and fully agrees that if the Bank proceeds to securing the Card it is entitled to enforce this collateral throughout the duration of the contractual relationship, or until the settlement of all obligations to the Bank.

**3.7** If a condition for issuing the Card is providing collateral in the form of a right of lien to the receivable from a deposit on the deposit account, etc., the account owner is obliged to conclude a separate corresponding contract with the Bank on establishing this collateral, or to ensure its conclusion by an appropriate third party, under such conditions and for such period so that the collateral lasts until all obligations from the relevant Card are settled or until the contractual relationship ends, whichever lasts longer.

**3.8** In case of early termination of the collateral or a decrease in its value, the Bank is entitled, in addition to measures pursuant to the General Terms and Conditions, to block the Card.

**3.9** The Cardholder, or the account owner, is obliged to ensure that there is always a sufficient amount of funds available in the account to which the Card was issued to fully cover payment transactions executed via the Card.

**3.10** On the basis of the Application/Contract, the Bank sets a card limit that determines the volume and number of transactions that can be executed via the Card during a specified period. The amount of the card limit is established according to internal conditions and criteria of the Bank and also with regard to the Cardholder's request. The Holder is informed of the limit amount in writing no later than upon delivery of the Card. The Cardholder is not entitled to execute such payment transactions that would exceed the limit. The limit can be drawn only after the Card is activated. Only the account owner can change the limit.

**3.11** The Bank is entitled to modify the limit amount, including its division into limits for cash and noncash transactions, unilaterally and at anytime according to its sole discretion. The Bank informs the Cardholder of such change without delay and in an appropriate manner.

**3.12** The Cardholder, or the account owner, is obliged to ensure that the agreed contractual conditions are met throughout the Card's period of validity.

#### **4. DELIVERY OF THE CARD AND PIN**

**4.1** The Bank will send the Card's PIN to the Holder separately from the Card by standard mail to the address given in the Application. The Cardholder is obliged to check its integrity. If the parcel shows signs of damage, the Cardholder shall notify the Bank of this fact immediately. In such case, the Bank shall assign the Cardholder a new Card and new PIN free of charge under the same conditions. If the parcel has not been delivered to the Cardholder within four weeks of signing the Application/Contract, the Cardholder is obliged to notify the Bank of this fact immediately.

**4.2** The Bank will send the Card to the Holder by registered mail in a parcel designated for personal delivery to the address given in the Application in a paper medium. The medium contains mandatory information designated by the Bank in connection with using the Card. Upon handing over this parcel for delivery, the risk of damage passes to the Cardholder. The Cardholder is obliged to check the integrity of the parcel upon its collection. If the parcel shows signs of damage, the Cardholder shall request confirmation of delivery of the damaged parcel from the deliverer and notify the Bank of this fact immediately. In such case, the Bank shall assign the Cardholder a new Card and new PIN free of charge under the same conditions. If the parcel has not been delivered to the Cardholder within four weeks of signing the Application/Contract, the Cardholder is obliged to notify the Bank of this fact immediately.

**4.3** By agreement of the Cardholder with the Bank, the Card also can be delivered in person in the period and at the location determined by the Bank. In this case, by signing the record of the Card's receipt, the Cardholder at the same time confirms receipt of the PIN envelope and its integrity and that he/she familiarised himself/herself with the PIN for the received Card and with the obligations that apply to it and which are contained in these Business Terms and Conditions, in the Cardholder Handbook, and in other materials issued by the Bank regarding cards. The Bank reserves the right, in justified cases, to unilaterally modify the distribution of the Card from its takeover in person at the Bank's place of business to delivery of a parcel sent by post to the address given by the Cardholder.

**4.4** In exceptional cases, the Card may be accepted by another person authorised to do so by the Cardholder on the basis of an officially verified written power of attorney or on the basis of a request drawn up in the presence of an employee of the Bank.

**4.5** If the Cardholder cannot be reached and the parcel is returned to the Bank as undelivered, and/or if the Cardholder refuses to accept the document and the parcel is returned to the Bank, and/or if the Cardholder does not collect the Card in person at the Bank's place of business within 3 months after delivery of PIN or for whatever reason refuses to accept

the already produced Card, then the Bank shall cancel the returned/unaccepted Card for security reasons after 3 months of its validity. All costs connected with its issuance and cancellation will be debited from the account to which the Card was issued. Issuance of another Card will be subject to another contractual relationship.

**4.6** After taking over the Card, the Holder is obliged to sign it (preferably with a blue or black ballpoint pen) on the signature strip on its reverse side. The signature on the signature strip serves as a specimen for confirming authorisation of a payment transaction executed with the Card. If the Cardholder does not do so, he/she is responsible and liable for all unauthorised transactions occurring as a result of not signing the Card. If the Cardholder does not sign the Card on the signature stripe, then the Card is not valid. The Cardholder is advised to make a photocopy of both sides of the Card signed by him/her and to save it for a possible request by the Bank in the matter of a claim proceeding.

## **5. CARD ACTIVATION, CARD VALIDITY AND CARD REPLACEMENT**

### **5.1 CARD ACTIVATION**

The Cardholder is obliged to activate the Card after its delivery/handover using the telephone number indicated on the medium, unless expressly stipulated otherwise. The actual activation will occur no later than on the following business day after the telephone request. The first Card issued is inactive until the time of telephone activation due to security reasons. By activating the Card, the Holder is only reaffirming his/her explicit agreement with all the provisions of the Contract, the General Terms and Conditions, these Business Terms and Conditions, the Cardholder Handbook and other relevant contractual documents that also become integral parts of the contractual relationship between the Bank and the Cardholder.

### **5.2 CARD VALIDITY**

**5.2.1** The Card is issued for a period established by the Bank. The validity of the Card expires upon the lapse of the last day of the month and year indicated on the front side of the Card. The Holder is entitled to use the Card only within the period up to this date. The Card invariably remains under the ownership of the Bank, and its Holder is obliged to return the Card immediately to the Bank or to another entity acting on behalf of the Bank whenever requested to do so.

**5.2.2** If the Card's period of validity expires, on condition of hitherto consistent adherence to the established conditions, the Bank shall automatically issue the Cardholder a new Card for another period, while the PIN to this Card shall not change. The new Card will not be issued if the Applicant, or, as the case may be, the Cardholder, specified in the Application that he/she is not interested in automatic issuance of a new Card and/or if he/she notifies the Bank in writing no later than 1 month before the expiration of the current Card's

validity that he/she is not interested in the issuance of a new Card. The account owner is entitled in this way to preclude automatic issuance of a new Card for any Card issued to his/her account and to notify the Holder of such action.

**5.2.3** In case of mechanical damage to the Card, the Bank shall issue its Holder a corresponding duplicate of the Card at his/her request. A condition for issuance of the duplicate is that the Holder delivers the damaged Card to the Bank. The Bank is entitled to debit a fee from the owner's account according to the valid Price List for producing the duplicate or new Card. The deadline for issuing the duplicate corresponds to the standard deadlines for issuing the Card.

**5.2.4** The Card's validity shall cease due to:

- a)** lapse of the period for which the Card was issued;
- b)** blocking of the Card;
- c)** returning the Card to the Bank;
- d)** accidental impairment of the Card (mechanical damage of the Card, etc.);
- e)** termination of the Contract;
- f)** termination of the contract on maintaining the account to which the Card was issued, or termination of providing payment services regarding this account, unless the Card was transferred to another account;
- g)** agreement on termination of the Card's use.

After the Card's expiration, the Card may no longer be used. Should the Holder not return the Card to the Bank, he/she is obliged to impair the Card by cutting it in two (though not through the magnetic strip or chip) and to then keep it for a period of 13 months for possible request by the Bank in the matter of a claim proceeding. The Bank bears no responsibility for possible damages incurred due to misuse of an unpaired Card, and the Holder is obliged to compensate the Bank for any damage so arising without undue delay. This condition also applies to identification cards for additional services if the Bank provided such cards to the Holder.

### **5.3 CARD REPLACEMENT**

As a result of terminating the issuance of a certain type of Card or transferring the current Card to another type of Card, the Bank is entitled to replace such Card and to provide the Holder with a Card of another type. In connection with the replacement of the Card, the Bank will also send the Holder a new PIN to the newly issued Card.

## **6. CARD AND PIN SECURITY, CARD BLOCKING**

### **6.1 CARD SECURITY**

The Cardholder is obliged to use and keep the Card in accordance with these Business Terms and Conditions and especially to adhere to the principles for ensuring the security of the Card so as to avoid its theft, loss, misuse or unauthorised use by an unauthorised person, i.e. in particular to keep the Card in a secure place, separate from personal documents, and to protect it from mechanical damage and

magnetic fields (mobile telephones, loudspeakers, transformers, magnetic locks, etc.).

## 6.2 PIN SECURITY

**6.2.1** The Bank communicates the PIN to the Card only to the Cardholder. The Cardholder may not note the PIN directly on the Card, keep it together with the Card in one place or convey it to other persons (family members, officials, bank employees, police, etc.). The Cardholder is obliged to keep the PIN secret. After memorising the PIN, it is recommended that he/she destroy the envelope with the PIN code.

**6.2.2** If the Cardholder forgets the PIN, he/she may request the Bank for its re-generation. The Bank must always approve this request. If the PIN cannot be communicated again and there is no reason for a different approach, then the Bank issues a new Card to which it assigns a new PIN. This new Card will be issued with validity until the expiration date of the original Card, unless expressly stipulated otherwise. A condition for issuance, however, is that the Holder delivers the previous Card to the Bank. The Bank is entitled to debit a fee for producing the new PIN or new Card from the account pursuant to the valid Price List.

**6.2.3** The Cardholder may change the PIN to the Card via the Bank's ATM network, provided the given ATM enables this function, but no later than 2 months before the expiration of the existing Card. The new PIN to the Card is valid upon entering the PIN change in the ATM. The Bank does not send a written confirmation of the PIN change.

## 6.3 CARD BLOCKING

**6.3.1** In case of the Card's loss, theft or misuse, or if circumstances suggest that unauthorised use of the Card could occur, the Cardholder is obliged to report these facts immediately through the Client Line or the non-stop hotline and to request that the Card be blocked. It is recommended that the Cardholder report the loss or theft of the Card to the police. The Cardholder is obliged to submit to the Bank on request a record of reporting the incident to the police.

**6.3.2** The Client Line operator will request information according to which it is possible to identify the given Card, as well as possibly more information required by the Bank. The account owner is entitled to request blocking of any Card issued to his/her account. The account owner is obliged to inform the Cardholder – or the Authorised Person – of the termination of authorisation to use the Debit Card and to ensure the impairment and, as the case may be, return of the Debit Card to the Bank. In exceptional cases, any third party who meets the Bank's requirements associated with verifying the credibility of a submitted claim may request blocking. In this context, the Bank is not responsible for possible unauthorised blocking or potential costs incurred in providing the requested services. At the same time, the Cardholder and the third party are obliged to inform the Bank of all significant circumstances of which they are aware regarding its loss or theft as well as circumstances suggesting the possibility of its misuse. At his/her request, the

Cardholder shall receive confirmation of blocking in the form of an identification code evidencing the executed telephone blocking through the Client Line.

**6.3.3** An instruction for blocking may be submitted at the Bank's place of business, or at a member bank of the relevant international card association or another company designated for this purpose. An instruction submitted in this manner becomes effective in relation to the Bank once the Bank receives it.

**6.3.4** In a case of blocking the Card at the Cardholder's initiative, the Bank shall issue its Holder a new Card of the same kind as a replacement. At the same time, the Bank will send the Holder a new PIN. The Bank will debit the costs connected with issuing the new Card from the account to which the Card was issued. The Bank issues the new Card, however, only if there is no concern that the Holder has breached these Business Terms and Conditions.

**6.3.5** The Bank is entitled to block the Card even without the Holder's request if there is a reasonable concern that the Card's security could be or is under threat, i.e. especially suspicion of unauthorised or fraudulent use of Card, or if the Cardholder has grossly breached certain provisions of these Business Terms and Conditions. The Bank decides whether to adopt specific measures at its own discretion depending on the seriousness of the available findings. The Bank generally carries out blocking of the Card without undue delay after discovering such decisive information. The Bank is obliged to inform the Holder of blocking the Card and the reasons for doing so prior to blocking it in accordance with this provision, or, if this is not possible, immediately thereafter. This does not apply if providing this information could impede the purpose of blocking the Card or would contradict legal regulations. If the blocking is carried out in accordance with these Business Terms and Conditions, the Bank is not responsible to the Cardholder for the consequences resulting from the actions taken. The Bank always acts in good faith and always in the effort to minimise the impact of unauthorised card use.

**6.3.6** In case of the Card's loss or theft, the Holder must check whether the identification cards for additional services (IAPA and Priority Pass, Golf Package) were lost or stolen as well, provided the Bank issued such cards to the given Card. If these cards remain in the Holder's possession, then he/she is obliged to impair these cards (except the Golf Package card) and, as the case may be, to return them to the Bank. Together with the new Card, the Bank shall provide the Holder with new IAPA and Priority Pass cards or other identification cards for the additional services, unless agreed otherwise.

**6.3.7** The Bank and any place of business or any member bank of the relevant international card association are authorised to confiscate from its presenter a Card the validity of which terminated due to blocking. The presenter is obliged to surrender the Card.

**6.3.8** The Bank is entitled to block the Card if there is an increased risk that the account owner will not be able to repay his/her obligations to the Bank, including obligations stemming from other contractual relationships concluded with the Bank.

## **7. CARD USE**

**7.1** The Cardholder is obliged to use the Card only in accordance with the contractual conditions stipulated in the Contract and these Business Terms and Conditions and in accordance with generally binding legal regulations.

**7.2** Using the Card, it is possible to execute cash and noncash payment transactions in the Czech Republic and abroad (cash withdrawals from ATMs or at the cash desks of banks or exchange offices and noncash payment for goods or services at places of business marked with the logo of the relevant international card association, etc.).

**7.3** The Cardholder is entitled to execute transactions via the Card up to the current limits set on the Card, or up to the amount of funds available in the account to which the Card was issued, depending on which of these restrictions is lower at the time of the transaction. If the amount of funds available in the respective account is insufficient for executing the requested transaction via the Card, the transaction may be declined.

**7.4** If a place of business accidentally damages the Card, the Cardholder shall request confirmation of this fact from the merchant. The Cardholder shall return the damaged Card including the confirmation from the merchant to the Bank. A duplicate will be prepared at the Bank's expense after receiving the damaged Card and the confirmation from the merchant.

**7.5** When entering the PIN for a cash or noncash transaction, the Holder is obliged to do so such that the PIN remains secret and the Card may not be subject to possible misuse.

**7.6** When executing transactions using the Card, the Cardholder is obliged to present at the request of the place of business an ID card together with the Card and to convey the requested identification data (present a passport, etc.). The Cardholder acknowledges that the relevant place of business is entitled to require the consent of the authorisation centre (authorisation) for executing the requested transaction and to carry out this transaction only if it obtains authorisation. The authorisation for the most part takes place automatically through the payment system and/or by telephone.

**7.7** The transaction is executed if it is authorised by the Cardholder in the stipulated manner and at the same time corresponds to the Card's parameter settings, i.e. the Card's limit and/or the balance of the Account(s) at the time of its execution.

**7.8** The Holder is entitled to make a cash withdrawal from an ATM after correctly entering the PIN on the ATM's keypad in

accordance with the operating instructions indicated on the screen or on the ATM's information panels.

**7.9** If when making a withdrawal from an ATM the Cardholder does not receive the requested cash or his/her Card is retained, the Cardholder is obliged to notify the Bank of this fact without undue delay.

**7.10** The Cardholder agrees that providing the service on the basis of which noncash transactions can be executed via the Card without the presence of the Card (postal/telephone order for goods or services made using the Card, and/or noncash transactions made using the Card on the internet) is prevented by the Bank, unless otherwise agreed with the Cardholder.

**7.11** The Bank enables the Cardholder to permit or prohibit the execution of transactions made without the presence of the Card by means of a request through the Client Line. In case of executing a transaction at a merchant who uses a payment portal supporting 3D Secure standard, the Bank shall enable the execution of this transaction only if the 3D Secure password is entered.

**7.12** The Bank does not examine the legitimacy of transactions executed and authorised by the Cardholder nor does it take responsibility for them.

**7.13** The Bank reserves the right to suspend or cancel individual authorisations to execute transactions via the Card at anytime without giving a reason or to exclude certain types of payment transactions via the Card and to inform any third party, in particular places of business, financial institutions, or the organisation maintaining the database of unauthorised Cardholders or invalid Cards, of this decision. If legal regulations are breached, the Bank shall notify the competent state authority, if so obliged by law. The Bank usually notifies the Cardholder of such decision in writing in a suitable and at the same time demonstrable manner.

## **8. ARTICLE DELETED**

### **9. TRANSACTION SETTLEMENT, FEES**

#### **9.1 TRANSACTION SETTLEMENT**

**9.1.1** A transaction executed via the Card is settled on the account after being processed by the contractual bank of the place of business at which the Card was used or by the bank that operates the ATM. Settlement takes place within the time frames and with the effectiveness established by the applicable legal regulations.

**9.1.2** If the Card is issued in combination with an account in CZK and an account in a foreign currency, transactions authorised via the Card in CZK are debited from the account maintained in CZK and transactions authorised via the Card in foreign currency are debited from the account maintained in the foreign currency. If the Card is issued to two foreign currency accounts, a transaction authorised in CZK or the currency of the primary account is debited from the primary

account. Other foreign currency transactions are authorised and then debited from the secondary account.

**9.1.3** Transactions executed in the currency of the account are debited from the account at their nominal values. Transactions executed in a currency other than the currency of the account to which the Card was issued are converted and debited from the account using the reference exchange rate. If the currency of a transaction is not given in the Bank's list of exchange rates, the transaction is converted according to the rates of the MasterCard International or, as the case may be, Visa International association to EUR or, as the case may be, USD and the amount converted from the amount in EUR or USD is debited from the account. The Bank settles transactions using the reference exchange rate.

**9.1.4** Upon returning goods or in case of failure to render a service, the place of business does not return cash but issues a credit document of which the Cardholder will receive one certified copy. The Bank then credits the amount specified in the credit document to the owner's account. If the transaction is in a foreign currency, the Bank uses the current reference exchange rate. In the case of settling a credit transaction by a place of business for which that transaction is processed by its contractual bank, the Bank is not responsible for a different amount resulting from the time interval of settlement or due to an exchange rate difference.

**9.1.5** Cash or noncash payment transactions executed in a currency other than CZK are converted using the reference exchange rate. The decisive day for establishing the rate is the day of processing the given transaction.

**9.1.6** If a merchant offers the Holder dynamic currency conversion service, i.e. converting the transaction amount to a value in the Holder's domestic currency and the Holder agrees with it, this amount and currency are final and definitive for further processing and become the transaction currency. The amount of the international transaction will be debited from the owner's account in the CZK amount that the Holder confirmed in the sales document. By signing the document or entering the PIN, the Holder at the same time confirms that he/she was familiarised with and approves of the rate used, the potential fees and the final amount in the agreed currency, regardless of the merchant's domestic currency.

## **9.2 FEES**

**9.2.1** The Holder is obliged to pay to the Bank all fees connected with issuing and using the Card, i.e. for the issuance and maintenance of the Card, transaction fees for different types of transactions, fees for additional services, etc. The amounts and types of all fees (one-time, periodic or percentage rates) are stipulated in the current Price List, which is an integral part of the Contract.

**9.2.2** The fee for the Card is charged regardless of whether the Cardholder activated the Card and is actively using it. The annual fee is settled on the day of the Card's generation and is generally charged always on the anniversary of the Card's issuance throughout the duration of the contractual

relationship, regardless of whether the Holder uses the Card. In case of terminating the contractual relationship, the Bank returns to the Holder the aliquot part of the annual fee for the Card, for each calendar month not commenced remaining in the period of annual fee settlement. This condition does not apply to Cards issued to the accounts of entities not established in accordance with the Payment System Act.

**9.2.3** A transaction fee is settled separately, generally on the same day of settling the card transaction to which this fee applies. These fees can be divided according to whether the transaction is domestic or foreign and/or whether it is made via an ATM of the Bank or of another entity.

## **10. CLAIMS**

**10.1** The Cardholder has the right and obligation to claim errors in the settlement of cash and noncash transactions executed using the Card or in fees charged without undue delay after receiving the account statement or card transactions statement, but no later than 13 months from the date of a transaction's debiting from the account. The account owner is also entitled to claim errors in the settlement of transactions executed using a Card the Holder of which is an Authorised Person. If the account owner does not make a claim for errors in the stipulated period, it is presumed that he/she agrees with the imparted data.

**10.2** To file a claim, the Cardholder is obliged to submit all available documents supporting the claim proceeding (bills, receipts of cash settlement, etc.) and, on request, the Card. The Holder is obliged to keep all documents for every transaction he/she executes for purposes of a potential claim for a period of at least 13 months. If the Bank calls on him/her to submit further documentation related to the case or to share additional information related to his/her assertion, he/she is obliged to comply with the Bank's request no later than within 10 days after receiving the request. If the requested documents are not submitted on time, the Bank is entitled to suspend the claim proceeding. In such case, the Bank bears no responsibility for any damage.

**10.3** Within 10 working days from the day of commencing a claim proceeding, the Bank shall credit the appropriate funds back to the account or to the Card or shall take some other appropriate action if it finds the complaint to be justified. Otherwise, it will reject the Cardholder's claim and communicate the reasons for the rejection. The Bank shall notify the Cardholder in writing of the result of the claim without undue delay after the conclusion of the claim proceeding.

**10.4** The Cardholder may file a claim by telephone through the Client Line, if the Bank does not request the Cardholder to submit a document supporting the claim for administering the claim.

**10.5** The Cardholder acknowledges that the deadline for settling the claim via the Card depends on and corresponds to the deadlines stipulated by the rules for a claim proceeding of the international Visa International or MasterCard International association. The Cardholder undertakes to re-

spect these deadlines as well as their changes as carried out by the relevant card association.

**10.6.** If the Cardholder is not satisfied with the Bank's settlement of the filed claim, he/she is entitled to contact the financial arbiter of the Czech Republic in accordance with Act No. 229/2002 Coll., on the Financial Arbiter.

## **11. BREACH OF CONTRACT AND PENALTIES, TERMINATION OF A CONTRACTUAL RELATIONSHIP**

### **11.1 BREACH OF CONTRACT AND PENALTIES**

**11.1.1** The Bank is entitled to verify the manner in which the Card is used and to evaluate the Holder to whom the Card was issued, as well as other circumstances that could jeopardise repayment of any of its receivables from the Cardholder.

**11.1.2** The Cardholder has breached the Contract in particular if:

- a)** he/she does not pay the fees and the like that are charged;
- b)** he/she provides the Bank with false, distorted or incomplete information;
- c)** he/she commits fraud against the Bank;
- d)** an insolvency proceeding was initiated concerning him/her, he/she was approved for debt relief, his/her property was declared bankrupt, bankruptcy was annulled due to a lack of assets, liquidation was initiated, or a court or out-of-court execution of judgment was initiated.

**11.1.3** If the Cardholder breaches the provisions of the Contract or of these Business Terms and Conditions, the Bank is entitled to take the following actions, among others:

- a)** adjust the limit for cash withdrawal;
- b)** temporarily restrict or block use of the Card;
- c)** recover an amount receivable from the account owner;
- d)** transfer an amount receivable from the account owner to any third party;
- e)** enforce a contractual penalty for breach of these Business Terms and Conditions;
- f)** withdraw from the Contract.

### **11.2 TERMINATION OF THE CONTRACTUAL RELATIONSHIP**

**11.2.1** The Bank and/or the Cardholder are entitled to terminate the contractual relationship at anytime without stating a reason and always in written form. By terminating the contractual relationship, the Cardholder, or account owner, is then obliged to settle without undue delay all his/her obligations to the Bank.

**11.2.2** Should the Cardholder terminate the contractual relationship by notice, the notice period is one month. The Cardholder can terminate the contractual relationship in the form of an agreement, in which case the contractual relationship is terminated on the day agreed by the Bank and the Cardholder. The Cardholder is obliged to ensure the impairment of the Card by cutting it in two (though not through

the magnetic strip or chip). Along with the request for terminating the Contract, the Cardholder is obliged to deliver the Card to the Bank (including the identification cards for additional services, if provided to the Holder) by post or in person at one of the Bank's places of business. If the cards are not returned to the Bank, the Bank is entitled to debit from the Cardholder's account a fee for their non-return. The Bank is not responsible for possible damage resulting from misuse of non-returned cards, and the Cardholder is obliged to compensate the Bank for any such possible damage without undue delay.

**11.2.3** If the Bank withdraws from the contractual relationship, the notice period is 2 months. The Cardholder is obliged to return the Card to the Bank (including identification cards for additional services, if provided to the Holder) without undue delay, but no later than on the day following the day of the Contract's termination, by post or in person at one of the Bank's places of business. If the cards are not returned to the Bank, the Bank is entitled to debit from the account a fee for their non-return. The Bank is not responsible for possible damage resulting from misuse of non-returned cards, and the Cardholder is obliged to compensate the Bank for any such possible damage without undue delay.

**11.2.4** The account owner may cancel at anytime with immediate effect for any individual Holder the authorisation to use the Card, if one was issued to his/her account. The account owner and the Cardholder are jointly and severally responsible for returning the impaired Card to the Bank (including identification cards for additional services, if provided to the Holder). If the cards are not returned to the Bank, the Bank is entitled to charge the account owner a fee for their non-return. The Bank is not responsible for possible damage resulting from misuse of non-returned cards, and the account owner is obliged to compensate the Bank for any such possible damage without undue delay.

**11.2.5** If the Cardholder declines in writing the automatic issuance (automatic renewal) of a new Card for a new period of validity, the Contract terminates along with the end of the validity of the Card that is to be replaced. After the Contract's termination, the account owner is still obliged to ensure that there are sufficient funds available on the account to which the Card was issued for covering all payment transactions executed with the Card.

**11.2.6** Should the account owner terminate the account maintenance contract, or should the termination notice be considered a notice for the payment services contract, the validity of each Card issued to that account ends on the day of the account maintenance contract's termination or on the day of termination of the Bank's providing the payment services to the account, or an earlier day agreed upon by the account owner and the Bank. The account owner is obliged to inform the individual Holders of Cards issued to the account of the termination of the authorisation to continue using them and to ensure their return. The Holders are obliged to impair the Cards by cutting them in two (though not through the magnetic strip or chip). The validity of all Cards issued to the account terminates on the aforementioned

day, unless the Bank stipulates otherwise in justified cases. The account owner is obliged to deliver to the Bank all Cards issued to his/her account (including the identification cards for additional services, if provided to the Holder) by post or in person at one of the Bank's places of business. If the cards are not returned to the Bank, the Bank is entitled to charge the account owner a fee for their non-return. The Bank is not responsible for possible damage resulting from misuse of non-returned cards and the account owner is obliged to compensate the Bank for any such possible damage without undue delay.

**11.2.7** Should the Holder request to do so, the Bank may transfer the Card to another owner's account maintained by the Bank, but the transfer will be carried out only with the approval of the owner of the account to which the Card is to be transferred.

**11.2.8** Should the Bank terminate the contract on maintenance of a current account to which at least one Card was issued, the validity of each Card issued to this account ends on the day of the account maintenance contract's termination, or on an earlier date agreed upon by the account owner and the Bank. The account owner is obliged to inform the individual Holders of the Cards issued to the account of the termination of the authorisation to use the Cards and to ensure their return. The Cardholders are obliged to impair the Cards by cutting them in two (though not through the magnetic strip or chip). After receiving a termination notice, the account holder must return to the Bank all Cards issued to the account (including identification cards for additional services, if provided to the Holder) without undue delay, but no later than on the day following the day of the Contract's termination. If the cards are not returned to the Bank, it is entitled to charge the account owner a fee for their non-return. The Bank is not responsible for possible damage resulting from the misuse of non-returned cards and the account owner is obliged to compensate the Bank for any such possible damage without undue delay.

**11.2.9** Should the validity of the contract on maintenance of the account to which the Card was issued terminate, the account owner is obliged to ensure settlement all the Bank's receivables from the Holder arising from the issuance and use of the Card in the manner and to the extent stipulated by the Bank.

**11.2.10** Should the Bank credibly learn of the Cardholder's death, his/her Card will be blocked. In case of the account owner's death, all Cards issued to the account will be blocked. For individual Cardholders, the authorisation to transact with funds in the account via the Card resulting from the Application/Contract is terminated upon the account owner's death.

## **12. RESPONSIBILITIES OF THE BANK AND THE CARDHOLDER**

**12.1** The account owner, or Cardholder, is responsible for adhering to the Contract, General Terms and Conditions, these Business Terms and Conditions, and other related

contractual documents and is also responsible for the adherence to the Contract, General Terms and Conditions, these Business Terms and Conditions, and other related contractual documents by all Holders of Cards issued to his/her account.

**12.2** The client bears the loss from an unauthorised payment transaction up to the amount corresponding to EUR 150 if this loss was caused by the use of a lost or stolen Card or by the misuse of the Card in the case that the Cardholder failed to ensure the protection of its personalised security elements. The client bears this loss in full if it was caused by the Holder's fraudulent conduct or breach of some of his/her obligations, either intentionally or through gross negligence. The aforementioned does not apply if the loss occurred after the Bank was duly notified of the Card's loss, theft or misuse, except when fraudulent conduct was concerned. For converting EUR into CZK, the Bank uses the sell exchange rate on the day of the Card's blocking. The Cardholder is obliged to submit at the Bank's request a record of reporting the incident to the police. In such case, the account owner receives consideration in the amount of the transaction under claim and lost interest. This does not apply if the Bank took responsibility for the individual transaction, according to the text stated above.

**12.3** In case of misuse of the Card for which the PIN was used or in case the Cardholder demonstrably has acted fraudulently or contrary to contractual arrangements or generally binding legal regulations, the Cardholder is responsible for all transactions, damages and costs, even after reporting the Card's blocking.

**12.4** The Holder is responsible for damages arising from a breach of his/her obligation to keep the PIN and password secret.

**12.5** The Cardholder is aware of the explicit warning about the fact that when executing transactions via the Card without its physical presence (e.g. through the internet) he/she runs the risk of its misuse. The Bank is not responsible for any such misuse.

**12.6** The Bank is not responsible for any damages resulting from non-execution of requested transactions that was caused directly or indirectly by reasons beyond the Bank's control, in particular due to interruption of electricity supply, failure of a cash machine, denial of the Card even without giving a reason, strike, etc. Moreover, the Bank is not responsible for any damages incurred in connection with using an invalid Card or as a result of damage or seizure of the Card by the merchant.

**12.7** The Cardholder is responsible for the veracity of any information provided in the Application/Contract and undertakes to notify the Bank without undue delay of any substantial change in personal data and circumstances, such as permanent address and the like. The Cardholder is obliged to submit a copy of the relevant document certifying the change request. The change is effective from the day following the day upon which the document was delivered

to the Bank. If the Bank itself learns about changes in the Cardholder's personal data and circumstances, it is entitled to update this data. If the Bank incurs damage as a result of the Cardholder's providing false information, the Cardholder is obliged to compensate the Bank for the loss incurred.

**12.8** The Bank is responsible for errors and other discrepancies in the maintenance of the account to which the Card was issued, provided the Bank can be regarded as having originated the same.

### **13. ADDITIONAL SERVICES**

**13.1** The Cardholder is entitled to use optional additional services offered by the Bank for Cards as well as the services presented in the Bank's current offering. The Bank reserves the right to determine the type of Card for providing the optional additional service. The provided additional services may be an integral part of the advantages connected with the Card, and the Cardholder becomes the authorised user of these additional services without further approval.

**13.2** Additional services related to the Card are provided under the conditions established by the Bank and at the prices given in the valid Price List. The Cardholder who requests the additional service agrees that the Bank is entitled to provide his/her personal and other data (first and last names, birth number, identifier, validity of the Card and of the additional service) to a relevant third party for the purpose of implementing the additional service.

**13.3** Each programme of additional services is specified with its own conditions, which are presented to the Cardholder when arranging the additional service, and/or are available on the Bank's website, unless stipulated otherwise. The Cardholder acknowledges and approves of the content of the specific conditions.

### **14. FORMS OF MUTUAL COMMUNICATION**

**14.1** Communication through an employee of the Bank at the Bank's place of business, communication through a third party authorised by the Bank for that task, standard written mutual communication, or any other form of communication agreed with the Bank by contract is regarded as a legally relevant means of the Bank's dealing with the Cardholder.

**14.2** Unless expressly agreed otherwise, or unless results otherwise from the substance of the matter, the Cardholder is obliged to conduct written or personal dealings relating to the Card at the Bank's place of business that maintains his/her current account to which the Card is or is to be issued.

**14.3** The Cardholder is obliged to do the following exclusively in written form:

- a)** request issuance of the Card;
- b)** terminate the contractual relationship.

For written communications from the Cardholder, if the Bank is unable to secure standard verification of the Holder's identity at its place of business then it can carry out a verification of the Cardholder's identity in the following manner:

- a)** in person (including verification of identity by telephone);
- b)** by authorising a third party to perform this task.

The Bank accepts official verification (verification by a notary or municipal authority, etc.).

**14.4** If it is essential to do so, the Bank is entitled to use another available means of communication with the Cardholder (email, internet, fax, SMS message, or other alternative means of communication). If the Cardholder requests to communicate with the Bank by email, he/she acknowledges that such communication is not secured and the Bank is therefore not responsible for its misuse. If the Bank deems it necessary, it may limit or completely suspend the standard identification procedure for communication with the Cardholder or third party. The Bank is entitled, in justified cases, to communicate with another person other than the Cardholder.

**14.5** Telephone communication is regarded as a legally relevant means for the Bank's dealings with the Cardholder, and vice versa, if the Cardholder proves his/her identity in the pre-agreed manner and no doubt as to his/her identification arises on the part of the Bank. Moreover, the Holder agrees that a third party that produces the correct identification data of the Holder also is authorised to communicate with the Bank through the Client Line.

**14.6** The Bank provides telephone communication with the Cardholder through the services of operators or through a voice-activated computerised system. The Bank shall inform the Holder of the current telephone connection in a suitable manner.

**14.7** The Cardholder's identification data for telephone communication are in particular:

- a)** birth number, or a part of the Card's number;
  - b)** user number;
  - c)** security code;
  - d)** password indicated in the Application by the Cardholder;
- or
- e)** additional password for secondary identification in communicating with the Bank.

The Bank is not obliged to request the aforementioned identification data in executing active contact with the Holder, i.e. telephone contact on the part of the Bank.

**14.8** The Cardholder may authorise a third party for telephone communication with the Bank within a defined framework. The third party will be authorised to execute selected acts if he/she adheres to the standard method of identifying the Holder. These acts include especially the following:

- a)** activation of the card;
- b)** obtaining information on the state of an account and changing personal data;
- c)** blocking of the Card;
- d)** request for additional services defined by the Bank or their termination.

In case of such request, the Bank is entitled to carry out additional identification of the third party and, if need be, to reject the request if there exist in the Bank's opinion any doubts as to the third party's authorisation. The Bank is

obliged to inform the Cardholder of this fact by telephone without undue delay. The Bank can accept other requests for tasks not specifically stated in this article by telephone through its Client Line with a pre-agreed method of identification, unless stipulated otherwise.

**14.9** The Bank regards a telephone instruction as binding only if the Cardholder conveys all the requirements needed to execute the required instruction. Should any doubts arise during a telephone communication, the Bank is entitled to terminate the communication with the caller, i.e. the Holder or the third party, at any time. The Bank does not inquire into the authorisation of a caller. The Cardholder is responsible for all requests executed by the third party if this person produces the correct identification data of the Cardholder. In case the Cardholder cannot produce the standard identification data (due to forgetting the password, etc.), the Bank may conduct alternative identification of the Cardholder.

**14.10** The Cardholder, or third party authorised by the Cardholder, identifies himself/herself during mutual telephone communication at the direction and to the extent determined by the operator or according to the instructions of the voice-activated computerised system. The data needed for identification must be stated clearly, unambiguously, accurately, completely and without any corrections, so as not to cause any doubts.

**14.11** The Cardholder agrees that each of his/her telephone conversations with the Bank, or the third party's telephone conversations with the Bank, is recorded as part of providing the services to the Card.

**14.12** The Cardholder also agrees that the records of telephone conversations between him/her and the Bank, or the third party and the Bank, may be used to the extent determined by generally binding legal regulations as needed as evidence in any proceedings before courts or administrative, police or other authorities or when the Bank deems it necessary in order to protect its legitimate interests or the interests of the Cardholder. Use of the records of telephone conversations in accordance with this article shall not be regarded as a breach of banking secrecy pursuant to the relevant provision of Act No. 21/1992 Coll., on Banks, as amended, and related regulations.

**14.13** All changes in the contractual relationship made by oral agreement take effect on the day of their approval by the Bank's authorised representatives. The subsequent delivery of a written confirmation of their approval by the Bank to the address designated in the Contract for sending correspondence has a declaratory character only.

**14.14** The Cardholder shall deliver all documents intended for the Bank to the address of the Bank's registered office. Documents for the Cardholder are delivered to the Cardholder's address in accordance with the method and deadlines stated in the Bank's General Terms and Conditions or, as the case may be, these Business Terms and Conditions, unless agreed otherwise.

**14.15** The Bank also shall accept the Cardholder's requests by means of the direct banking channels. The Bank notifies the Cardholder of executing a change.

## **15. FINAL PROVISIONS**

**15.1** The Bank is entitled to periodically amend the Business Terms and Conditions. The method of amendment is governed by the provisions of the General Terms and Conditions in the part "Payment Services".

**15.2** The Bank is entitled to clarify provisions of these Business Terms and Conditions through the list of Parameters of Payment Card Services and in handbooks or other materials issued to Cards. The Cardholder must honour the additional rules issued in this manner.

**15.3** These Business Terms and Conditions take effect on 15 October 2010 and fully replace the previously valid Business Terms and Conditions from 1 November 2009.