

PRODUCT BUSINESS TERMS
AND CONDITIONS FOR
ISSUE OF CLIENT CHEQUE
FORMS AND WRITING OF
CHEQUES BY THE CLIENT OF
UNICREDIT BANK
CZECH REPUBLIC
AND SLOVAKIA, A.S.

Life is full of ups and downs.
We're there for both.

Welcome to
 **UniCredit Bank**

I. BASIC PROVISIONS

- 1.1** Under the conditions stipulated by legal regulations, the General Business Terms and Conditions of UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter referred to as the “General Business Terms and Conditions”), the Product Business Terms and Conditions for Accounts and Payment Services of UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter referred to as the “Product Terms and Conditions for Accounts”), and these Product Business Terms and Conditions for Issue of Client Cheque Forms and Writing of Cheques by the Client of UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter referred to as the “Product Terms and Conditions”), UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter referred to as the “Bank”) allows its Clients to transact with the funds on their current accounts maintained by the Bank in Czech and foreign currencies by means of so-called client cheques written by the Client on forms issued by the Bank, usually in so-called chequebooks.
- 1.2** The General Business Terms and Conditions, Product Business Terms and Conditions for Accounts, and these Product Terms and Conditions become binding for the Client upon submitting an application for issue of cheque forms and remain binding for the Client until the complete settlement of all mutual amounts receivable between the Bank and Client arising in connection with the issue of client cheque forms and writing of client cheques.
- 1.3** The Bank is entitled periodically to amend the Product Terms and Conditions or add new provisions thereto, in particular concerning the writing, presenting and paying of client cheques; the scope of changes to the Product Terms and Conditions; and the rules for implementing such changes. The Bank is entitled to amend the Product Terms and Conditions or to add new provisions thereto if a reasonable need for such changes or amendments arises, such as a need to change or newly and explicitly adjust certain rights and obligations of the parties in connection with a change in legal regulations, available technologies, a situation on financial markets, or the Bank’s business policy. The Bank will send the wording of the changes and amendments, or the complete wording of the amended Product Terms and Conditions, to the Client at least 2 months prior to the effective date of such amendment by any means agreed for communication between the Bank and Client under the relevant contractual relationship. If the Client does not agree with the proposed amendment to the Product Terms and Conditions, he or she is thereby entitled to terminate the respective contractual relationship by providing to the Bank written notice of termination that is effective as of the day immediately preceding the effective date of the proposed amendment, or, if the law establishes such right for the Client, with immediate effect. If the Client does not reject the Bank’s proposal, then the new wording of the Product Terms and Conditions becomes binding upon the concluded contractual relationship as a change in the originally agreed conditions of the contractual relationship, effective as from the date stated in the given amendment to the Product Terms and Conditions as the date upon which the new wording of the Product Terms and Conditions becomes valid.
- 1.4** In the case of a change or amendment to a framework contract according to the respective act, the provisions of paragraph 1.3 shall apply not only in case of a change or amendment to the Product Terms and Conditions but also in case of any other changes or amendments to the contractual provisions of such framework contract, with the exception of an agreement on interest and exchange rates, for which the Bank is entitled to amend the agreement between the parties on interest and exchange rates at any time and to do so unilaterally and without prior notice, provided such change is based on a change in reference interest or exchange rates.

1.5 Should the parties’ rights and obligations governed by the Product Terms and Conditions change as a direct result of a change in legal regulations that cannot be contractually circumvented, the provisions of paragraph 1.3 shall not apply. The Bank will inform the Client of any such change.

1.6 The Bank is entitled to more closely specify the provisions of the Product Terms and Conditions in handbooks and other materials issued in relation to client cheques. The Client is obliged to respect such issued rules.

II. CLIENT CHEQUES

2.1 A client cheque pursuant to these Product Terms and Conditions is considered to be a cheque written in accordance with the relevant provisions of Act No. 191/1950 Coll., on Bills of Exchange and Cheques, by the Client as the issuer on the Bank where the Client has funds receivable due to maintenance of a current account, if according to an agreement with the Bank the Client is entitled to transact with these funds receivable by cheque.

2.2 Client cheques may be written only on numbered or otherwise explicitly specified forms issued to the Client by the Bank, usually in a set of an agreed number of such forms (a so-called chequebook).

III. CONCLUSION OF A CONTRACT AND ISSUE, TAKE-OVER AND RETURN OF CHEQUE FORMS

3.1 The Bank will enable the Client, or a person authorised by the Client on the signature specimen, to transact with funds on his or her current account by means of client cheques on the basis of a contract, usually concluded upon accepting the Client’s written application for issue of cheque forms by the Bank (hereinafter also referred to as the “Contract on Client Cheques”). Issuing client cheque forms in accordance with the application may also constitute acceptance of the Client’s application by the Bank.

3.2 On the basis of a concluded Contract on Client Cheques, the Bank will issue to the Client against a written confirmation of acceptance cheque forms numbered or otherwise specified in the confirmation. Cheque forms are issued to a specific current account. Upon the issue of cheque forms, the Client or authorised person becomes entitled to transact with the funds on the account by means of client cheques written on the forms contained in the chequebook.

3.3 Issue of cheque forms is requested by the account owner, or, in the case of joint accounts, by all joint account owners together (hereinafter, according to context, individually or together referred to as the “Client”), on a properly completed and signed form of the Bank. The Bank also may accept a different written and duly signed request from the Client containing all data necessary for processing an application for issue of cheque forms by the Bank, and in particular statement of the Client’s precise name, business name and residence or registered office, the title and number of the Client’s account for which the cheque forms are to be issued, as well as any other information required by the Bank. The Client is responsible for the verity of the information stated in the request and is obliged to inform the Bank of any changes thereto.

3.4 The Bank may condition the issue of a chequebook on fulfilment of certain conditions. Such conditions may include, in particular, a minimum deposit amount, minimum average balance or minimum turnover on the Client’s account, demonstration of the Client’s creditworthiness and payment reliability, and the like.

3.5 There is no legal prerogative for the issue of cheque forms. The Bank is entitled to refuse to issue cheque forms on the basis of a Client’s application that it received even without providing a reason and to inform the Client of such decision.

- 3.6** The Client is obliged to take over the cheque forms in person in the period stipulated by the Bank. The cheque forms also may be issued to a person authorised by the Client for such purpose on the basis of a written power of attorney bearing an officially verified signature and content acceptable to the Bank. On the basis of the Client's written request, the Bank may send the cheque forms to the Client by registered mail with receipt of delivery. In such case, the Client bears the full risk related to loss, theft or possible misuse.
- 3.7** The Client is obliged to confirm take-over of the cheque forms in writing on the Bank's form.
- 3.8** If the Client does not collect the chequebook within 20 days from delivery of the Bank's notification on issue of cheque forms or for any reason declines to take over the issued cheque forms, the cheque forms will be destroyed. All costs connected to issuing and destroying the cheque forms will be charged to the account to which they were issued.
- 3.9** Unless indicated otherwise by the matter in question, the Product Terms and Conditions, or an agreement between the Bank and the Client, the Client is obliged to perform actions related to the client cheque forms in person or in writing and to address these to the Bank's branch maintaining the account to which the cheque forms were or are to be issued.
- 3.10** Cheque forms are the Bank's property for as long as they exist. The Client is obliged to return unused client cheque forms to the Bank no later than on the day of termination of the Contract on Client Cheques or on the day of termination of the account to which the cheque forms were issued.

IV. WRITING OF CLIENT CHEQUES

- 4.1** Either the Client – account owner or the person authorised by the Client on the account signature specimen to transact with the funds on the account may write a client cheque. The obligations ensuing for the Client from the Contract on Client Cheques, the Product Terms and Conditions, and the General Business Terms and Conditions also apply for the authorised person. The Client – account owner is obliged to ensure and is responsible for the authorised person's adherence to these obligations.
- 4.2** The Client, as the writer of a cheque, is responsible for the formal correctness of a written client cheque.
- 4.3** A client cheque may be written payable to a particular person (or to the order of that person) or to the bearer.
- 4.4** In writing a client cheque, the Client is obliged to fill in the following information in the client cheque form:
- name or business name, birth ID number or company ID number, and, if appropriate, the residence or registered office of the person or entity to which the client cheque was issued to be payable, unless it is a cheque written in bearer form;
 - a certain monetary amount expressed identically in numbers and words that is to be paid on the basis of the cheque;
 - date and place of writing the client cheque;
 - the Client's signature as the writer of the cheque.
- 4.5** The Client is not authorised to issue an incomplete client cheque (blank cheque).

V. PRESENTATION AND PAYMENT OF CLIENT CHEQUES

- 5.1** A client cheque is payable on sight. Any data to the contrary shall be ignored.

- 5.2** A client cheque written in the Czech Republic must be presented for payment within eight days of its being written. A client cheque written in another European state or coastal Mediterranean state must be presented for payment within 20 days from its being written. A client cheque written on another continent must be presented for payment within 70 days from its being written. The Bank is entitled to pay a client cheque presented after the stated periods unless it was withdrawn by the Client, and in particular if the Bank first verifies with the Client in the selected manner (usually by telephone) that the client cheque was not withdrawn prior to its being paid.
- 5.3** The Bank will pay out a client cheque by debiting the Client's account to which was issued the client cheque form presented for payment. If the Client's respective account contains insufficient available funds to pay the entire amount of the cheque, the Bank may decline payment in full. In such case, the Bank is also entitled, though not obliged, to pay the cheque and to debit the difference between the amount of the funds available and the amount of the Bank's receivable from the Client resulting from paying the client cheque from the Client's respective current account. The Client shall be obliged to settle the resulting debit immediately.
- 5.4** The Bank is not obliged to pay out a client cheque if it does not contain the necessary information as prescribed by law or required by the Bank or if the Bank has any doubt as to the authenticity of the client cheque or the entitlement of the person who presented the client cheque for payment to bear the client cheque. The Bank also is not obliged to pay out a client cheque if the person presenting the client cheque for payment declines to hand over the client cheque to the Bank or to have it marked with a confirmation of payment.
- 5.5** In case of any doubt, the Bank is entitled, though not obliged, to perform a so-called authorisation before paying out a client cheque presented for payment. In doing so, the Bank requests from the Client in the selected manner (usually by telephone) confirmation in writing regarding the client cheque and all information stated thereupon. If during authorisation the Client does not confirm in writing the client cheque presented to the Bank for payment, the Bank will not execute the payment. If for any reason the authorisation cannot be performed, the Bank is entitled to decline payment of the client cheque.
- 5.6** If according to the client cheque the payment is to be made to a legal entity, the Bank will pay out the cheque in person to any person who constitutes the statutory body of the respective legal entity or to any person authorised by the statutory body of the respective legal entity to accept the payment.
- 5.7** The Client is obliged to pay the Bank a fee for paying out client cheques as stipulated by the Tariff of Fees for Providing Banking Services of UniCredit Bank Czech Republic and Slovakia, a.s.

VI. TRANSACTING WITH CHEQUE FORMS AND SUSPENDING PAYMENT OF CHEQUES AT THE CLIENT'S REQUEST

- 6.1** The Client is obliged to protect the individual cheque forms from damage and destruction as well as from loss, theft and misuse.
- 6.2** In case of damage or destruction, the Bank will issue new cheque forms at the Client's request. When issuing new cheque forms, the Client is obliged to return the damaged cheque forms or to confirm to the Bank in writing that all unused cheque forms have been destroyed. An agreement on issuing new cheque forms must be concluded.
- 6.3** The Client is responsible for any damage incurred as a result of breaching the obligation under paragraph 6.1.

- 6.4** If circumstances suggest that the client cheque forms could be misused (e.g. in case of loss or theft), false client cheques could be issued or client cheques could be falsified, the Client is obliged immediately to inform the Bank of such circumstance, including information as to the number and numeric designations of the client cheques or forms for which there is a risk of misuse. The Bank will take measures within its capabilities to prevent the possibility for the client cheques to be misused. Such measures may include in particular the suspension of payments of client cheques whose numeric designations match those reported by the Client. If the numeric designations of cheques for which there is a risk of misuse are not known, the Bank will suspend payment of all cheques written by the Client, with the exception of client cheques the payment of which the Client expressly requests.
- 6.5** The Client is liable for damage incurred by the Bank due to a breach of the obligation to report to the Bank immediately any circumstances suggesting that misuse of client cheques could occur.
- 6.6** The Bank is not liable for any damage that the Client may incur due to misuse of client cheques or client cheque forms in case of their loss, theft, falsification, or the like. This does not affect the regulation concerning exclusion or limitation of the Bank's liability pursuant to the General Business Terms and Conditions.
- 6.7** In case of loss or destruction of a valid client cheque, the Bank will pay out the cheque only on the basis of a legally valid court ruling on redemption of the cheque. Prior to the issue of such ruling, the Bank can pay out the cheque only to an authorised person who produces a court decision on commencing redemption proceedings and provides adequate security.
- 6.8** On the basis of the Client's written request, the Bank will suspend payment of cheques at any time even without providing a reason.
- 6.9** The Bank is entitled to suspend payment of all or some client cheques at its own volition if it discovers circumstances suggesting that misuse of client cheque forms or falsification of client cheques could occur.
- 8.3** The Contract on Client Cheques may be terminated:
- by written notice;
 - by withdrawal from the contract;
 - upon lapse of the period stipulated in Article 3.8 of the Product Terms and Conditions, if the Client does not collect the issued cheque forms in the specified period;
 - upon termination of the contract on maintenance of the current account; or
 - upon termination of the chequebook or upon payment of or refusal to pay all validly written client cheques.
- 8.4** The Client is entitled to terminate the Contract on Client Cheques by providing a written termination notice and with immediate effect even without providing a reason. Along with the notice of termination, he or she is also obliged to deliver to the Bank all unused client cheque forms.
- 8.5** The Bank also is entitled to terminate the Contract on Client Cheques by providing a written termination notice and with immediate effect without providing a reason. The Client is obliged to return to the Bank all unused client cheque forms within the period stipulated by the Bank in the notice of termination.
- 8.6** Termination of the Contract on Client Cheques cancels the Client's right to write any additional client cheques for which the Bank is stated as the drawee.
- 8.7** After termination of the Contract on Client Cheques, the Bank, as the drawee, is entitled, though not obliged, to pay client cheques written by the Client prior to termination of the Contract on Client Cheques, provided the current account to which the client cheque was issued contains sufficient available funds to cover payment of a cheque and the financial obligations to the Bank that arise in connection with this transaction on the day upon which a client cheque is presented for payment.

VII. CERTAIN OTHER OBLIGATIONS IN CONNECTION WITH ISSUING CHEQUE FORMS

- 7.1** The Client is obliged to ensure fulfilment of the conditions stipulated by the Bank for issuing cheque forms and writing client cheques throughout the effectiveness of the Contract on Client Cheques.
- 7.2** The Client is obliged to ensure that the current account for which the cheque forms were issued always contains sufficient available funds to pay any client cheques written. Even after termination of the Contract on Client Cheques, the Client is obliged to continue to ensure that the current account for which the cheque forms were issued contains sufficient available funds to pay all client cheques written during the duration of the Contract.

VIII. TERMINATION OF THE CONTRACT ON CLIENT CHEQUES, TERMINATION OF AUTHORISATION TO USE CHEQUES

- 8.1** The Client's entitlement to use client cheques terminates upon termination of the validity of the Contract on Client Cheques. The Client is obliged to return the unused client cheque forms to the Bank without undue delay.
- 8.2** The Contract on Client Cheques automatically terminates upon termination of the contract on maintenance of the current account for which the cheque forms were issued.

IX. FINAL PROVISIONS

- 9.1** The Product Terms and Conditions are valid from 1 January 2014.
- 9.2** The Product Terms and Conditions cancel and replace the Business Terms and Conditions for Issue of Client Cheque Forms and Writing of Cheques by the Client of UniCredit Bank Czech Republic, a.s., valid since 5 November 2007.